

04 July 2024

Active Energy Group plc
("Active Energy", the "Company" or the "Group")

Proposed cancellation, members' voluntary liquidation and notice of GM

Active Energy (AIM: AEG, OTCQB: ATGVF) announces that, further to its announcement on 20 June 2024, the Board has formally resolved to place the Company into a members' voluntary liquidation ("MVL") and a circular (the "Circular"), setting out the details of the proposed MVL and cancellation of admission to trading on AIM of the Company's ordinary shares (together the "Proposals"), will be posted to shareholders shortly and made available on the Company's website at www.aegplc.com.

The Proposals are subject to shareholder approval at a General Meeting of the Company to be held on 22 July 2024 at 10:30 a.m. at the offices of Allenby Capital, 5 St. Helen's Place, London, EC3A 6AB. Notice of the General Meeting and further information regarding voting and attendance is provided within the Circular.

Extracts from the Circular have been included, without material amendment, in Appendix I below. Unless otherwise defined, terms used in this announcement have the defined meaning given to them in Appendix II at the end of this announcement.

Expected timetable of principal events

Publication and posting of the Circular and Form of Proxy to Shareholders	4 July 2024
Last time and date for receipt of Forms of Proxy for the General Meeting	10.30 a.m. on 18 July 2024
Close of the Register and Record Date for participation in the MVL ¹	22 July 2024
General Meeting	10:30 a.m. on 22 July 2024
Appointment of the Liquidator	22 July 2024
Announcement of the results of the General Meeting	22 July 2024
Cancellation becomes effective	7.00 a.m. on 23 July 2024
Expected date for final distribution to Shareholders	To be determined

¹ The actual time and date on which the Register is closed and the Record Date is set for participation in the MVL will ultimately be determined by the Liquidator and is therefore subject to change.

² The actual date on which any distribution will be complete will ultimately be determined by the Liquidator and is therefore subject to change.

Enquiries:

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APPENDIX I - EXTRACTS FROM THE CIRCULAR

1. Introduction

On 9 April 2024, Active Energy announced that the Board had concluded that it would not be possible to raise sufficient working capital for the Company to continue the commercialisation of the CoalSwitch® Assets and, as a result, the Board was seeking a buyer for those assets. On 13 May 2024, the Company announced that, should the Company fail to receive an acceptable offer for its CoalSwitch® Assets, the Board would have no option but to consider a members' voluntary liquidation of the Company.

The Company has evaluated a number of potential offers for the CoalSwitch® Assets, alongside other routes to raise equity financing for the Company. However, whilst discussions regarding some of these opportunities continue, the Board are of the view that, should these discussions terminate, then the most appropriate course of action is for the Company to seek shareholder approval to:

- (i) cancel the admission of the Ordinary Shares to trading on AIM; and
- (ii) place the Company into a members' voluntary liquidation.

The Resolutions to approve the Proposals are to be proposed at the General Meeting, which has been convened for 10:30 a.m. on 22 July 2024 at the offices of Allenby Capital, 5 St. Helen's Place, London, EC3A 6AB. Notice of the General Meeting is set out at the end of the Circular.

The purpose of the Circular is to seek Shareholders' approval for the Proposals, to provide you with information on the background to and reasons for the Proposals, explain the consequences of the Cancellation becoming effective and why the Directors unanimously consider that the Proposals are in the best interests of the Company and its Shareholders as a whole.

2. Cancellation Process

Under the AIM Rules, it is a requirement that the Cancellation must be approved by not less than 75 per cent. of votes cast by Shareholders at a general meeting. Accordingly, the Notice of General Meeting set out at the end of the Circular contains a special resolution to approve the Cancellation.

Furthermore, Rule 41 of the AIM Rules requires any AIM company that wishes the London Stock Exchange to cancel the admission of its shares to trading on AIM to inform the London Stock Exchange of its preferred cancellation date at least 20 Business Days prior to such date and to notify shareholders. In accordance with AIM Rule 41, the Company has notified the London Stock Exchange of its intention, subject to the passing of the special resolution numbered 1 in the notice of General Meeting set out at the end of the Circular to approve the Cancellation at the General Meeting, to cancel admission of the Ordinary Shares to trading on AIM. It is expected that the Liquidator will be appointed immediately upon the passing of the appointment resolution at the General Meeting and the Cancellation will become effective at 7.00 a.m. on 23 July 2024, being the Business Day following the General Meeting. If the Cancellation becomes effective, the Company will no longer be required to comply with the AIM Rules and Allenby Capital Limited will immediately cease to be the Company's nominated adviser and broker.

Principal effects of the Cancellation

Prior to the Company being dissolved pursuant to the MVL, the principal effects of the Cancellation will be that:

- Shareholders will no longer be afforded the protections given by the AIM Rules, such as the requirement to be notified of certain events and the requirement that the Company seek shareholder approval for certain corporate actions where applicable, including substantial transactions, financing transactions, reverse takeovers and fundamental changes in the Company's business, related party transactions and certain acquisitions and disposals;
- the levels of transparency and corporate governance applicable to the Company will not be as high as for a company whose shares are admitted to trading on AIM;
- following approval of the MVL by Shareholders at the General Meeting, Shareholders will not be able to transfer Ordinary Shares without the prior consent of the Liquidator. In addition, there will be no formal market mechanism enabling Shareholders to trade in Ordinary Shares;
- as a result of the MVL being approved by Shareholders at the General Meeting the Company will cease to trade and in the absence of a formal market in, and quotation of, the Ordinary Shares, it may be more difficult for Shareholders to determine the value of their shareholding in the Company at any given time. Although, in the event that the liquidator is able to declare and pay a distribution to shareholders, that distribution will be a capital distribution. Any shareholders seeking to establish the effects of the liquidation distribution upon their affairs should pass a copy of their distribution letter to their tax and financial advisers
- the regulatory and financial reporting regime applicable to companies whose shares are admitted to trading on AIM will no longer apply;
- the Company will cease to have a nominated adviser and broker;
- the Company's CREST facility will be cancelled and Ordinary Shares will cease to be transferable through CREST. Given the appointment of the liquidator at the general meeting, Shareholders who hold Ordinary Shares in CREST would not receive definitive share certificates; and
- the Cancellation may have taxation consequences for Shareholders. **Shareholders who are in any doubt about their tax position should consult their own professional independent tax adviser.**

Subject to, and prior to the conclusion of the winding-up of, the Company's affairs pursuant to the MVL, the Company will remain incorporated and registered in England and Wales under the Companies Acts 1985 to 2006, notwithstanding the Cancellation becoming effective. Shareholders should also note that the Takeover Code will continue to apply to the Company during the period following the Cancellation and prior to the commencement of the MVL. The Company will also continue to be bound by its Articles following the Cancellation becoming effective.

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The above considerations are not exhaustive, and Shareholders should seek their own independent advice when assessing the likely impact of the Cancellation on them.

The Directors are not intending to put in place any mechanism for Shareholders to deal in the Ordinary Shares post Cancellation, as it is anticipated that the Company will be placed into the MVL at the General Meeting.

3. Members' Voluntary Liquidation

The Proposals involve the Company being placed into a members' voluntary liquidation and the trading of the Ordinary Shares cancelled from trading on AIM. Should the resolution to approve the appointment of the Liquidator be passed at the General Meeting the Company will be wound-up in accordance with the Insolvency Act 1986. Following his appointment, the Liquidator will assess the Company's financial position and, when he is in a position to do so, a distribution will be made to shareholders. However, at this time the Board anticipate that any distribution to shareholders would be de minimis, if at all, unless the Liquidator is able to realise a material cash value for its remaining assets.

Shareholders should note that the Company is solvent and the MVL is not an insolvent liquidation.

The Company's assets are made up primarily of its cash balances, in addition to any value that the Liquidator is able to realise from the CoalSwitch® Assets and the shares held in Alpha Prospects Limited. The liabilities of the Company are expected to be less than the cash balances held and the Directors anticipate that the Liquidator will undertake a distribution of any surplus funds in accordance with the Insolvency Act 1986 as amended, the Companies Act 2006 and the Company's Articles. The MVL will allow the orderly winding-up of its affairs, and upon the conclusion of the MVL, the Company will be dissolved.

As set out in the Company's announcement on 13 May 2024, the Company's CoalSwitch® Assets comprise:

- i) the Company's original patent and trademark portfolio on the steam explosion process to produce the fuel;
- ii) all production and test data knowhow acquired from the initial production activities at Player Design Inc's facility at Ashland in Maine that may be applicable for the future production analysis for additional biomass products; and
- iii) all the relevant customer and internal test data.

The Group's other assets currently comprise:

- i) cash and cash equivalents of approximately £256,650; and
- ii) a 4.1% shareholding in Alpha Prospects Limited ("Alpha Prospects") which has a book value of approximately £0.68m. Alpha Prospects is an unquoted investment company that focuses on green technology investments, and it has incubated several new technologies in recent years. Within its portfolio, Alpha Prospects' latest focus is upon plasmoid related technologies and the commercial development of this technology for application in the United States, Asia, India and the United Kingdom.

The Board estimates that the costs and expenses of the Proposals will amount to approximately £61,182, which includes the fees of the Liquidator, the costs of terminating the Director's contracts and estimated costs for concluding the winding up of the group of companies for which the Company is the ultimate parent company. A summary of the estimated costs is provided within Appendix A.

It is currently expected, based upon the estimated costs, that a de minimis distribution of 0.001p per Ordinary share is expected to be made.

The distribution will not be made until the Liquidator has completed statutory duties to adjudicate and pay creditors' claims and is satisfied that all tax returns due to HMRC have been dealt with and all amounts owing have been paid.

The precise timing of the distribution is uncertain (although it is expected to be at least 12 months from the commencement of the MVL before a final distribution can take place, due to the need to deal with the Company's remaining outstanding affairs.

The Liquidator will subsequently prepare a final account which will be sent to Shareholders giving eight weeks' notice of the date upon which the Liquidator intends to deliver the final account to the Registrar of Companies. The Company will be dissolved on the expiry of three months following the filing of the final account with the Registrar of Companies.

4. General Meeting

Set out at the end of the Circular is a notice convening the General Meeting to be held at 10:30 a.m. on 22 July 2024 at the offices of Allenby Capital, 5 St. Helen's Place, London, EC3A 6AB at which the Resolutions will be proposed.

The purpose of the General Meeting is to consider and, if thought fit, pass the Resolutions, as set out in full in the Notice of General Meeting. To be passed, Resolution 1 (the "Cancellation Resolution") requires, pursuant to AIM Rule 41 of the AIM Rules, the consent of not less than 75 per cent. of votes cast by the Company's shareholders at the General Meeting.

The winding up resolutions proposed in relation to the appointment of the Liquidator and the Liquidator's fees, are proposed as Special and Ordinary Resolutions (in accordance with the Insolvency Act 1986 (as amended) and the Companies Act 2006).

5. Action to be taken

Enclosed with this Circular is a Form of Proxy for use by Shareholders. Information on the completion and return of Forms of Proxy is set out below and in the notes to the Notice of General Meeting.

Your proxy may be submitted online by visiting www.shareregistrars.uk.com, clicking on the "Proxy Vote" button and then following the on-screen instructions (you can locate your user name and access code on the top of the proxy form), or by post by completing the enclosed Form of Proxy and returning it to the Company's Registrar, Share Registrars Limited at 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX not less than 48 hours (ignoring any part of the day that is not a working day) before the time appointed for the meeting, being **10:30 a.m. on 22 July 2024**, or any adjournment thereof together with, if appropriate, the power of attorney or other authority (if any) under which it is signed or a certified copy of such power of attorney. CREST members who wish to appoint a proxy or proxies via the CREST electronic proxy appointment service should refer to the Notes of the Notice of General Meeting and Form of Proxy.

6. Recommendation

The Board considers that the Resolutions set out in the Circular are in the best interests of the Company and of its shareholders as a whole and unanimously recommend shareholders to vote in favour of them, as each of the directors intends to do in respect of their own beneficial holdings.

APPENDIX II - DEFINITIONS

The following definitions apply throughout this announcement and in the Form of Proxy, unless the context requires otherwise:

<i>Term</i>	<i>Definition</i>
"Act"	the UK Companies Act 2006, as amended;
"AIM"	the market of that name operated by the London Stock Exchange;
"AIM Rules"	the rules which set out the obligations and responsibilities in relation to companies whose shares are admitted to AIM as published by the London Stock Exchange from time to time;
"Allenby Capital"	Allenby Capital Limited, the Company's Nominated Adviser in accordance with the AIM Rules;
"Articles"	the articles of association of the Company from time to time;
"Board"	the board of directors of the Company for the time being;
"Business Day"	a day other than a Saturday, Sunday or public holiday on which banks are open for commercial business in the City of London;
"Cancellation"	the proposed cancellation of admission of the Ordinary Shares to trading on AIM;
"CoalSwitch® Assets"	the Company's CoalSwitch® assets, as set out herein;
"Company"	Active Energy Group plc, a company registered in England and Wales with registered number 03148295;
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as also defined in the CREST Regulations);
"CREST Manual"	the rules governing the operation of CREST as published by Euroclear;
"CREST Member"	a person who has been admitted to CREST as a system-member, (as defined in the CREST Manual);
"CREST Participant"	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations);
"Directors"	the directors of the Company at the date of the Circular;
"Euroclear"	Euroclear UK & Ireland Limited;
"FCA"	the United Kingdom Financial Conduct Authority;
"Form of Proxy"	the form of proxy accompanying this circular for use by Shareholders in relation to the General Meeting;
"FSMA"	the Financial Services and Markets Act 2000 of the United Kingdom, as amended;
"General Meeting"	the general meeting of the Company to be held at the offices of Allenby Capital at 5 St. Helen's Place, London, EC3A 6AB at 10.30 a.m. on 22 July 2024;
"Group"	the Company and its subsidiary undertakings from time to time
"HMRC"	HM Revenue & Customs;
"Insolvency Act"	the Insolvency Act 1986 (as amended);
"Liquidator"	the proposed liquidator of the Company, being Andrew Dix of AD Business Recovery Limited;
"London Stock Exchange"	London Stock Exchange plc;
"Market Abuse Regulation"	the UK version of the EU Market Abuse Regulation (2014/596) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Market Abuse (Amendment) (EU Exit) Regulations 2019;
"MVL"	the proposed members' voluntary liquidation of the Company;
"Ordinary Resolution"	has the meaning given in section 282 of the Act;
"Ordinary Shares"	ordinary shares of par value £0.0035 each in the capital of the Company;
"Proposals"	the proposals for Cancellation, the MVL and the appointment of the Liquidator;
"Register"	the register of members of the Company;

"Registrar"	Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX
"Resolutions"	the resolutions to be proposed at the General Meeting to approve the Cancellation and appointment of the Liquidator as set out in the notice of General Meeting;
"Shareholders"	the persons who are registered as holders of the Ordinary Shares;
"Special Resolution"	Has the meaning giving in section 283 of the Act;
"Sterling" or "£"	the legal currency of the UK;
"Takeover Code"	the UK City Code on Takeovers and Mergers;
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland.

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