

Financial Report 2024/2025



TABLE OF CONTENTS

FINANCIAL STATEMENTS 2024/2025

Balance sheet as at 31.07.2025	2
Operating statement 2024/2025	3
Cash flow diagram 2024/2025	4
Cash flow statement as at 31.07.2025	5
Statement of changes in fund capital 2024/2025	6
Notes to financial report 2024/2025	8
Performance Report as at 31.07.2025	17
Report of the statutory auditors	

BALANCE SHEET

amount in CHF

ASSETS	Appendix	31.07.2025	31.07.2024
Liquidity	1	1'424'267	1'638'854
Securities (Raiffeisen Co-operative)		200	200
Receivables	2	474'238	200'279
Inventory Madagascar	3	496'177	551'519
Other assets	4	1'723'787	1'559'082
Total current assets		4'118'669	3'949'935
Financial assets		19'883	37'674
Furniture and equipment		152'078	30'897
Property		266'945	283'002
Total fixed assets	5	438'906	351'573
ASSETS		4'557'577	4'301'508
LIABILITIES			
Current liabilities	6	114'353	-
Accruals	7	832'454	590'348
Short term third party liabilities		946'807	590'348
Mortgage loans	8	100'000	100'000
Long term third party liabilities		100'000	100'000
THIRD PARTY LIABILITIES		1'046'807	690'348
Specific purpose Funds		204'344	190'198
Total Fund capital	9	204'344	190'198
Accumulated unallocated capital		2'997'708	2'799'579
Allocated capital		-	300'000
Unallocated liquidity reserves		700'000	700'000
Currency conversion		-299'028	-276'746
Annual result (+ surplus, - deficit)		-92'254	-101'871
Total own capital	10	3'306'426	3'420'962
LIABILITIES		4'557'577	4'301'508

Conversion rate: 1000 Ariary 2024/2025 = CHF 0.19685; 2024 = CHF 0.20814; 2023 = CHF 0.20996; 2022 = CHF 0.23787

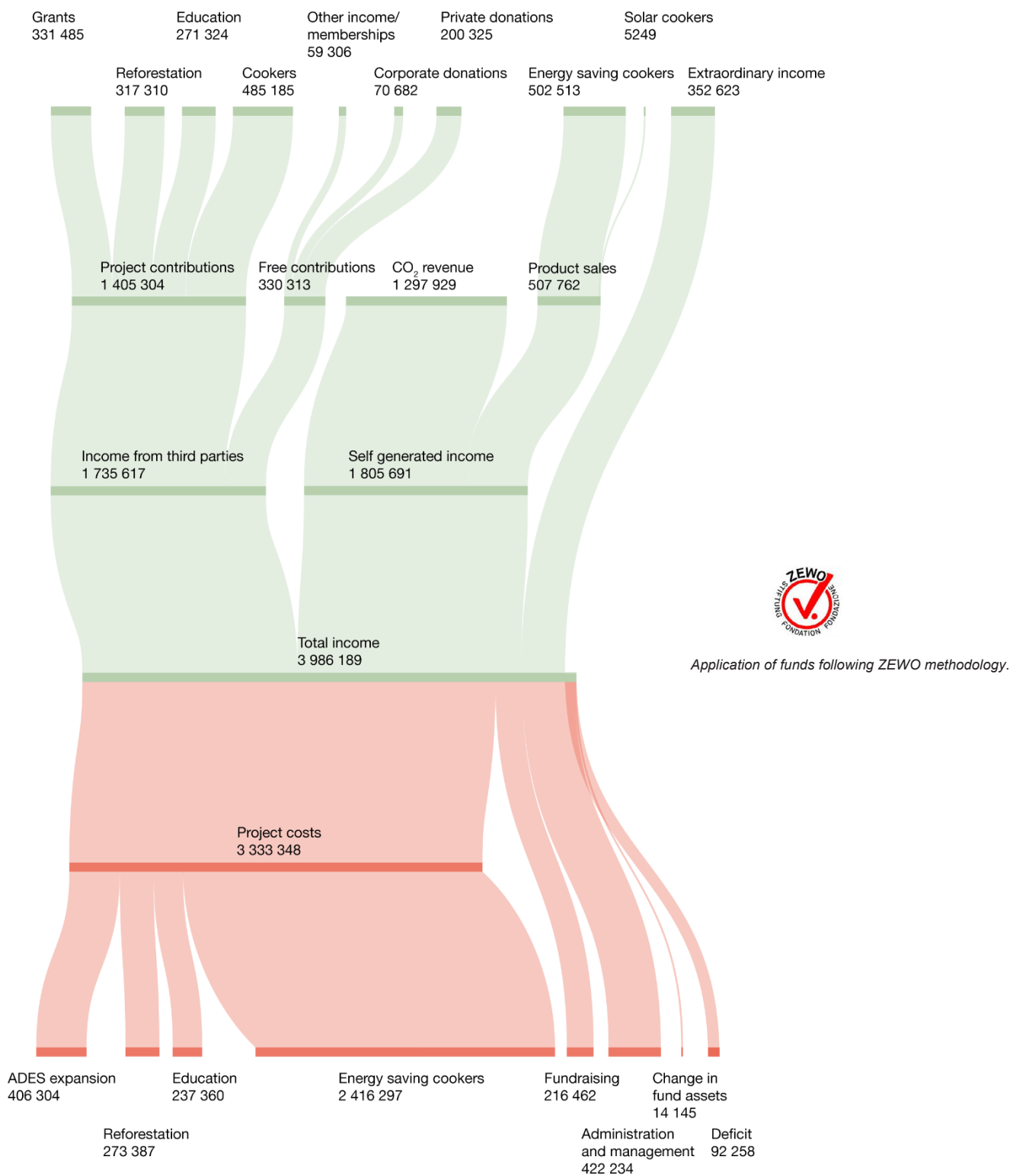
Conversion rate: 1 CHF 2024/2025 = MGA 5080; 2024 = MGA 4'804; 2023 = MGA 4'763; 2022 = MGA 4'204

INCOME STATEMENT

amount in CHF

INCOME	Appendix	2024/2025	31.07.2024 (7 months)
Sales of solar cookers	11	5'249	1'147
Sales of improved cookstoves	11	393'835	188'334
Other income	12	109'985	22'984
Income reduction (free items and promotions)		-1'307	-1'048
Income Madagascar		507'762	211'416
Free donations		271'008	139'629
Specific purpose donations	13	1'405'304	578'481
CO2 contributions		1'297'929	1'312'500
Membership dues and sponsorship		4'700	3'600
Other income		4'091	360
Income Switzerland		2'983'031	2'034'570
Change in product inventory		50'515	388'650
Operating income		3'541'308	2'634'635
EXPENSE			
Project expense	14	516'090	209'282
Materials	15	619'293	376'274
Personnel	16	1'887'762	1'041'280
Other operating expense	17	895'796	538'468
Depreciation and amortisation	18	53'100	282'757
Operating expense		3'972'041	2'448'061
Operating result		-430'733	186'575
Financial result (interest, bank charges and foreign exchange translation)		-16'682	2'477
Extraordinary income (+) and expense (-)			
Direct tax	19	-2'602	-9'479
CO ₂ contributions previous years	19	638'693	-
Allowance for finished goods / accruals	19	-266'786	-268'034
Result before changes in Funds		-78'109	-88'462
Fund additions		-1'405'304	-578'481
Fund outgoings		1'391'159	565'071
Net change in Fund capital	20	-14'145	-13'410
Annual result (before change in capital)	21	-92'254	-101'871
Withdrawals from capital		-22'282	-3'254
Allocation to accumulated free capital		114'537	105'125
Total allocation		92'254	101'871
		-	-

Source and use of funds



ADES makes every effort to demonstrate in a transparent and comprehensible manner the source of funds (income in green in the top half) and the funds usage (expense in red in the bottom half).

Cash flow statement

	from to	01.08.2024 31.07.2025	01.01.2024 31.07.2024
Result for the year		-92'254	-101'871
Depreciation of property, plant and equipment		53'100	282'757
Decrease (+) / increase (-) in receivables		-273'959	39'011
Decrease (+) / increase (-) in inventories		55'342	-160'845
Decrease (+) / increase (-) in prepaid expenses and accrued income		-164'705	394'541
Increase (+) / decrease (-) in current liabilities		114'353	-81'303
Increase (+) / decrease (-) in accrued expenses and deferred income		242'106	-124
Cash flow from operating activities		-66'017	372'166
Cash flow from investing activities			
Investments in property, plant and equipment		-139'317	-146'024
Divestments of property, plant and equipment / Translation differences		-1'118	-
Cash flow from investing activities		-140'434	-146'024
Cash flow from financing activities			
Increase (+) / decrease (-) in fund capital		14'146	13'409
Increase (+) / decrease (-) in mortgages		-	-
Cash flow from financing activities		14'146	13'409
Postings after balance sheet date 31.07.2024		-	-
Translation differences		-22'282	-3'254
NET CHANGE IN CASH AND CASH EQUIVALENTS		-214'587	236'298
Statement of cash and cash equivalents			
Cash and cash equivalents as of January 1 and August 1 respectively		1'639'054	1'402'757
Cash and cash equivalents as of July 31		1'424'467	1'639'054
Change in cash and cash equivalents		-214'587	236'298

Statement of changes in capital

Fund capital

	Opening balance 1.8.24	Allocations	Internal transfers	Appropriation from funds (1)	Allocation financial result	Total change	Balance at 31.07.2025
31.07.2025							
Fund Modular institutional kitchens/school canteens	10'000	94'454	-	89'454	-	5'000	15'000
Fund Environmental Education / School Program	-	73'497	-	39'533	-	33'964	33'964
Fund Improved cookstoves	-	380'885	-	380'885	-	-	-
Fund Empowerment	5'000	103'373	-	108'373	-	-5'000	-
Fund Reforestation	45'000	317'310	-	262'310	-	55'000	100'000
Fund ADES Expansion	130'198	331'485	-	406'304	-	-74'819	55'379
Fund Givaudan	-	104'300	-	104'300	-	-	-
Fund Miscellaneous	-	-	-	-	-	-	-
Specific purpose Funds	190'198	1'405'304	-	1'391'159	-	14'145	204'343

	Opening balance 1.1.24	Allocations	Internal transfers	Appropriation from funds (1)	Allocation financial result	Total change	Balance at 31.07.2024
31.07.2024							
Fund Modular institutional kitchens/school canteens	-	10'000	-	-	-	10'000	10'000
Fund Environmental Education / School Program	-	29'000	-	29'000	-	-	-
Fund Improved cookstoves	-	283'500	-	283'500	-	-	-
Fund Empowerment	60'000	15'000	-	70'000	-	-55'000	5'000
Fund Reforestation	-	93'000	-	48'000	-	45'000	45'000
Fund ADES Expansion	116'789	89'881	-	76'471	-	13'410	130'198
Fund Givaudan	-	55'100	-	55'100	-	-	-
Fund Miscellaneous	-	3'000	-	3'000	-	-	-
Specific purpose Funds	176'789	578'481	-	565'071	-	13'410	190'198

(1) When earmarked revenues were not sufficient to fund the projects listed above, the funding gaps for these projects were covered with unrestricted donations and CO2 contributions.

Statement of changes in capital

Organizational capital

	Opening balance 1.8.24	Allocations	Internal transfers	Appropriation from funds (1)	Allocation financial result	Total change	Balance at 31.07.25
31.07.2025							
Free capital generated	2'697'708	207'746		-	-	207'746	2'905'454
Committed capital:							
- Property insurance reserve	300'000	-300'000	-	-	-	-300'000	-
Free reserves	700'000	-	-	-	-	-	700'000
Currency translation (2)	-276'746	-	-	22'282	-	-22'282	-299'028
Organizational capital	3'420'962	-92'254	-	22'282	-	-114'537	3'306'426

	Opening balance 1.1.24	Allocations	Internal transfers	Appropriation from funds (1)	Allocation financial result	Total change	Balance at 31.07.24
31.07.2024							
Free capital generated	2'799'579	-101'871		-	-	-101'871	2'697'708
Committed capital:							
- Property insurance reserve	300'000	-	-	-	-	-	300'000
Free reserves	700'000	-	-	-	-	-	700'000
Currency translation (2)	-273'492	-	-	3'254	-	-3'254	-276'746
Organizational capital	3'526'088	-101'871	-	3'254	-	-105'125	3'420'962

(2) Previous year's organizational capital in Madagascar of MGA 1'974'627'596 at previous year's exchange rate (4'804)
= CHF 411'005. At current year rate (5'080) = CHF 388'723
Difference CHF -22'282

Notes to the financial statements 2024/2025

Accounting principles

ADES's accounting is based on Swiss GAAP FER (Core FER and FER 21) and complies with the Swiss Code of Obligations, the guidelines of the ZEWO Foundation, and the provisions of the Articles of Association, and provides a true and fair view of the financial position, results of operations, and cash flows.

The annual financial statements consist of the balance sheet, income statement, cash flow statement, statement of changes in equity, notes, and performance report. The notes provide detailed information on significant items in the balance sheet and income statement. The performance report describes the purpose of the organization, its governing bodies and their terms of office, the person responsible for management, and the services provided.

As of July 31, 2024, shortened financial statements covering seven months were prepared. The decision by the Board of Directors and Executive Board to change the financial year from the calendar year to the school cycle in Madagascar meant that the financial year now begins on August 1 and ends on July 31 of the following year. As of July 31, 2025, complete financial statements covering twelve months in the new fiscal year will be available for the first time. However, comparability with the previous year is limited, as it only covered a seven-month accounting period. From the 2025/26 fiscal year onwards, a regular annual comparison will again be possible and meaningful.

Since August 1, 2024, ADES Switzerland and ADES Madagascar have been working with the Odoo ERP system, the introduction of which we carefully prepared for over a year. The system was successfully put into operation just in time for the new fiscal year.

All financial accounting, including payroll accounting and mission management, has since been carried out in Odoo. This has led to significantly greater transparency in our processes and improved opportunities for setting control points. This has also enabled discrepancies to be identified and processes to be further optimized.

The next step is to integrate materials management and production into Odoo in order to make the system landscape even more comprehensive and efficient.

Scope of consolidation

ADES Switzerland has no subsidiaries or partner institutions over which it exercises a controlling influence or could exercise such influence on the basis of joint control and management.

The "Direction Nationale" of ADES Madagascar is not a separate legal entity, but part of ADES Switzerland.

ADES has been registered as an association in the commercial register since November 2019.

Accounting and valuation principles

The annual financial statements are generally prepared in accordance with the acquisition or production cost principle. This is based on the principle of individual valuation of assets and liabilities. The most important accounting principles are outlined below.

Accounting in Switzerland is conducted in Swiss francs, with balance sheet items in foreign currencies (except the Malagasy ariary) converted at the closing exchange rates on the balance sheet date.

Accounting in Madagascar is conducted in Malagasy ariary (MGA) and converted into Swiss francs at the weighted exchange rate of the transferred amounts when consolidated with the Swiss accounts.

	<u>31.07.2025</u>	<u>31.07.2024</u>
EUR	0.9397	0.9524
USD	0.8124	0.8802
 MGA (weighted average)	 5,080	 4,804

Assets

Cash and securities

These items comprise cash on hand, postal and bank balances in Swiss francs and foreign currencies. They are valued at nominal value. Transactions in foreign currencies are converted at the respective daily exchange rate. Exchange rate gains and losses are recognized gross in the income statement.

Receivables

This item includes receivables from the sale of ADES products in Madagascar and recoverable withholding taxes. These are valued at nominal value. Individual value adjustments are made for receivables at risk.

Inventories

Finished and semi-finished products in stock on the balance sheet date, as well as materials for the production of solar and energy-saving cookers that represent a certain value, are reported as inventories. Inventories are reported at acquisition cost, production cost, or the lowest realizable sales value, taking into account an appropriate individual value adjustment. Impairment losses are charged to the period result.

Small items are not capitalized.

Prepaid expenses

Accrued income is used to allocate business transactions that span multiple periods (expenses paid in advance, income not yet received) to the correct accounting period. These items are measured at their nominal value, less any necessary value adjustments.

Property, plant, and equipment

Mobile property, plant, and equipment are carried at cost, less any depreciation required for business purposes. Depreciation is calculated on a straight-line basis from the acquisition cost over the estimated useful life.

The useful lives applied are as follows:

Machinery & equipment:	5 years
Furniture/fixtures/IT:	3 years
Vehicles:	3 years
Buildings:	10 years

Financial assets

ADES has a claim against our production partner Bionerr, triggered by a fire at the production facility. The loan of CHF 50,600 (MGA 241,000,000) was granted at the beginning of 2023. The repayment agreement provides for staggered repayments: The first repayment tranche of CHF 6,299 (MGA 30,000,000) was received at the end of 2023. The second repayment tranche of CHF 6,244 (MGA 30,000,000) was received at the end of July 2024. In the 2024/25 financial year, CHF 15,749 (MGA 80,000,000) was repaid. This means that as of July 31, 2025, MGA 101,000,000 is still outstanding, representing 42% of the original loan.

Liabilities

Current liabilities

These are liabilities to suppliers, service providers, social security institutions, and other government agencies (withholding tax), as well as other current liabilities. Liabilities due within the next 12 months are considered current. They are valued at their nominal value.

Accrued expenses and short-term provisions

Accrued expenses are used to allocate business transactions that span multiple periods (expenses not yet paid, income received in advance) to the correct business period. They are valued at their nominal value.

Long-term debt

These are liabilities to banks that fall due one year after the balance sheet date or later. They are valued at nominal value.

Earmarked fund capital

Earmarked fund capital consists of project-related donations. The fund resources are used in accordance with their intended purpose. Management is obliged to ensure compliance with the purpose of the fund.

Organizational capital/reserves

The organizational capital consists of the cumulative annual results since the association was founded, without any restrictions on disposal by third parties. There is no start-up or founding capital.

In order to be able to fulfill the association's mission despite an uncertain and irregular inflow of funds, the association strives to have organizational capital (free capital and reserves) that corresponds to at least half and at most one and a half times of annual expenses.

Principles of the operating statement

The operating statement is prepared according to the gross principle. This means that expenses and income are consistently separated. The operating statement is presented according to the total cost method.

The method used to calculate administrative expenses, fundraising, and general advertising expenses is based on the guidelines of the Zewo Foundation's "Methodology for Calculating Administrative Expenses," which was published in January 2018.

Cash flow statement

The cash flow statement shows the change in the organization's cash and cash equivalents due to cash inflows and outflows from operating, investing, and financing activities during the reporting period. The cash flow statement is prepared using the indirect method and is based on Swiss GAAP FER 21 in terms of the level of detail in the disclosure.

Statement of changes in equity

The statement of changes in equity presents the balances and changes in the items of fund capital and organizational capital on a gross basis. The purpose of the fund capital items is stated and explained in the notes where necessary.

Further information

Remuneration of the executive bodies

The members of the ADES Executive Board perform their duties on a voluntary basis. Only proven actual expenses are reimbursed. In the reporting year, CHF 585 (previous year: CHF 379) was paid out. The advisory committee in Madagascar also performs its duties free of charge.

Remuneration of management

The remuneration of the management is not disclosed, as only one person is entrusted with the management of the company.

Unpaid services

In the reporting year, unpaid services totaling 2,051 hours (previous year: 96.5 hours) were provided.

Contributions in kind

In the reporting year, benefits in kind worth CHF 3,420 were donated (previous year: CHF 1,192).

Events after the balance sheet date

There are no known events after the balance sheet date that could have a material impact on the 2024/2025 financial statements.

Notes to individual items in the balance sheet

	<u>31.07.2025</u>	<u>31.07.2024</u>
<u>1 Cash</u>		
Cash	14,000	18,825
Bank, post office	1,410,267	1,620,029
Cash and cash equivalents	1,424,267	1,638,854

2 Trade accounts receivable

Since the deductible input tax from material deliveries is higher than the VAT owed on sales, a VAT liability results in a claim against the government.

Receivables from third parties	100	0
Receivable from Madagascar (value-added tax, accounts receivable)	451,641	195,660
Investment subsidy for machinery (payment for machinery in Madagascar)	21,745	0
Other receivables (withholding tax)	752	4,620
Trade receivables	474,238	200,279

3 Inventories Madagascar

Raw materials	324,405	394,603
Finished goods	783,676	602,905
Value adjustments	-611,904	-536,739
Inventories Madagascar	496,177	551,519

4 Prepaid expenses

Outstanding payment for CO ₂ certificates 2022 (1)	225,500	225,500
Outstanding payment for CO ₂ certificates 2022 (2)	638,693	0
Outstanding payment for CO ₂ certificates 2023 (3)	842,211	1,312,500
Other deferred income	17,383	21,082
Prepaid expenses	1,723,787	1,559,082

- 1) The final statement for Vintage 2022 is expected in December 2025. This means that the cash flow for the first accrual from the previous year is still open.
- 2) According to myclimate's statement, there is a new accrual for Vintage 2022 of CHF 638,693. As this income cannot be allocated to the current reporting period, it has been recorded as extraordinary income.
- 3) The accrual for the outstanding payment for Vintage 2023. The final payment will be made in December 2025. This income has been allocated to the 2024/25 financial year.

5 Fixed assets

The reported net fixed assets reflect the real estate (office space, storage space), parking lot, structural facilities, furniture, and IT hardware of the offices in Switzerland and Madagascar.

Tangible assets

July 31, 2025	Machinery, Equipment	furniture, Office machinery, IT	Vehicles	Land Buildings & Facilities	Financial facilities	Total Equipment facilities
Net book values 1.8.24	0	30,897	0	283,002	37,674	351,573
<u>Acquisition costs</u>						
Balance August 1, 2024	445,953	676,802	633,072	1,422,948	37,674	3,216,448
Additions	73,910	70,692	5,076	8,637		158,315
Disposals					-15,749	-15,749
Balance July 31, 2025	519,863	747,494	638,148	1,431,585	21,925	3,359,014
<u>Accumulated depreciation</u>						
Balance August 1, 2024	445,953	645,905	633,072	1,139,946	0	2,864,875
Depreciation	4,332	22,452	1,532	24,783	2,042	55,142
Disposals						
Balance July 31, 2025	450,468	668,354	634,604	1,164,639	2,042	2,920,107
Net book values 31.7.25	69,395	79,140	3,544	266,945	19,883	438,906
July 31, 2024	Machinery, Equipment	furniture, Office machinery, IT	Vehicles	Land Buildings & Facilities	Financial facilities	Total Equipment facilities
Net book values 1.1.24	13,417	85,501	12,914	332,173	44,301	488,306
<u>Acquisition costs</u>						
Balance Jan 1, 2024	425,765	557,417	625,333	1,416,492	44,301	3,069,307
Additions	20,188	119,385	7,739	6,456		153,768
Disposals					-6,627	-6,627
Balance July 31, 2024	445,953	676,802	633,072	1,422,948	37,674	3,216,448
<u>Accumulated depreciation</u>						
Balance Jan 1, 2024	412,348	471,916	612,419	1,084,319	0	2,581,001
Depreciation	33,605	173,989	20,653	55,627	0	72,627
Disposals						
Balance July 31, 2024	445,953	645,905	633,072	1,139,946	0	2,581,001
Net book values 07/31/24	0	30,897	0	283,002	37,674	351,573

31.07.2025 31.07.2024

6 Liabilities

Accounts payable Madagascar	15,175	0
Accounts payable Switzerland	99,178	0
Liabilities	114,353	0

7 Accrued expenses and short-term provisions

RST Madagascar 2024/2025 & 2023 (see No. 18)	653,538	535,627
Liability Madagascar (input tax on sales)	72,011	0
Holiday and overtime for employees in Switzerland	26,030	3,359
Verification costs SustainCert & Myclimate	75,000	51,362
Other accruals (withholding tax SUI, telephone, etc.)	5,875	0
Accrued expenses	832,454	590,348

8 Mortgages

<u>Encumbered assets</u>	<u>July 31, 2025</u>	<u>Dec. 31, 2024</u>	<u>Amortization</u>
Property at Im Grindel 6, Mettmenstetten	100,000	100,000	0

There is a fixed-rate mortgage on the business premises:

CHF 100,000 at 2.45% Term until June 30, 2026

➔ The fixed-rate mortgage was extended for two years at an interest rate of 2.45%.

9 Earmarked funds

The various earmarked funds consist of donations made by donors for a specific project or a precisely defined purpose.

The "Statement of changes in capital" provides detailed information on the composition and changes in the earmarked funds.

10 Organizational capital

The organizational capital is available for projects and programs in Madagascar and to ensure business operations in Switzerland.

The Board of Directors may allocate free funds from the organizational capital (retained earnings) to earmarked reserves. Withdrawals are made to the extent that the purpose is fulfilled or when the need for separate disclosure ceases to exist. Withdrawals from the dissolution of reserve positions are made in accordance with the decision of the Board of Directors.

As insurance companies in Madagascar are reluctant to pay compensation for property damage, the Executive Board has decided to cancel the vehicle and building insurance and to set up a "property insurance" reserve to cover vehicle and building damage. See "Statement of changes in capital." In order to ensure liquidity, this earmarked reserve was dissolved and allocated to free capital.

Notes to individual items in the operating statement

	<u>2024/2025</u>	<u>July 31, 2024</u>
<u>11 Sales volume / income Madagascar</u>		
Sales volume		
Solar cookers and parabolic cookers	409	73
Improved cookstoves	103,060	50,594
<u>12 Other income</u>		
CEPF project contribution (Madagascar)	72,907	0
Project contribution PAM (Madagascar)	27,643	0
Miscellaneous other income (Madagascar)	9,435	22,984
Other income	109,985	22,984

13 Earmarked donations & grants

The "Statement of changes in capital" provides detailed information on the composition and changes in earmarked donations.

14 Project expenses

These are special projects that are only loosely related to the production and distribution of solar cookers and improved cookstoves, such as environmental and adult education, reforestation, and product development, such as cookers for institutional kitchens, etc.

In the reporting year, investments were made in the areas of reforestation (53%), institutional kitchens (13%), environmental education and empowerment (26%), and special projects (9%).

15 Material costs

Purchase of materials	561,412	411,108
Changes in inventories Material inventory	-28,307	-43,606
Other material costs and purchasing expenses	86,188	8,772
Cost of materials	619,293	376,274

Around 109,000 cookers were produced in the reporting year. However, the sales target of 130,000 units was not achieved, which meant that it was necessary to increase stocks of finished products. This resulted in a change in inventory of CHF 50,515.

At the same time, the material inventory increased by CHF 28,307. The purchase of materials for 3,780 metal stoves for LeMadio incurred costs of CHF 86,188. Sales of the LeMadio stove were moderately good. In addition, we had to reduce the sales prices by approximately 40%.

16 Personnel expenses

Salaries Madagascar	765,100	430,035
Salaries Switzerland	734,140	391,920
Social security contributions Madagascar & Switzerland	252,200	122,393
Other personnel expenses	136,322	96,932
Total personnel expenses	1,887,762	1,041,280

The 13th month's salary is now paid in two installments in both Switzerland and Madagascar – the first installment at the end of July and the second at the end of December; salary adjustments continue to be made on January 1. There were no personnel changes in Switzerland during the reporting year.

The number of employees in Madagascar declined by around 17% during the reporting period. In addition to natural fluctuation, this is attributable to the reduction in external contract workers (from 22 to 14). There were also isolated personnel adjustments as a result of violations of internal guidelines. Headcount in Madagascar: July 31, 2025: 245 (previous year: July 31, 2024: 287; 2023: 267; 2022: 250; 2021: 229). Wage costs were within budget and fell by around 8% compared with the previous year.

	<u>2024/2025</u>	<u>July 31, 2024</u>
<u>17 Other operating expenses</u>		
Expense on premises (i)	121,003	64,228
Maintenance and repairs (ii)	9,225	3,663
Vehicle and transport expenses (iii)	258,650	144,106
Insurance and energy (iv)	26,429	18,407
Administrative expenses and IT (v)	323,553	241,689
Fundraising expenses (vi)	51,913	61,953
Other operating expenses (workshop materials, CO ₂ , LNOB) (vii)	105,023	4,422
Other operating expenses	895,796	538,468

- (i) Higher rental costs in Madagascar due to the leasing of storage space and the relocation of showrooms in Fianarantsoa and Tamatave
- (ii) -
- (iii) Thanks to optimizations, vehicle and transport expenses were slightly below budget.
- (iv) -
- (v) Travel and transport costs for employees are approximately 45% below budget and the previous year thanks to new cost controls. Several training courses for the new ERP system took place in the previous year.
- (vi) Print, TV, radio, PR expenses
- (vii) Provision for CO₂ certification (CHF 50,000).

18 Depreciation

Depreciation, see point 5.

19 Value adjustment on finished products / taxes / accruals

As described in the section "Accounting and valuation principles => Assets => Inventories," inventories are reviewed to determine whether the carrying amount exceeds the recoverable amount. If there is an impairment, the carrying amount is reduced to the recoverable amount, with the impairment being charged to the period result.

	<u>2024/2025</u>	<u>July 31, 2024</u>
Value adjustment on inventory	-266,786	-268,034
Tax	-	-9,479
Accrued CO ₂ contributions from previous years (vintage 2022)*	638,693	0
Extraordinary expenses (-) and income (+)	369,305	-

*see point 4: Prepaid expenses

20 Change in restricted funds

A detailed breakdown of changes in earmarked donations can be found in the "Statement of changes in capital."

21 Annual result

The deficit for the reporting year amounts to CHF 92,254 and will be charged to the earned free capital.

Performance Report 2024/2025

The *Association pour le Développement de l'Energie Solaire (ADES)* is a non-profit association based in Mettmenstetten (Switzerland). ADES operates exclusively in Madagascar as a non-governmental organization (NGO) and is recognized by the Madagascar state (accord de siège). In Madagascar, ADES maintains eight centers, eight branches, and three ADES Mobile units spread across the country. These are managed by the "Direction National" in Madagascar.

The organs of the association are:

- the general meeting
- the Executive Board
- the administrative office
- the "Direction National" in Madagascar
- the Audit Committee

Executive Board

The Executive Board ensures that the association's goals and purpose are upheld. The president is elected by the general meeting; otherwise, the Executive Board is self-constituting.

The term of office of the Executive Board is four years, and re-election is possible.

President Herbert Blaser, Adliswil (2017)

Vice President Paul Rota, Wädenswil (2014)

Members Walter Scherrer, Basel (2010)

David Blumer, Villnachern (2017)

Peter Glassen, Bern (2019)

Sabine Focke, Zurich (2021)

Urs Guggisberg (2024)

() Election to the Executive Board.

Office

Management Luc Estapé, Mettmenstetten

Auditor

Effida Treuhand und Revisionen AG, Salzmattstrasse 4, 5507 Mellingen

Purpose

The association aims to promote energy-efficient cooking methods and opportunities for using solar energy and/or renewable energies in Madagascar. In doing so, the association aims to preserve habitats, reduce the deforestation of valuable forests, combat poverty, and protect the environment. The association undertakes these activities in close cooperation with other organizations that are committed to the above-mentioned goals.

The association does not pursue any commercial purposes and does not seek to make a profit.

Services provided by ADES

For detailed information on the work carried out and key figures for the reporting year, please refer to the 2024/25 annual report and the Switzerland bulletins (DE, FR, EN) and Madagascar bulletins (FR, MG) published during the year. All published reports can be obtained free of charge online at <https://ades-solaire.org/uber-uns/mediathek> or from the ADES secretariat.

ADES' activities have various positive effects on people and nature in Madagascar. They help to preserve livelihoods and biodiversity. With secure jobs and a commitment to less developed regions, ADES contributes to the fight against poverty and rural exodus. Thanks to the reduction of pollutant emissions, ADES also protects the climate.

The following table shows the development of units sold in recent years:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>31.7.2024</u>	<u>2024/25</u>
Solar and parabolic cookers	420	575	321	862	359	73	409
Improved cookstoves	<u>41,182</u>	<u>49,426</u>	<u>72,879</u>	<u>84,243</u>	<u>87,015</u>	<u>50,594</u>	<u>103,060</u>
<u>Total units</u>	<u>41,602</u>	<u>50,001</u>	<u>73,200</u>	<u>85,105</u>	<u>87,374</u>	<u>50,667</u>	<u>103,469</u>

Since the start of the collaboration with *myclimate* in 2008, CO₂ emissions have been reduced by around **3,600,000 tons** by the end of 2023.

Thanks to its activities, ADES has been able to make an important contribution in the following areas:

- **Environmental protection:** preservation of the natural environment and biodiversity of animals and plants
- **Environmental education** in schools and promotion of ecological thinking
- **Climate protection** through the reduction of CO₂ emissions
- **Poverty reduction** through job creation (by the end of July 2025, there will be a total of 245 jobs within ADES and around 270 jobs at partner companies and resellers) and the reduction of household expenditure on wood/charcoal
- **Training, education, and continuing education** for employees and interns in the workshops, administration, and outsourced craft businesses:
 - carpentry, metalworking, logistics, sales, marketing/communication, accounting, and human resources
 - Machine operation, safety and quality standards, work processes, warehouse management, and material control
 - Management tasks, project management, IT
 - Training of staff in the areas of environment, recycling, and climate
- Promoting **cultural exchange** and cooperation between ethnic groups
- **Supporting the government** in achieving its environmental goals
- **Improving health** by reducing toxic smoke emissions
- **Reforestation:** Over 90 percent of Madagascar's original forest has already been cleared. According to the latest estimates, up to 510,000 hectares are lost each year. ADES plants at least one new tree for every stove sold.

Transparency, trust, transformation – ADES is growing from within

With the 2024-2025 financial year, ADES's reporting period has been redefined: the financial year now runs from August to July, aligning it with the Malagasy school year. For the first time, complete accounts for twelve months are available in the new structure. At the same time, the Odoo ERP system has been successfully implemented. This transition required considerable commitment on the part of the finance department, but it was clearly worth it: processes are more transparent, control points can be defined systematically, and inconsistencies can be detected at an early stage.

The 2024-2025 financial year closed with a deficit of CHF 92,254. Compared to the budgeted target, the difference is mainly due to the postponement of CO₂ revenues, lower prices for fireplaces, and a decrease in free donations.

Total revenues remained below budget forecasts. One of the factors behind this situation is the decline in free donations, which were lower than budgeted, even though, in retrospect, the budget was too optimistic. Another major reason is the instability of the CO₂ market.

The change in our fiscal year to the period from August to July had a direct impact on the accounting of CO₂ revenues. Whereas in the past, a vintage (year of issue) was accounted for over twelve months, the 2023 vintage had to be spread over two fiscal years: first over the shortened 2024 fiscal year (seven months), then over the 2024-2025 fiscal year. The representation of this vintage therefore actually spans 19 months, which led to a decline in CO₂ revenues compared to the budget for the fiscal year under review.

Added to this is the general volatility of the CO₂ market. It is therefore extremely difficult to plan revenues, as actual sales volumes are often only known at a late stage and the conclusion process is significantly delayed. We therefore do not expect the final settlement for the 2022 vintage until the end of 2025. Revenues from this vintage would normally have been recognized in fiscal year 2023. This uncertainty, combined with the delay in the inflow of funds, makes conservative budgeting and cautious financial planning essential.

In terms of product sales, we have achieved a welcome milestone despite difficult market conditions: for the first time, more than 100,000 cookers have been sold. However, the target of 130,000 households was not achieved. This was partly because the LeMadio metal stove did not meet expectations and partly because price adjustments were also necessary for the classic ADES stoves, which contributed to a decline in sales.

The cost structure remained under control overall. Material costs developed in line with forecasts but were negatively impacted by weak demand for LeMadio. Personnel costs were in line with the budget; in Madagascar, the workforce was reduced in a targeted manner, which helped stabilize costs; the effect of these measures will be visible in the next financial year. Operating expenses were increased by additional storage space and higher rents, while travel and transportation costs were significantly lower than budgeted thanks to new cost controls.

Project-related expenses were strategically adjusted: due to the uncertain development of CO₂ revenues, reforestation activities, in particular, were reduced to reflect the steering committee's decision that these should no longer be subsidized by revenues from certificates. Overall, it appears that financial discipline was strict and that expenditures were closely aligned with uncertain revenues.

For the 2025-2026 financial year, we anticipate a one-time relief thanks to the final settlement of 2022 CO₂ certificates, which will support and stabilize our equity capital. ADES is financially sound, even though dependence on the volatile CO₂ market remains a challenge.

We are confident that the innovations we have made to our work processes will have lasting positive effects. They enable us to pursue new goals, strengthen our organization from within, and make our collaboration with Madagascar even closer and more effective.

We would like to express our special thanks to all donors, foundations, and partner organizations who support us with loyalty and trust. Their support enables ADES to remain effective in the long term, even in a difficult environment.

Anoushka Schmidli-Murray, Head of Finance

To the General Assembly of the
ADES Association
Im Grindel 6
8932 Mettmenstetten

Mellingen, October 15, 2025/UMO

Report of the auditors on the limited audit

As auditors, we have audited the financial statements (balance sheet, income statement, cash flow statement, statement of changes in equity, and notes) of the Association pour le Développement de l'Energie Solaire Suisse-Madagascar (ADES Association) for the fiscal year ended July 31, 2025. In accordance with Swiss GAAP FER 21, the information in the performance report is not subject to audit by the auditors.

The Board of Directors is responsible for preparing the financial statements in accordance with Swiss GAAP FER 21, legal requirements, and the Articles of Association, while our responsibility is to audit the financial statements. We confirm that we meet the legal requirements regarding licensing and independence.

Our audit was conducted in accordance with the Swiss standard on limited audits. This requires that the audit be planned and performed in such a way that material misstatements in the financial statements are detected. A limited audit mainly comprises inquiries and analytical procedures, as well as detailed checks of the documents available at the audited company that are appropriate in the circumstances. However, this audit does not include checks of operational processes and the internal control system, nor does it include inquiries and other procedures designed to detect criminal acts or other legal violations.

During our audit, we did not encounter any facts that would lead us to conclude that the financial statements do not give a true and fair view of the net assets, financial position, and results of operations in accordance with Swiss GAAP FER 21 and do not comply with Swiss law and the articles of association.

Effida Treuhand und Revisionen AG



Digitally signed by Ueli
Moser
Date: 2025.10.22
3:34:16 p.m.

Ueli Moser
Certified auditor Lead auditor

Enclosure:

- Annual financial statements (balance sheet, income statement, cash flow statement, statement of changes in equity, and notes)