

A number of non material typographical changes have been made to the Audited results for the year ended 31 December 2023 announcement released on 4 December 2024 at 7:00 a.m. under RNS No 69350

The changes are identified with an asterisk (*).

The full amended text is shown below.

4 December 2024

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

Audited results for the year ended 31 December 2023

Active Energy (AIM: AEG, OTCQB: ATGVF), the biomass-based renewable energy company focused on the production and development of next generation biomass products, today announces its audited results for the year ended 31 December 2023.

Operational Highlights:

- Early in 2023, our production and engineering partner Player Design Inc. ("PDI") was awarded the requisite permits to complete a full-scale construction and the installation of the requisite equipment to allow first production at the Ashland Reference Facility in Maine.
- As the end of the calendar year approached, various deadlines and goals for production of fuel had not been achieved. PDI informed Active Energy that further delays in the commencement of production from the Reference Facility were inevitable and indicative production deadlines would extend further into H1 2024. Further, PDI indicated that it was unwilling to continue with the existing commercial terms between the parties and wished to terminate its relationship with Active Energy.
- Construction of the Reference Facility commenced mid-2023.
- Expansion of the Company's sales and engineering function in USA and Europe with the hiring of Steve Schaar (COO) and Barron Hewetson (CTO). Both had significant biomass industry expertise.
- During 2023, the intellectual property portfolio was extended with new patents granted in the US and Canada and relevant trademarks granted in North America and worldwide. Project delays were regularly notified to AEG from PDI ranging from design issues, component delivery delays and subsequent construction delays.
- Despite the delays AEG continued to secure future customer requests both in the US and internally to visit the site at the earliest opportunity.

Financial Highlights:

- Operating Loss for the year of US 15,517,696 (2022: US 1,343,745).
- Cash at bank as at 31 December 2023 US 319,137 (2022: US 2,614,472).
- Basic and diluted loss per share from continuing operations of 2.37 cents (2022: earnings per share of 0.69 cents).

Activities post the year end:

- PDI indicated that it was unwilling to continue with existing commercial terms and wanted to terminate its obligations toward AEG.
- An operational compromise could not be reached with PDI as PDI was unwilling to agree a workable formula for this, so a compromise agreement was agreed between the parties in February 2024 which saw 1.6m of cash returned to AEG

- With limited financial resources post the settlement with PDI, in April 2024 the company wound down its current business operations to examine alternative options to continue to monetise the CoalSwitch® IP in other forms.
- In October 2024 the Company raised £200,000 (260,878) from Zen Ventures Limited through the issue of loan notes, of which £27,616 (36,022) are convertible loan notes that will convert to new ordinary shares representing 29.9% of the Company's issued share capital on 31 December 2024 (subject to shareholder approval).
- On the 1st of November 2024 Jason Zimmerman and Max Aitken resigned as directors of the Company.

Enquiries:

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STRATEGIC REPORT

GROUP STRATEGY

Following the termination of the Group's relationship with Player Design, Inc the Group's strategy is now to realise the maximum value of the CoalSwitch® intellectual property. In light of this the board does not consider that the Group's existing KPIs have any continuing relevance. The Group's established KPIs for 2023 are summarised below and naturally, given the circumstances, none of these were met.

WHAT ARE THE COMPANY'S KEY PERFORMANCE INDICATORS?

- Establish production capacity through the commencement of the first CoalSwitch® production operations in Ashland Reference Plant.
- Replicate these production facilities and construct additional production facilities for CoalSwitch® at alternate sites in North America and internationally.
- Complete off-take agreements, through trial orders, with industrial partners, heating pellet suppliers or power generators in North America and the rest of the world.
- Establish feedstock supply agreements with established forestry product providers for the long-term supply of low-value residual and waste materials, which meet established sustainability criteria, to produce CoalSwitch®.
- Develop CoalSwitch® production technologies to further improve the fuel performance and introduce new production technologies to increase production efficiency and maximise economics.
- Increased shareholder returns.

HOW HAVE WE PERFORMED IN 2023?

- Working with our production partner PDI the focus was to establish an operation production platform for the first CoalSwitch® production at Ashland, Maine. PDI did complete some commercial milestones toward construction of the production facility during 2023, including acquiring permits to complete design work. However, many of the key agreed milestones were not achieved and constant delays caused additional financial and commercial pressures for AEG.
- While PDI focused on the production targets, AEG continued driving commercial leads and customer interest for CoalSwitch® fuel both in North America and internationally and continued to secure prospective customer orders for initial CoalSwitch® production volumes.

- During H1 2023 AEG invested in new management expertise with the hire of a COO & CTO based in the US, to complement the existing sales activities in the US and worldwide.
- During H2 2023 AEG expanded its territorial horizons, commencing sales activities in Southeast Asia to look for additional production and sales opportunities for CoalSwitch®.
- During H2 2023 AEG was awarded the relevant CoalSwitch® trademark patents for the EU. CoalSwitch® is now a registered and approved trademark in all territories including US, Canada, Europe (including the UK) and currently additional trademark applications have commenced throughout Asia and Japan.

BOARD STATEMENT

Executive Summary

Active Energy Group plc ("Active Energy" or the "Company") spent most of 2023 focused on trying to ensure that the vital business components for its commercial success were established and that the Company could successfully move towards a production facility for CoalSwitch® fuel. Given the Company's constrained access to capital throughout the year, the Company had to continuously balance the strategic goals with economic realities. As events post the year end demonstrated and despite all the positive contributions made by all members of Active Energy' team during the last 18 months, the Company had to sadly succumb to these economic realities in 2024.

The beginning of 2023 presented a series of challenges and opportunities for Active Energy. The team's focus was upon three components to drive Active Energy toward commercial success, and these included: -

Production Development at the Ashland Reference Facility in Maine (the "Reference Facility") Working with our production partner Player Design, Inc. ("PDI"), the Company's focus was to establish an operating production platform to accommodate customer's requests for CoalSwitch® fuel and to have CoalSwitch® fuel samples available to potential customers. In 2023, PDI did complete certain commercial milestones toward construction of the Reference Facility, including the award of the requisite permits to complete full scale construction and the installation of the requisite equipment to allow first production operations to commence. However, these processes were always behind schedule and as the year progressed, these delays compounded additional commercial pressures for Active Energy

Market and Product Development for CoalSwitch® fuel While PDI focused on the production challenges, Active Energy continued to drive toward commercial leads and gather prospective customer interest. In the first half of 2023, Active Energy invested in new management expertise to complement the existing sales activities in the U.S. and worldwide. During 2023, there was the active promotion of both the environmental and economic benefits of the fuel, including developing strategies to obtain carbon credits and additional renewable energy incentives in the US. In Q3 2023, the Company expanded its territorial horizons, commencing work in Southeast Asia to look for additional production and sales opportunities for the fuel.

Strengthen the Corporate Infrastructure with key management hires We added depth and breadth to the team with the hire of a US based Chief Operating Officer and US based Chief Technology Officer during H1 2023. Both these individuals had significant biomass industry expertise and were excited at the commercial opportunities that CoalSwitch® could present for the existing biomass industry. Later in 2023, we worked toward additional expansion of these sales and production activities in South-East Asia with new team members hired to develop their local networks in the region.

1. Production Development at the Ashland Reference Facility, Maine

Working with PDI, the Company spent 2023 working on engineering and design, permits, certifications and other regulatory requirements needed to manufacture and sell CoalSwitch®.

Construction and Operational Permit for the Reference Facility

Construction of the Reference Facility finally commenced in mid-2023 when Active Energy announced that the appropriate permit had been awarded to PDI and its associates by the Department of Environmental Protection in the State of Maine on 24th May 2023. During the first half of 2023, PDI regularly informed Active Energy of the various delays for the project ranging from design issues, component delivery delays, permit delays and subsequent construction delays. The Board made every effort to provide shareholders with the

clearest timetable toward production. However, it was recognised that the timelines extended beyond the expectations that had been initially set. Despite the delays, Active Energy continued to receive interest from prospective customers, both in the US and internationally, and requests to visit the operations at the Reference Facility. This provided important encouragement to all parties that once the Reference Facility was operational, the project could be successful.

However, project delays continued into H2 2023, with PDI unable to provide updates on the status of the Reference Facility. The delays resulted in more expense and PDI became increasingly concerned on the project viability. Active Energy offered the new management resources at its disposal to assist PDI in completing the project. These offers were declined by PDI as it chose to seek its own resolution to the construction and operational issues at the Reference Facility.

One key concern for PDI was the funding required to complete the construction of the Reference Facility. PDI had initially agreed to meet all the costs of construction through its own resources, but it became quickly apparent that, owing to the project delays, this was becoming problematic for PDI to complete alone. Active Energy was unable to assist given its own limited access to capital at that time. Active Energy did have conversations with various investors; however, all were hesitant to commit additional funding until production of CoalSwitch® fuel at the Reference Facility had commenced.

2. Market and Product Development for CoalSwitch® fuel

In July 2022, the Company announced that, while PDI would focus on the engineering development activities for the CoalSwitch® program focussing on activities at Ashland, Active Energy would focus its efforts on market development opportunities, both in the US and internationally. The commercial goals between the parties were clear. PDI would focus on the completion of the Reference Facility and Active Energy would establish the customer base and the first markets for CoalSwitch® fuel. Upon first deliveries of CoalSwitch® fuel, the strategy would then be finalised between the parties to work toward the development of new production plants and product deliveries.

Sales and Promotional Activities during H1 2023

Since that announcement, Active Energy had forged its way to create a market presence both for black pellet fuels and to secure a future pipeline of fuel orders ahead of first production volumes from the Reference Facility. The Company's experienced sales personnel faced regular challenges given the flow of announcements around future production delays from the Reference Facility during 2023 and yet, in spite of this, the team managed to preserve and increase market interest.

The team presented at the Advanced Bioeconomy Leadership Conference in March 2023 in Washington DC to demonstrate the CoalSwitch® fuel merits to an audience of Environmental, Social and Governance leaders, US Government officials and, more importantly, prospective commercial partners. In addition, in September 2023, Active Energy was elected to become a member of the International Biomass Torrefaction and Carbonisation Council ("IBTC"). The IBTC promotes the sustainable production of various torrefied or carbonised technology products and considers all forms of fuels including the steam treated pellets which CoalSwitch® fuels demonstrate.

Marketing activities in North America

Throughout the year, Active Energy also continued in its efforts to sell CoalSwitch® fuel, and to create new market opportunities aligned to the current consumption of fossil fuels in North America. The focus had been to develop two distinct markets, the first for co-firing CoalSwitch® with coal and the second to create new markets for these improved biomass fuels.

The focus of the sales activities and potential customer interest moved beyond the conventional power generation industry and extended to include various heavy industries including cement, pulp and paper industries, where local and national emissions regulations continue to expand. The reception from the prospective customers was highly encouraging.

The key to unlock each of these future sales opportunities had been for CoalSwitch® fuel to be in production, in any amount of volume, at the Reference Facility. Active Energy received the definitive feedback from prospective customers that, with delivered CoalSwitch® fuel, appropriate testing at specific industrial

prospective customers that with delivered CoalSwitch® fuel, appropriate testing at specific industrial facilities could commence and commercial discussions on fuel supplies under long term contract could begin.

Continuing investment in IP

Throughout the year, Active Energy continued to extend its CoalSwitch® intellectual property portfolio. In February 2023, the US patent office granted two patents, and in Canada, one patent was granted for the treatment and preparation of biomass to be used as a fuel. This was quickly followed by the issuance of the relevant trademark registrations in both the US, Canada and the UK. In June 2023, the Company was also awarded the relevant CoalSwitch® trademark patents for the EU.

Relevant applications (both for patents and trademarks) continued throughout the year and continued in these territories during 2024. Most importantly, the CoalSwitch® trademark is now registered and approved in all territories including US, Canada, Europe (including the UK) and additional trademark applications have commenced throughout Asia, notably Japan.

The Board believed that securing the relevant trademarks and patents would be a significant milestone for the Company as production volumes commenced. Strengthening the intellectual property portfolio would not only support the ongoing advancement of its CoalSwitch® technology, but also enhance brand recognition positioning Active Energy well for the future sales and development of black pellet fuels.

3. Strengthen the Corporate Infrastructure with key hires

The Company also took several key steps to prepare for future growth and scale expected after commencement of first commercial production (including relevant technology and 'know-how' developments) and to that end, during H1 2023, Active Energy hired senior management team members to build the execution capability.

Strengthened management team during 2023

In November 2022, Michelle Fagan had been appointed as the Company's Chief Financial Officer. Michelle has been working with the Company's management team since October 2020 and has 24 years' experience as a finance professional. Her careful oversight during 2023 proved invaluable in the strategic expansion of the executive team.

In March 2023, the Company appointed Steve Schaar as Chief Operating Officer to focus on the development of CoalSwitch® production and operations in the United States. Steve had more than 25 years' experience of operations, project development, program management, and new product launches from a broad range of industries. As new production centres would be added to the production portfolio, Steve's experience would be invaluable.

In July 2023, the Company appointed Barron Hewetson as the Chief Technology Officer to focus on the future development of CoalSwitch® products and new production methods. Barron has over 20 years biomass industry experience, most recently holding senior management positions at Enviva Biomass Inc. including Director of Innovation and Product Management.

These individuals had the proven track record of producing and selling millions of tons of biomass fuels. Each of these talented and experienced individuals had joined Active Energy looking to assist in the future success of CoalSwitch® and in a short time, they each made significant contributions toward the organisation. The Board was wholly supportive of these hires and believed that such hires would readily complement PDI's activities in completing the Reference Facility.

Post period end and outlook

As the end of the calendar year approached, various deadlines and goals for production of fuel had not been achieved. PDI informed Active Energy toward the end of 2023 that further delays in the commencement of production from the Reference Facility were inevitable and indicative production deadlines would extend further into H1 2024. Further, PDI indicated that it was unwilling to continue with the existing commercial terms between the parties and wanted to end its relationship with Active Energy. The Group's activities in Ashland ceased and management commenced the process of disposing of its plant and equipment located in

Ashland.

At that point, Active Energy had limited cash resources available to it and the Board was wholly aware that to commence on a new project with a new commercial partner would be extremely challenging both in financial and operational terms. The Board attempted to seek an operational compromise with PDI to create even limited first production volumes of fuel from the Reference Facility and thereby allowing Active Energy the opportunity to progress. No such terms were agreed, and a settlement agreement was entered into with PDI in March 2024 under which PDI returned funds advanced by Active Energy towards development of the Ashland facility and PDI purchased the Group's plant and equipment located in Ashland. All existing intellectual property relating to CoalSwitch® was returned to Active Energy.

Active Energy became a listed corporate vehicle, with intellectual property to produce a next generation black pellet fuel but with no project to demonstrate nor commercialize this. In addition, Active Energy did not have the financial resources to be able to commence a new project over a realistic project timeframe and at that same time maintain the management team that the Board had worked hard to build. During Q1 2024, the Board and the executive management team attempted to find resolutions and examine all commercial opportunities. These challenges were heightened with the public failure of Enviva Biomass Inc., which fell into Chapter 11 during H1 2024. These circumstances, together with the industry track record meant that Active Energy could simply not attract any additional shareholder or outside investor support to rebuild the business in sufficient time.

In the light of these circumstances, the Board made the decision on 9th April 2024, to make cost cuts on the day to day running of the PLC and examine alternative options to continue to monetise the CoalSwitch® intellectual property in other forms. The operational team were released from their obligations to Active Energy to look for alternate opportunities. The Board remains extremely grateful for each team member's dedication and loyalty through these difficult circumstances.

The Board would also like to thank all of their colleagues and commercial partners for all their work and commitment toward the CoalSwitch® program in 2023 and 2024. Active Energy had built a team of biomass industry experience, which the Board considered to be 'world leading' in its track record, each of whom had the vision to progress an industry toward vastly improved environmental standards within sensible economic goals. Unfortunately, Active Energy was unable to access sufficient capital to prove these goals to its shareholders and the industry as a whole.

Jason Zimmermann and Max Aitken resigned as directors of the Company on 1 November 2024.

Going concern

The Directors have given careful consideration to the appropriateness of the going concern basis in the preparation of the Annual Report and Financial Statements for the year ended 31 December 2023. Further details of the Company's current financial position and ability to continue as a going concern are to be found in the Financial Review and in Note 1 of the Financial Statements. The Directors are confident that the funding required for the Group to continue as a going concern for the next twelve months will be available and have therefore prepared the Financial Statements on a going concern basis.

Michael Rowan
CEO

James Leahy
Chairman

Date 3rd December 2024

FINANCE REVIEW FOR THE YEAR ENDED 31 DECEMBER 2023

The Consolidated Financial Statements for the year ended 31 December 2023 ("Current Year") is compared to the year ended 31 December 2022 ("Prior Year").

Financing

The Group did not raise debt or equity finance during the year. The Group had net cash of US 0.3m at the end of the year (2022: US 2.6m).

Subsequent events

On 4 March 2024 the Group agreed a settlement with Player Design, Inc. and its connected parties ("PDI") in relation to the Group's aborted operations in Ashland, Maine. Under this settlement the Group received cash of 1,650,000 which represented consideration for the transfer of certain property, plant and equipment to PDI, the return of certain cash advances made by the Group to PDI for the development of the Ashland facility and the settlement of all claims between the Group and PDI. The Group has been unable to secure a new commercial partner with whom to commercialise its CoalSwitch® technology but continues to own the intellectual property to produce a black pellet fuel. In April 2024 the board decided to scale back the operations of the Group and focus its efforts on trying to monetise its CoalSwitch® Technology.

Fundraising activities through 2023

There were no fundraising activities, either of equity or debt, during 2023.

Performance

During 2023 while PDI focused on the production challenges, AEG continued to drive toward commercial leads and gather prospective customer interest. In the first half of 2023 AEG invested in new management expertise to complement the existing sales activities in the US and worldwide. During 2023, there was the active promotion of both the environmental and economic benefits of the fuel, including developing strategies to obtain carbon credits and additional renewable energy incentives in the US. In Q3 2023, the Company expanded its territorial horizons, commencing work in Southeast Asia to look for additional production and sales opportunities for the fuel.

The Company continued its tight financial controls and treasury management within its finance department during 2023 to ensure use of funds is kept in line with enhancing shareholder's investment and this has continued to date. Given the current situation the company finds itself in the company continues to try find ways of enhancing shareholders return on investment in the most efficient and effective way it possibly can.

Continuing/discontinued operations

The overall loss for the year was US 15,517,696 (2022: US 1,343,745) with a basic and diluted loss per share of 9.59 cents (2022: 0.83 cents).

Administrative costs decreased year on year due to cost cutting measures at US 3,338,410 (2022: US 3,191,376). The net finance income of US 23,802 (2022: 24,173) represents interest received on deposited funds less interest payable on borrowings.

Non-current assets

The CoalSwitch® Equipment and other plant and equipment held at the Ashland Reference facility were held for sale at year end and were included in the PDI settlement agreement post year end.

IP was held at an estimated sales proceeds value based on the IP assessment report.

Current assets

Trade and other receivables of US 845,714 (2022: US 905,924) consist mainly of US 774,669 of project advances to Player Design Inc. for the development of the Ashland facility. These advances were repaid post year end as part of the settlement agreement with PDI.

Current liabilities

Trade and other payables were US 665,564 (2022: US 1,199,796). The largest reduction is due to stringent cost management reducing the trade payables due at year end significantly. Trade payables was 381,926 in 2023 and 428,106 in 2022.

Non-current liabilities

Loans and borrowings, related to COVID 19 Government loans, decreased slightly to US 120,846 (2022: US 133,940) due to repayments on the UK government guaranteed loan, which is repayable over 5 years. Repayments on the US government loan commenced in December 2022 and continued throughout 2023.

Cashflow

Operating cash outflows were US 2,245,340 (2022: US 2,554,563). The reduced outflow results from the reductions in working capital and cost management measures.

There was no net cash flows from investing activities (2022: US 3,037,258 cash inflow comprising proceeds of US 3,767,471 from the disposal of the Lumberton Site less cash of US 730,713 expended on the creation of

intellectual property and know how in relation to the new Ashland Reference Facility).

Cash and cash equivalents of US 319,137 were on hand at December 2023 year end (2022: US 2,614,472).

Going concern

The Financial Statements have been prepared on a going concern basis. In October 2024 the Company received loan note finance of £200,000 from, a new investor, Zen Ventures Limited and it has subsequently received a commitment to provide additional future funding from Zen Ventures Limited and parties connected to Zen Ventures Limited. The facility provided is up to £500,000 and is secured by a debenture. The Board, having reviewed the cash flow forecasts, consider that this funding will be sufficient to enable the Company to settle its liabilities as they fall due for at least one year from the date of approval of these financial statements.

However, the loan notes, and by extension the future funding from Zen Ventures Limited and its connected parties, are subject to approval by the Company's shareholders at its next general meeting. The Board consider that this represents a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern (see note 1 to the financial statements).

Section 172 Statement

The Directors are well aware of their duty under Section 172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- The likely consequences of any decision in the long term;
- The interests of the Company's employees;
- The need to foster the Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and the environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly between members of the Company.

The Board recognises that the long-term success of the Group requires positive interaction with its stakeholders, including shareholders, customers, suppliers, governmental and regulatory authorities. The Directors seek to actively identify and positively engage with key stakeholders in an open and constructive manner. The Board believes that this strategy enables our stakeholders to better understand the activities, needs and challenges of the business and enables the Board to better understand and address relevant stakeholder views which will assist the Board in its decision making and to discharge its duties under Section 172 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

		<i>restated</i>	
CONTINUING OPERATIONS	Note	2023 US	2022 US
Administrative expenses		(2,521,981)	(2,178,118)
OPERATING LOSS	4	(2,521,981)	(2,178,118)
Net finance income	5	23,802	24,173
Foreign exchange (loss)/gains		(1,335,635)	3,268,157
(LOSS)/PROFIT BEFORE TAXATION		(3,833,814)	1,114,212
Taxation	6	-	-
(LOSS)/PROFIT FROM CONTINUING OPERATIONS		(3,833,814)	1,114,212
	-		

LOSS FROM DISCONTINUED OPERATIONS	7	(11,683,882)	(2,457,957)
LOSS FOR THE YEAR - ATTRIBUTABLE TO THE PARENT COMPANY		(15,517,696)	(1,343,745)
Basic and diluted (loss)profit per share (US cents) - continuing operations	8	(2.37)	0.69
Basic and diluted (loss) per share (US cents) - discontinued operations	8	(7.22)	(1.52)
Basic and diluted (loss) per share (US cents) - all operations	8	(9.59)	(0.83)
OTHER COMPREHENSIVE INCOME/(LOSS)			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Exchange differences on translation of operations		1,381,325	(3,426,765)
Total other comprehensive income/(loss)		1,381,325	(3,426,765)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(14,136,371)	(4,770,510)

The notes form part of these financial statements.

CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

		Group 2023 US	Group 2022 US	Company 2023 US	Company 2022 US
NON-CURRENT ASSETS	Note				
Intangible assets	9	63,670	8,064,585	-	-
Property, plant & equipment	10	154	4,772,530	154	1,015
Investment in subsidiaries	11	-	-	-	5,732,103
Intercompany Receivables	12	-	-	-	21,444,342
Other financial assets	13	870,047	823,744	870,047	823,744
		<u>933,871</u>	<u>13,660,859</u>	<u>870,201</u>	<u>28,001,204</u>
CURRENT ASSETS					
Trade and other receivables	14	845,714	905,924	59,023	131,197
Intercompany Receivables	12	-	-	2,129,033*	-
Cash and cash equivalents	15	319,137	2,614,472	38,445	2,545,913
		<u>1,164,851</u>	<u>3,520,396</u>	<u>2,226,501</u>	<u>2,677,110</u>
Non-current assets held for sale	16	875,330	-	-	-
		<u>2,040,181</u>	<u>3,520,396</u>	<u>2,226,501</u>	<u>2,677,110</u>
TOTAL ASSETS		<u>2,974,052</u>	<u>17,181,255</u>	<u>3,096,702</u>	<u>30,678,314</u>
CURRENT LIABILITIES					
Trade and other payables	17	665,564	1,199,796	487,601	351,255
Loans and borrowings	18	14,781	13,724	12,908	11,920
		<u>680,345</u>	<u>1,213,520</u>	<u>500,509</u>	<u>363,175</u>
NON-CURRENT LIABILITIES					
Loans and borrowings	18	120,846	133,940	18,864	30,085
		<u>120,846</u>	<u>133,940</u>	<u>18,864</u>	<u>30,085</u>
TOTAL LIABILITIES		<u>801,191</u>	<u>1,347,460</u>	<u>519,373</u>	<u>393,260</u>
NET ASSETS		<u>2,172,861</u>	<u>15,833,795</u>	<u>2,577,329</u>	<u>30,285,054</u>
EQUITY					
Share capital - Ordinary Shares	19	786,867	786,867	786,867	786,867
Share capital - Deferred Shares	19	18,148,898	18,148,898	18,148,898	18,148,898
Share premium		55,349,883	55,349,883	55,349,883	55,349,883
Merger reserve		2,350,175	2,350,175	2,350,175	2,350,175
Foreign exchange reserve		(4,469,769)	(5,851,094)	(4,725,115)	(5,744,107)
Own shares held reserve		(268,442)	(268,442)	(268,442)	(268,442)
Convertible debt/warrant reserve		690,937	690,937	690,937	690,937
Retained earnings		<u>(70,415,688)</u>	<u>(55,373,429)</u>	<u>(69,755,874)</u>	<u>(41,029,157)</u>
TOTAL EQUITY		<u>2,172,861</u>	<u>15,833,795</u>	<u>2,577,329</u>	<u>30,285,054</u>

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company's income statement. The parent company's loss after tax for the year was 29,202,154 (2022: 740,114).

The financial statements were approved and authorised for issue by the Directors on 3 December* 2024 and were signed on their behalf by:

Michael Rowan
Chief Executive Officer

Company Number 03148295

The notes form part of these financial statements.

GROUP CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital US	Share premium US	Merger reserve US	Foreign exchange reserve US	Own shares held reserve US	Convertible debt and warrant reserve US	Retained earnings US	Revaluation Reserve US	Total equity US
At 31 December 2021	18,935,765	55,349,883	2,350,175	(2,424,329)	(268,442)	1,165,911	(55,449,600)	504,646	20,164,009
Loss for the year	-	-	-	-	-	-	(1,343,745)	-	(1,343,745)
Other comprehensive loss	-	-	-	(3,426,765)	-	-	-	-	(3,426,765)
Total comprehensive loss	-	-	-	(3,426,765)	-	-	(1,343,745)	-	(4,770,510)
Realisation of revaluation reserve	-	-	-	-	-	-	504,646	(504,646)	-
Share based payments and warrants	-	-	-	-	-	(474,974)	915,270	-	440,296
At 31 December 2022	18,935,765	55,349,883	2,350,175	(5,851,094)	(268,442)	690,937	(55,373,429)	-	15,833,795
Loss for the year	-	-	-	-	-	-	(15,517,696)	-	(15,517,696)
Other comprehensive income	-	-	-	1,381,325	-	-	-	-	1,381,325
Total comprehensive income/(loss)	-	-	-	1,381,325	-	-	(15,517,696)	-	(14,136,371)
Share based payments and warrants	-	-	-	-	-	-	475,437	-	475,437
At 31 December 2023	18,935,765	55,349,883	2,350,175	(4,469,769)	(268,442)	690,937	(70,415,688)	-	2,172,861

The purpose and nature of each of the above reserves is described in Note 22.

The notes form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital US	Share premium US	Merger reserve US	Foreign exchange reserve US	Own shares held reserve US	Convertible debt and warrant reserve US	Retained earnings US	Total equity US
At 31 December 2021	18,935,765	55,349,883	2,350,175	(2,004,424)	(268,442)	1,165,911	(41,204,313)	34,324,555
Loss for the year	-	-	-	-	-	-	(740,114)	(740,114)
Other comprehensive loss	-	-	-	(3,739,683)	-	-	-	(3,739,683)

Total comprehensive loss	-	-	-	(3,739,683)	-	-	(740,114)	(4,479,797)
Share based payments and warrants	-	-	-	-	-	(474,974)	915,270	440,296
At 31 December 2022	18,935,765	55,349,883	2,350,175	(5,744,107)	(268,442)	690,937	(41,029,157)	30,285,054
Loss for the year	-	-	-	-	-	-	(29,202,154)	(29,202,154)
Other comprehensive income	-	-	-	1,018,992	-	-	-	1,018,992
Total comprehensive income/(loss)	-	-	-	1,018,992	-	-	(29,202,154)	(28,183,162)
Share based payments and warrants	-	-	-	-	-	-	475,437	475,437
At 31 December 2023	18,935,765	55,349,883	2,350,175	(4,725,115)	(268,442)	690,937	(69,755,874)	2,577,329

The purpose and nature of each of the above reserves is described in Note 22.

The notes form part of these financial statements.

CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 US	Group 2022 US	Company 2023 US	Company 2022 US
Cash (outflow) from operations	23	(2,879,469)	(2,554,563)	(2,463,338)	(711,370)
Income tax received		634,129	-	-	-
Net cash (outflow) from operating activities		(2,245,340)	(2,554,563)	(2,463,338)	(711,370)
Cash flows from investing activities					
Purchase of intangible assets		-	(730,213)	-	-
Sale of property, plant and equipment		-	3,767,471	-	-
Net cash inflow/(outflow) from investing activities		-	3,037,258	-	-
Cash flows from financing activities					
Intercompany loans received		-	-	-	1,150,373
Unsecured debt repaid		(18,981)	(13,652)	(13,245)	(13,174)
Net cash (outflow)/inflow from financing activities		(18,981)	(13,652)	(13,245)	1,137,199
Net (decrease)/increase in cash and cash equivalents		(2,264,321)	469,043	(2,476,583)	425,829
Cash and cash equivalents at beginning of the year		2,614,472	1,940,871	2,545,913	1,915,571
Exchange gains/(losses) on cash and cash equivalents		(31,014)	204,558	(30,885)	204,513
Cash and cash equivalents at end of the year	15	319,137	2,614,472	38,445	2,545,913

The notes on form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES

General information

Active Energy Group plc is a public limited company, limited by shares, incorporated in England and Wales, and quoted on the AIM market of the London Stock Exchange. Its registered office address is 27/28 Eastcastle Street, London, W1W 8DH. The principal activity of the Group is described in the Strategic Report. On 1st July 2024 the company's shares were suspended from trading on the AIM market.

Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. Certain prior year disclosures have been restated to account for discontinued operations in accordance with the requirements of IFRS 5.

Both the Company financial statements and the Group financial statements (collectively the "Financial Statements") have been prepared and approved by the Directors in accordance with International Financial Reporting Standards ("IFRS") as adopted by the UK, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The Financial Statements have been prepared on the historical cost basis, as modified by the revaluation of property, plant and equipment, available for sale financial assets and certain financial assets and liabilities, including derivative financial instruments, held at fair value through profit and loss.

The preparation of financial statements in compliance with IFRS requires the use of accounting estimates. It also requires management to exercise judgement in the most appropriate application of the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effects are disclosed at the end of this note.

Basis of consolidation

The financial information incorporates the results of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Group has power over relevant activities, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The consolidated financial statements present the financial results of the Company and its subsidiaries (the Group) as if they formed a single entity.

Where necessary, adjustments are made to the results of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less provisions for any permanent diminution in value. Total comprehensive income of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their relative ownership interests, except when cumulative losses of the subsidiary result in negative equity, whereafter total comprehensive income is attributed to the Group.

Going concern

In preparing the financial statements the Directors are required to make an assessment of the Company's ability to continue as a going concern and whether it is appropriate to prepare the financial statements on a going concern basis.

Following the termination of the Group's relationship with Player Design, Inc. the Company is now principally a holding company and its projected future cash requirements comprise its ongoing compliance and management costs. The Company has prepared cash flow forecasts to estimate these future cash requirements, and the resources available to it, and these indicate that the Company should have sufficient cash resources to continue in operation for at least one year from the date of approval of these financial statements.

In October 2024 the Company received loan note finance of £200,000 from Zen Ventures Limited and it

has subsequently received a commitment to provide additional future funding from Zen Ventures Limited and parties connected to Zen Ventures Limited. The Board, having reviewed the cash flow forecasts, consider that this funding commitment will be sufficient to enable the Company to settle its liabilities as they fall due for at least one year from the date of approval of these financial statements.

The financial statements have therefore been prepared on a going concern basis.

The Zen Ventures Limited loan note finance includes £27,616 of convertible loan notes that will convert to new ordinary shares representing 29.9% of the Company's issued share capital on 31 December 2024, contingent upon, inter alia, the suspension in trading in the Company's shares on AIM, a market operated by the London Stock Exchange plc, having been lifted by this date. To achieve this the Company must, inter alia, publish its annual report and financial statements for the year ended 31 December 2023 and its interim results for the six months ended 30 June 2024 and the Board are very confident of meeting these requirements before 31 December 2024.

However, the loan notes, and by extension the future funding from Zen Ventures Limited and its connected parties, are also subject to approval by the Company's shareholders at its next general meeting. The Board consider that this represents a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The financial statements do not include any of the adjustments that would be required if they were not prepared on a going concern basis.

Restatement of prior period

The statement of comprehensive income for the year ended 31 December 2022 has been restated to report the 2022 loss from operations discontinued during 2023 within the *loss from discontinued operations* line (see note 7). The overall loss for the year ended 31 December 2022, the total comprehensive loss for the year and net assets at 31 December 2022 are unaffected.

New and amended standards which are effective for these Financial Statements

A number of amended standards became mandatory and are effective for annual periods beginning on or after 1 January 2023. These have not had a material impact on the financial statements.

New and amended standards which are not yet effective for these Financial Statements

There are a number of new and amended standards and interpretations that are not mandatory for the year ended 31 December 2023 and have not been early adopted in these financial statements.

These are summarised in the following table and will be adopted in the period when they became mandatory unless otherwise indicated.

Ref	Title	Summary	Application date (accounting periods commencing)
IAS1	Presentation of Financial Statements	Amendments: classification of liabilities as current or non-current	1 January 2024
		Amendments: classification of debt with covenants	1 January 2024
IFRS 7	Financial Instruments: Disclosures	Amendments: classification and measurement of financial instruments	1 January 2026
IFRS 7	Financial Instruments: Disclosures	Amendments: supplier finance arrangements	1 January 2024
IFRS 9	Financial Instruments	Amendments: classification and measurement of financial instruments	1 January 2026
IFRS 16	Leases	Amendments: clarification of the measurement of sale and leaseback transactions that qualify as sales transactions under IFRS15	1 January 2024
IFRS 18	Presentation and Disclosures	Presentation and Disclosures in Financial Statements	1 January 2027
IAS7	Supplier Finance arrangements	Amendments: additional disclosures about supplier finance arrangements	1 January 2024

The impact of the initial application of these amendments and new standards on the Group's financial statements is not yet known.

Discontinued operations

An operational business unit is classified as a discontinued operation when it has been either disposed of or classified as *held for sale* in accordance with IFRS 5 at the reporting date. The results of discontinued operations are shown separately in the income statement.

Revenue recognition

Revenue is recognised in accordance with the requirements of IFRS 15 'Revenue from Contracts with Customers'. The Company recognises revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework: 1. Identify the contract(s) with the customer; 2. Identify the performance obligations in the contract; 3. Determine the transaction price; 4. Allocate the transaction price to the performance obligations in the contract; and 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognised when control of the products has been transferred to the customer. Control is considered to have transferred once products have been received by the customer unless shipping terms dictate otherwise. Revenues exclude intra-group sales and value added taxes and represent net invoice value less estimated rebates, returns and settlement discounts. The net invoice value is measured by reference to the fair value of the consideration received or receivable by the Group for goods supplied. In the case of income from licencing activities, revenue is recognised as and when the relevant performance obligations defined by the licence agreement have been satisfied. This may be on initial grant of the licence if the grant is itself the performance obligation. Alternatively, the performance obligation may be dependent on certain further events, such as production under the terms of the licence, in which case revenue will be recognised as this occurs.

Impairment of non-financial assets (excluding inventories, investment properties and deferred tax)

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ("CGUs"). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from the synergies of the combination giving rise to the goodwill. Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

Intangible assets

Externally acquired intangible assets with a finite useful life are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives and tested for impairment annually. Externally acquired intangible assets with an infinite life are not amortised but are tested for impairment annually.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques.

Internally generated intangible fixed assets are recognised if they meet the requirements set out by International Accounting Standards. Specifically,

- the asset must be separately identifiable that is to say that either it is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged; or it arises from

divided from the entity and sold, transferred, licensed, rented or exchanged, or it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations;

- the cost of the asset can be measured reliably;
- the technical feasibility of completing the intangible asset;
- the Group intends and is able to complete the intangible asset and use or sell it;
- the intangible asset will generate probable future economic benefits;
- there are available and adequate technical, financial, and other resources to complete and to use or sell the intangible asset; and
- Expenditure attributable to the intangible asset is measurable.

Property, plant and equipment

Property, plant and equipment is stated at cost, or deemed cost, less accumulated depreciation and any recognised impairment loss. Cost includes the purchase price and all directly attributable costs. Depreciation is provided once assets are available for use at the following annual rates in order to write off each asset over its estimated useful life:

Plant and equipment	- 2 to 10 years straight line
Furniture and office equipment	- 2 to 5 years straight line
Buildings	- 25 to 50 years straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Property is depreciated and is reviewed by means of an independent property valuer on a three-year basis, unless indicators of impairment exist, in which case an independent valuation will be performed. Land is not depreciated.

Non-current assets held for sale

A non-current asset (or disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use, it is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale is considered highly probable.

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount immediately before their classification as held for sale and their fair value less costs to sell. Immediately before the initial classification of an asset (or disposal group) as held for sale, the carrying amount of the asset (or all the assets and liabilities in the disposal group) shall be measured in accordance with accounting standard applicable to the asset (or the standards applicable to the respective assets and liabilities in the disposal group).

Non-current assets (or disposal groups) classified as held for sale are presented separately from other assets in the statement of financial position.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team including the Executive Directors.

Financial assets and liabilities

The Group classifies its financial assets at inception into three measurement categories; 'amortised cost', 'fair value through other comprehensive income' ("FVOCI") and 'fair value through profit and loss' ("FVTPL"). The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost. Management determines the classification of its investments at initial recognition. A financial asset or financial liability is measured initially at fair value. At inception transaction costs that are directly attributable to its acquisition or issue, for an item not at fair value through profit or loss, are added to the fair value of the financial asset and deducted from the fair value of the financial liability.

Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal payments, plus or minus the cumulative

amortisation using the effective interest method of any difference between the initial amount recognised and maturity amount, minus any reduction for impairment

Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. The fair value of assets and liabilities in active markets are based on current bid and offer prices respectively. If the market is not active the group establishes fair value by using appropriate valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same for which market observable prices exist, net present value and discounted cash flow analysis.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the group has transferred substantially all of the risks and rewards of ownership. In a transaction in which the group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. There have not been any instances where assets have only been partly derecognised. The group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Impairment

The Group assesses at each financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence (such as significant financial difficulty of the obligor, breach of contract, or it becomes probable that debtor will enter bankruptcy), the asset is tested for impairment. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (that is, the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account.

Taxation

Current taxes are based on the results shown in the Financial Statements and are calculated according to local tax rules, using tax rates enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available to utilise the difference. The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/assets are settled/recovered.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable group company; or
- different Group entities which intend either to settle current tax assets/liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled/recovered.

Foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the

currency of the primary economic environment in which they operate (their "functional currency"). The Company and Consolidated financial statements are presented in United States Dollar ("US Dollar", "US"), which is the Group's presentation currency as the Group's activities are ultimately linked to the US Dollar. The Company's functional currency is Pounds Sterling.

Transactions entered into by Group entities in a currency other than their functional currency are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

On consolidation, the results of overseas operations are translated into the Group's presentation currency, US Dollars, at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. Differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve. Exchange differences recognised in the statement of comprehensive income of Group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the overseas operation concerned are reclassified to the foreign exchange reserve on consolidation.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal. The key US /GBP exchange rates used to prepare the accounts were as follows: rate at 31 December 2023: 1.2734; average for year-ended 31 December 2023: 1.2438; rate at 31 December 2022: 1.2056.

Share-based payments

Where employees receive remuneration in the form of shares or share options, the fair value of the share-based employee compensation arrangement at the date of the grant is recognised as an employee benefit expense in the consolidated income statement. The total expense to be apportioned over the vesting period of the benefit is determined by reference to the fair value (excluding the effect of non-market-based vesting conditions) at the date of the grant. The assumptions underlying the number of awards expected to vest are subsequently adjusted for the effects of non-market-based vesting to reflect the conditions prevailing at the year-end date. Fair value is measured using a valuation tool (Monte Carlo or Black Scholes). The expected life used in the model has been adjusted, based on management's best estimate, for the effects of the non-transferability, exercise restrictions and behavioural considerations.

Where equity instruments are granted to persons other than employees, the consolidated income statement is charged with the fair value of goods and services received; except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Own shares held

Consideration paid/received for the purchase/sale of shares held in escrow or in trust for the benefit of employees is recognised directly in equity. The nominal value of such shares held is presented within the "own shares held" reserve. Any excess of the consideration received on the sale of the shares over the weighted average cost of the shares sold is credited to retained earnings.

Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the Group consolidated income statement.

Investment in subsidiaries

Investments in subsidiaries are stated at cost less provision for impairment in the Company financial statements.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial information in conformity with UK-adopted International Accounting Standards requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the year end date and

assets and liabilities as well as the disclosure of contingent assets and liabilities at the year-end date and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management's consideration of going concern is discussed elsewhere in the accounting policies note. The other significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were as follows:

Critical accounting judgements and key sources of estimation uncertainty (continued)

Impairment of intangible fixed assets.

Intangible assets relate solely to CoalSwitch® and PeatSwitch patents, trademarks, and know-how. These have been impaired to their recoverable amount, which has been determined to be their fair value less costs to sell. Management have estimated fair value through consultation with brokers and other market participants and consider these to be Level 3 inputs as defined by IFRS 13 (and that the assets are therefore subject to management's judgement of unobservable inputs).

Share-based payments

In determining the fair value of LTIP awards and other equity settled share-based payments, and the related charge to the income statement, the Group makes assumptions about future events and market conditions. In particular, judgements must be made as to the fair value of each award granted. The fair value is determined using a valuation model which is dependent on further estimates, including the Group's future dividend policy, the timing with which options will be exercised and the future volatility in the price of the Group's shares. Such assumptions are based on publicly available information and reflect market expectations and advice taken from qualified personnel. Different assumptions about these factors could materially affect the reported value of share-based payments.

Valuation of unquoted equity investment

The other financial assets included in the Group and Company statement of financial position comprise an investment in an unquoted private company which itself holds certain illiquid, difficult to value investments that have yet to generate any return. The information available with which to estimate the fair value of this investment is limited and includes primarily the company's financial statements and the prices at which the company has raised recent equity finance. Additionally, judgement is required to estimate the discount that would be applied by a market participant to the value of the company's investment on account of it being a minority, non-controlling interest. The fair values implied by the limited information that is available are inconsistent, and highly variable, and management have therefore concluded that the most reliable estimate of the investment's value is its cost price. The investment is therefore carried at its cost price being management's best estimate of fair value.

2. SEGMENTAL INFORMATION

The Group reports two business segments:

- "CoalSwitch®" denotes the Group's renewable wood pellet business. Production activities have ceased and are reported as discontinued operations.
- "Corporate and other" denotes the Group's corporate and other costs.

The business segments are aligned to the Group's strategy as disclosed in the Strategic Report.

Factors that management used to identify the Group's reportable segments

The Group's reportable segments are strategic business units that offer different products or services.

Measurement of operating segment profit or loss

The Group evaluates segmental performance on the basis of profit or loss from operations calculated in accordance with IFRS but excluding the results from discontinued operations in accordance with IFRS 5.

	CoalSwitch® US	Corporate & Other US	Total US
Revenue	-	-	-
Operating loss	-	(2,521,981)	(2,521,981)
Loss before tax	-	(3,833,814)	(3,833,814)
Loss for the year	-	(3,833,814)	(3,833,814)
Total Assets	1,975,897	998,155	2,974,052
Total Liabilities	153,548	647,643	801,191

Other segmental information:

Adjustment to prior year additions to intangibles	300,000	-	300,000
Adjustment to prior year additions to PPE	100,000	-	100,000
Depreciation and amortisation	-	898	898
Impairment of intangibles	7,700,914	-	7,700,914
Impairment of PPE	3,796,184	-	3,796,184

	2022 CoalSwitch® US	Restated 2022 Corporate & Other US	Restated 2022 Total US
Revenue	-	-	-
Operating loss	-	(2,178,118)	(2,178,118)
Profit before tax	-	1,114,212	1,114,212
Profit for the year	-	1,114,212	1,114,212
Total Assets	13,649,225	3,532,030	17,181,255
Total Liabilities	640,768	706,692	1,347,460

Other segmental information:

Additions to Intangibles	730,213	-	730,213
Additions to PPE	231,087	-	231,087
Depreciation and amortisation	-	1,318	1,318
Impairment charges	1,000,000	-	1,000,000

The remaining assets and liabilities derived from the "Wood Processing" segment that ceased activity in 2021 have been transferred into the "Corporate and Other" segment and the 2022 segmental analysis has been restated to reflect this.

Non-current assets are located as follows:

	2023 US	2022 US
United Kingdom	870,201	824,759
United States	63,670	12,836,100
	<u>933,871</u>	<u>13,660,859</u>

3. EMPLOYEE COSTS AND DIRECTORS

The following table analyses group wages and salaries before any allocations to property, plant and equipment or intangible assets.

	2023 US	2022 US
Group		
<i>Continuing operations</i>		
Wages and salaries	508,723	607,172
Social security costs	<u>57,501</u>	<u>77,421</u>

	566,224	684,593
Share based payments - directors	319,636	339,375
Share based payments - others	155,801	18,746
	<u>1,041,661</u>	<u>1,042,714</u>
<i>Discontinued operations</i>		
Wages and salaries	365,697	106,699
Social security costs	27,463	9,323
	<u>393,160</u>	<u>116,022</u>
	<u>1,434,821</u>	<u>1,158,736</u>

The average monthly number of employees during the year was as follows:

	2023	2022
<i>Continuing operations</i>		
Directors	4	5
Administration	1	2
<i>Discontinued operations</i>		
Management	2	-
Administration	1	-
Production	-	1
	<u>8</u>	<u>8</u>

Directors' and key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. These are considered to be the directors of the Company.

	2023	2022
	US	US
Directors' emoluments	453,995	607,172
Termination benefits	-	48,726
Share based payments	<u>319,636</u>	<u>339,375</u>
	<u>773,631</u>	<u>995,273</u>

The emoluments of the highest paid Director for the year, excluding non-cash share-based payments, were 279,860 (2022: 230,104).

4. OPERATING LOSS*

	2023	2022
Group	US	US
The operating loss is stated after charging:		
<i>Continuing operations</i>		
Depreciation	898	1,318
Auditor's remuneration - parent company and consolidation	99,504	68,663
Auditor's remuneration - subsidiaries	-	34,610
Auditor's remuneration - taxation services	2,488	6,495
Auditor's remuneration - other services	5,099	2,023
Share based payments	475,437	358,121
<i>Discontinued operations</i>		
Impairment charges intangibles	7,573,575	-
Impairment charges PPE	3,796,184	1,000,000
Loss on disposal of fixed assets	-	455,140
Depreciation	-	18,556

5. NET FINANCE INCOME/(COSTS)*

	2023	2022
Group	US	US

Continuing operations

Finance income

Interest income	24,745	28,412
	<u>24,745</u>	<u>28,412</u>

Finance costs

Other loan interest and charges	(943)	(4,239)
	<u>(943)</u>	<u>(4,239)</u>

23,802 **24,173**

Discontinued operations

Finance income

Interest income	3,981	-
	<u>3,981</u>	<u>-</u>

Finance costs

Other loan interest and charges	(4,425)	(6,662)
	<u>(4,425)</u>	<u>(6,662)</u>

(444) **(6,662)**

6. TAXATION*

	2023	2022
Group	US	US
<i>Continuing operations</i>		
Current tax	-	-
Deferred tax	-	-
Total income tax expense	<u>-</u>	<u>-</u>
<i>Discontinued operations</i>		
Total income tax (credit)	<u>(634,129)</u>	<u>(1,395)</u>

Factors affecting the tax charge

The tax on the Group assessed for the year is higher than the standard rate of corporation tax in the UK.

The difference is explained below:

	2023	<i>Restated</i> 2022
	US	US
Loss before taxation	(16,151,825)	(1,343,745)
Standard rate of corporation tax	23.50%	19%
Loss before tax multiplied by standard rate of corporation tax	(3,795,679)	(255,312)
<i>Effects of:</i>		
Non-deductible expenses	2,809,395	353,486
Different tax rates in overseas jurisdictions	-	(7,519)
Tax credit included within loss from discontinued operations	634,129	1,395
Losses (used)/not recognised	<u>352,155</u>	<u>(92,050)</u>
Tax expense	<u>-</u>	<u>-</u>

The Group's tax loss position can be summarised as follows:

	2023	2022
	US	US
Tax losses brought forward at 1 January	40,289,937	43,437,711
Taxable (profit)/loss for the year	4,196,953	(517,596)
Losses expired during year	(6,129,757)	-
Adjustment in respect of prior periods	<u>1,506,849</u>	<u>(2,630,178)</u>
Tax losses carried forward at 31 December	<u>39,863,982</u>	<u>40,289,937</u>

A deferred tax asset has not been recognised in respect of the Group's tax losses due to uncertainties

around the Group's ability to utilise the losses.

7. DISCONTINUED OPERATIONS*

During 2023 the Group discontinued its CoalSwitch® operations in Ashland, Maine. During 2022 the Group sold the Lumberton property that was used for its wood processing operations. The results of these businesses are disclosed as a single line item in the Consolidated Statement of Income in accordance with IFRS5. The analysis between continuing and discontinued operations is as follows:

Year ended 31 December 2023	Continuing operations US	Discontinued operations US	Total US
Revenue	-	-	-
Impairment charges	-	(11,497,099)	(11,497,099)
Administrative expenses	(2,521,981)	(816,429)	(3,338,410)
Loss on disposal of PPE	-	-	-
Other income	-	-	-
Operating loss	(2,521,981)	(12,313,528)	(14,835,509)
Finance income/(costs)	(1,311,833)	(4,483)	(1,316,316)
Loss before taxation	(3,833,814)	(12,318,011)	(16,151,825)
Taxation	-	634,129	634,129
Loss for the year	(3,833,814)	(11,683,882)	(15,517,696)
Cash outflows from operating activities	(2,463,338)	217,998	(2,245,340)
Cash inflows from investing activities	-	-	-
Cash outflows from financing activities	(13,245)	(5,736)	(18,981)
Year ended 31 December 2022	Restated Continuing operations US	Restated Discontinued operations US	Total US
Impairment charges	-	(1,000,000)	(1,000,000)
Administrative expenses	(2,178,118)	(1,013,258)	(3,191,376)
Loss on disposal of PPE	-	(455,140)	(455,140)
Other income	-	14,689	14,689
Operating loss	(2,178,118)	(2,453,709)	(4,631,827)
Finance income/(costs)	3,292,330	(5,643)	3,286,687
Profit/(Loss) before taxation	1,114,212	(2,459,352)	(1,345,140)
Taxation	-	1,395	1,395
Profit/Loss for the year	1,114,212	(2,457,957)	(1,343,745)
Cash outflows from operating activities	(711,370)	(1,843,193)	(2,554,563)
Cash outflows from investing activities	-	3,037,257	3,037,257
Cash inflows from financing activities	(13,174)	(478)	(13,652)

8. (LOSS)/PROFIT PER SHARE

	2023 US	Restated 2022 US
(Loss)/profit for the year:		
Continuing operations	(3,833,814)	1,114,212
Discontinued operations	(11,683,882)	(2,457,957)
Total operations	(15,517,696)	(1,343,745)
Weighted number of Ordinary Shares in issue	161,863,136	161,863,136
Basic and diluted (loss)/profit per share (US cents):		
Continuing operations	(2.37)	0.69
Discontinued operations	(7.22)	(1.52)
Total operations	(4.55)	(0.83)

The share options set out in note 21 are not dilutive in relation to the restated profit per share on continuing operations for the year ended 31 December 2022 because the Company's average share price for the year did not exceed the exercise price of any of the share options in issue. The share options are anti-dilutive in relation to all the loss per share measures presented for the years ended 31 December 2023 and 31 December 2022 because their inclusion would decrease the loss per share in each case.

On 4 July 2022 the Company's Ordinary Shares were consolidated on a 1 for 35 basis and the weighted average number of shares in issue in 2022 has been adjusted to reflect this. Loss per share for 2022 has been restated to reflect the 2023 split of continued/discontinued operations.

9. INTANGIBLE ASSETS

Group	Intellectual property US	Total US
Cost		
At 31 December 2021	5,659,386	5,659,386
Additions	730,213	730,213
Transferred from PPE	1,675,348	1,675,348
At 31 December 2022	8,064,947	8,064,947
Adjustment to prior year additions	(300,000)	(300,000)
At 31 December 2023	7,764,947	7,764,947
Accumulated amortisation		
At 31 December 2021	362	362
At 31 December 2022	362	362
Impairment of intangibles	7,700,915	7,700,915
At 31 December 2023	7,701,277	7,701,277
Net book value		
At 31 December 2023	63,670	63,670
At 31 December 2022	8,064,585	8,064,585

The adjustment to additions in 2023 results from further information becoming available in relation to the cost of the 2022 additions, subsequent to the approval of the 2022 financial statements.

Intellectual property

Intellectual property comprises costs incurred to secure the rights and knowledge associated with the CoalSwitch® and PeatSwitch technologies. These assets are accounted for as indefinite life assets and assessed for impairment at each balance sheet date. These have been impaired to their recoverable amount, which has been determined to be their fair value less costs to sell. The key assumption in estimating the recoverable amount is considered to be the estimated selling price of the intellectual property assets.

10. PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings US	Plant and equipment US	Furniture and office equipment US	Total US
Cost				
At 31 December 2021	4,492,049	9,318,697	13,170	13,823,916
Additions	-	375,357	-	375,357
Disposals	(4,492,049)	(247,192)	-	(4,739,241)
Transferred to intangible assets	-	(1,675,348)	-	(1,675,348)
Foreign exchange movements	-	-	(1,405)	(1,405)
At 31 December 2022	-	7,771,514	11,765	7,783,279
Adjustment to prior year additions	-	(100,000)	-	(100,000)
Transfer to non-current asset held for sale	-	(7,671,514)	-	(7,671,514)
Foreign exchange movements	-	-	660	660

foreign exchange movements	-	-	bbU	bbU
At 31 December 2023	-	-	12,425	12,425

Group

	Land and Buildings US	Plant and equipment US	Furniture and office equipment US	Total US
Accumulated depreciation				
At 31 December 2021	198,000	2,102,366	10,597	2,310,963
Depreciation for the year	18,000	556	1,318	19,874
Impairment charge	-	1,000,000	-	1,000,000
Disposals	(216,000)	(102,922)	-	(318,922)
Foreign exchange movements	-	-	(1,166)	(1,166)
At 31 December 2022	-	3,000,000	10,749	3,010,749
Charge for the year	-	-	898	898
Impairment charge	-	3,796,184	-	3,796,184
Transfer to non-current asset held for sale		(6,796,184)	-	(6,796,184)
Foreign exchange movements	-	-	624	624
At 31 December 2023	-	-	12,271	12,271
Net book value				
At 31 December 2023	-	-	154	154
At 31 December 2022	-	4,771,514	1,016	4,772,530

The additions to plant and equipment in 2022 represent expenditure on assets under construction. The adjustment to additions in 2023 results from further information becoming available in relation to the cost of the 2022 additions, subsequent to the approval of the 2022 financial statements.

The plant and equipment has been impaired to its recoverable amount which has been determined to be its fair value less costs to sell. This valuation has been based on the amounts realised for these assets subsequent to the end of the accounting period. The 2022 impairment charge of 1,000,000 related to a reactor that has been taken out of service and was being used for research and development purposes.

Company - office equipment

	2023 US	2022 US
Cost		
At 1 January	11,763	13,170
Foreign exchange movements	660	(1,407)
At 31 December	12,423	11,763
Accumulated depreciation		
At 1 January	10,748	10,597
Charge for the year	898	1,318
Foreign exchange movements	623	(1,167)
At 31 December	12,269	10,748
Net book value	154	1,015

11. INVESTMENTS IN SUBSIDIARIES

	2023 US	2022 US
Cost		
At 1 January	10,319,729	11,554,112
Disposals	(4,732,881)	-
Foreign exchange movements	467,464	(1,234,383)
At 31 December	6,054,312	10,319,729
Impairment provision		
At 1 January	4,587,626	5,136,371
Charge for the year	5,913,580	-
On disposals	(4,732,881)	-

On disposal	1,732,002	
Foreign exchange movements	285,987	(548,745)
At 31 December	6,054,312	4,587,626
Net book value	-	5,732,103

At the balance sheet date the Group held share capital and had a controlling interest in each of the following companies:

Subsidiary undertaking	Country of incorporation	Nature of business	Percentage Holding		Dissolution Date
			2023	2022	
Advanced Biomass Solutions Limited	United Kingdom	Biomass for energy development	100	100	-
Lumberton Energy Holdings LLC	United States	Property Holding Company	100	100	19 April 2024
Active Energy Renewable Power LLC	United States	Biomass for energy development	100	100	22 April 2024
CSW2Maine LLC	United States	Biomass for energy development	-	100	21 August 2023
AEG Trading Limited	United Kingdom	Wood chip distribution	-	100	24 January 2023
Timberlands International Limited	United Kingdom	Biomass for energy development	-	100	24 January 2023

Advanced Biomass Solutions Limited was placed into a members' voluntary liquidation on 22 July 2024.

The following companies, which were all wholly owned by the group, were dissolved during 2022:

Timberlands Newfoundland & Labrador, Inc. (United States)
Nikofeso Holdings Limited (Cyprus)
Renewable Energy Systems (United States)
Active Energy Services UK Limited (United Kingdom)

12. INTERCOMPANY LOANS

	Group 2023 US	Group 2022 US	Company 2023 US	Company 2022 US
Carrying value at beginning of the year	-	-	21,444,342	25,296,460
Impairment of investments in subsidiaries	-	-	(19,454,760)	-
Loans received during the year	-	-	-	(1,150,373)
Foreign exchange movements	-	-	139,451	(2,701,745)
Carrying value at end of the year	-	-	2,129,033	21,444,342

Intercompany loans are loans made to subsidiaries of the Company and are repayable on demand. In 2023 they have been classified as current asset as they were expected to be paid within the next 12 months (2022: classified as non-current asset as they were expected to be paid after 12 months).

13. OTHER FINANCIAL ASSETS

	Group 2023 US	Group 2022 US	Company 2023 US	Company 2022 US
Fair value at beginning of the year	823,744	922,275	823,744	922,275
Foreign exchange movements	46,303	(98,531)	46,303	(98,531)

Fair value at end of the year	870,047	823,744	870,047	823,744
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Other financial assets consist of an unquoted equity instrument which is valued at fair value through other comprehensive income and classified as a non-current asset. The instrument is denominated in Pounds Sterling.

This asset is valued according to Level 3 inputs as defined by IFRS 13 and is therefore subject to management's judgement of unobservable inputs. The asset is currently held at its historic cost which represents management's best estimate of its fair value.

14. TRADE AND OTHER RECEIVABLES

The carrying value of trade and other receivables, after deduction of appropriate allowances for irrecoverable amounts, approximates to their fair value. These assets are not interest bearing and are received over a short period of time with an insignificant risk of changes in fair value.

	Group 2023 US	Group 2022 US	Company 2023 US	Company 2022 US
Project advances	774,669	774,669	-	-
Prepayments	38,041	73,461	38,041	73,461
Other receivables	33,004	57,794	20,982	57,736
Total	845,714	905,924	59,023	131,197

Trade and other receivables that have not been received within the payment terms are classified as overdue. There were no trade and other receivables overdue at 31 December 2023 or 31 December 2022 and accordingly there were no impairment provisions at either date. An analysis of the Group's trade and other receivables by currency is provided in note 24.

15. CASH AND CASH EQUIVALENTS

	Group 2023 US	Group 2022 US	Company 2023 US	Company 2022 US
Cash at bank	319,137	2,614,472	38,445	2,545,913

Cash and cash equivalents are defined as cash at bank, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

16. NON-CURRENT ASSETS HELD FOR SALE

The non-current assets classified as held for sale during the year comprise plant and equipment at the CoalSwitch® production facility that was under construction in Ashland, Maine following the termination of the Group's relationship with Player Design, Inc. (see note 27).

These assets were previously held as property, plant and equipment and were impaired to their fair value less costs to sell immediately before reclassification as non-current assets held for sale, with an impairment charge of 3,796,184 recognised in the income statement within the loss from discontinued operations. The assets were sold in March 2024 for consideration that was approximately equal to their carrying values at the balance sheet date.

These non-current assets are presented within the CoalSwitch® operating segment.

17*. TRADE AND OTHER PAYABLES

	Group 2023 US	Group 2022 US	Company 2023 US	Company 2022 US
Trade payables	381,926	428,106	238,385	170,975
Accruals and deferred income	268,727	587,106	234,305	145,696
Social security and other taxes	14,911	34,584	14,911	34,584
Other payables	-	150,000	-	-
	665,564	1,199,796	487,601	351,255

The carrying value of trade and other payables approximates to their fair value. Payments occur over a short period and the risk of changes in value is insignificant. The full balance of the trade and other payables becomes due and payable within three months of the reporting date. These are classified as financial liabilities on the balance sheet and are measured at amortised cost.

The amounts shown are undiscounted and represent the contractual cash flows. An analysis of the Group's trade and other payables classified as financial liabilities by currency is provided in note 24.

18. LOANS AND BORROWINGS

The book value and fair value of loans and borrowings are as follows:

Group	Book value 2023 US	Fair value 2023 US	Book value 2022 US	Fair value 2022 US
Non-Current				
Other loans	120,846	120,846	133,940	133,940
Current				
Other loans	14,781	14,781	13,724	13,724
Total loans and borrowings	135,627	135,627	147,664	147,664

Company	Book value 2023 US	Fair value 2023 US	Book value 2022 US	Fair value 2022 US
Non-Current				
Other loans	18,864	18,864	30,085	30,085
Current				
Other loans	12,908	12,908	11,920	11,920
Total loans and borrowings	31,772	31,772	42,005	42,005

Other loans

Other loans comprise a bank loan to the Company guaranteed by the UK government and a loan to a subsidiary from the US government. The loans are repayable over 5 and 30 years respectively, with interest rates of 2.5% p.a. and 3.75% p.a. respectively. The US government loan is secured against the assets of the subsidiary by way of a floating charge.

19. CALLED UP SHARE CAPITAL

	2023 Number	2023 US	2022 Number	2022 US
Ordinary shares				
At 1 January	161,863,136	786,867	5,665,209,745	786,867
Issue of shares	-	-	15	-

Share consolidation	-	-	(5,503,346,624)	-
31 December	161,863,136	786,867	161,863,136	786,867
Deferred shares of £0.0099 each				
At 1 January	1,287,536,163	18,148,898	1,287,536,163	18,148,898
At 31 December	1,287,536,163	18,148,898	1,287,536,163	18,148,898
Total share capital	18,935,765		18,935,765	

All shares have been allotted, called up and fully paid. The Ordinary Shares of £0.0001 each were consolidated into Ordinary Shares of £0.0035 each on 4 July 2022 (see below).

At the Company's Annual General Meeting on 4 July 2022, shareholders approved a 1 for 35 share consolidation of the Company's Ordinary Shares. Following the share consolidation, the Company had 161,863,136 Ordinary Shares of £0.0035 each.

The Deferred Shares have not been admitted to trading on the Alternative Investment Market, carry no voting rights and are purchasable for an aggregate sum of £1.

The Ordinary Shares were suspended from trading on AIM on 1 July 2024 and will remain suspended, pursuant to AIM Rule 19, until the Company has published its annual report and accounts for the year ended 31 December 2023 and its interim report and accounts for the six months ended 30 June 2024.

20. CONTINGENT LIABILITIES

The Group has received legal claims from former subcontractors in the USA in respect of alleged unpaid remuneration. The Group disputes these claims and is advised that they are unlikely to be successful, and the Board therefore does not consider it likely that any payment will be required to settle the claims. The Board's best estimate of the cost to the Group, were these claims to be successful, is 360,653. No provision has been made for this sum in these financial statements.

21. SHARE OPTIONS AND WARRANTS

On 4 July 2022 the Company's Ordinary Shares were consolidated on a 1 for 35 basis and corresponding adjustments have been made to the number and exercise price of the share options and warrants in issue to reflect this.

From time to time the Company has entered into share option and warrant arrangements under which the holders are entitled to subscribe for a percentage of the Company's Ordinary Share capital. Options under the LTIP and JSOP are detailed below. All other options and warrants vest immediately. The number of warrants and share options exercisable at 31 December 2023 was 2,699,336 (2022: 5,768,463). During the year 598,571 (2022: 714,286) options and warrants expired.

The movements of warrants and share options during the year was as follows:

	2023	2023	2022	2022
	Weighted	Number of	Weighted	Number of
	Average	Warrants	Average	Warrants
	Exercise	and Share	Exercise	and Share
	Price	Options	Price	Options
	(British pence)		(British pence)	
At 1 January	112.68	5,768,463	103.95	6,482,749
Expired	86.21	(598,571)	35.00	(714,286)
Granted	9.83	8,283,840	-	-
At 31 December	50.53	13,453,732	112.68	5,768,463

At 31 December 2023, the weighted average remaining contractual life of warrants and share options exercisable was 7.42 years (2022: 4.95 years). There were 8,283,840 share options issued under the LTIP

during 2023 (2022: none issued). No warrants were issued in 2023 or 2022. The weighted average exercise price of the options and warrants granted in 2023 was 9.83 pence (none issued in 2022).

A charge of 475,437 (2022: 358,121) has been recognised in the Statement of Comprehensive Income in respect of equity settled share based payments.

Options and warrants outstanding at 31 December 2023 and 2022 were exercisable as follows:

Exercise price (British pence)	2023 Number	2022 Number
8.30p	3,594,470	-
10.00p	2,344,685	-
12.00p	2,344,685	-
17.50p	428,571	428,571
45.15p	609,081	609,081
52.50p	-	214,286
67.73p	304,540	304,540
70.44p	1,235,278	1,235,278
105.00p	-	384,287
123.27p	1,235,278	1,235,278
157.50p	585,714	585,714
175.00p	57,143	57,143
210.00p	128,571	128,571
297.50p	585,714	585,714
At 31 December	13,453,730	5,768,463

The above disclosures relate to both the Company and the Group.

LTIP awards

In February 2021, the Company implemented its Long Term Incentive Plan ("LTIP") to incentivise the Company's Executive Directors, certain other Directors, and members of the Senior Management team.

Awards under the LTIP take the form of premium priced options over the Company's Ordinary Shares which are exercisable on various dates up to the third anniversary of the date of grant (subject to several market standard specific exceptions). LTIP options have an expiry date of ten years from the award date.

The Group measures the fair value of LTIP awards using the Black Scholes valuation model. The share-based payment expense is recorded over the vesting period of the option if the option is expected to vest. Share based payment expenses are recognised in the income statement in accordance with the provisions of IFRS2.

The inputs to the Black Scholes model for the valuation of the options issued during 2023 were:

Share price on date of grant:	6.15p
Exercise price:	8.30p, 10.00p and 12.00p
Expected volatility (of share price):	99.66%
Option life:	10 years
Risk free interest rate:	4.55%

Expected volatility was determined based on historic volatility over the three year period prior to the grant date of the option.

At the inception of the plan, options over 2,470,556 shares were granted to directors and other participants. Further options were granted in July 2023 over 8,283,840 shares.

JSOP awards

Under the Joint Share Ownership Plan ("JSOP"), shares in the Company were jointly purchased at fair market value by the sole participating employee and the trustees of the JSOP Trust, with such shares held in the JSOP Trust. For accounting purposes, the awards are valued as employee share options. There is only one participant in the JSOP and the Company no longer utilises the JSOP to incentivise

employees.

The company awarded JSOP shares in 2013 and has made no further awards since. The JSOP share based payment charge was expensed during the vesting period and there was no associated share based payment charge in 2023 or 2022. At 31 December 2023 and 31 December 2022 there were 400,000 fully vested shares held in the JSOP Trust. No JSOP shares were sold during either year.

The JSOP trust holds the shares of the JSOP until such time as the JSOP shares are vested and the participating employee exercises their rights under the JSOP. The JSOP trust is granted an interest bearing loan by the Company in order to fund the purchase of its interest in the JSOP shares. The loan held by the trust is eliminated on consolidation in the financial statements of the Group. The Company funded portion of the share purchase price is deemed to be held in treasury until such time as the shares are transferred to the employee and is recorded as a reduction in equity in both the Group and Company financial statements.

22. RESERVES

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share premium	Amounts subscribed for share capital in excess of nominal value.
Merger reserve	Difference between fair value and nominal value of shares issued to acquire interests of more than 90% in subsidiaries.
Foreign exchange reserve	Gains and losses arising from retranslating the net assets of overseas operations into US Dollars.
Own shares held reserve	Cost of own shares held by the employee benefit trust, the JSOP trust or the company as shares held in escrow.
Convertible debt/warrant reserve	Equity component of the convertible loan and warrants issued that do not form part of a share based payment.
Retained earnings	Cumulative net gains and losses recognised in the consolidated statement of comprehensive income.

23. NOTE SUPPORTING THE STATEMENT OF CASH FLOWS

Reconciliation of loss before taxation to cash outflows from operating activities:

Group	2023 US	2022 US
Loss for the year	(15,517,696)	(1,343,745)
Adjustments for:		
Share based payment expense	475,437	358,121
Depreciation	898	19,874
Impairment of PPE and intangible assets	11,497,099	1,000,000
Adjustments to PPE and intangible asset additions	400,000	-
Loss on disposal of PPE	-	212,626
Foreign currency translations	1,368,070	(3,456,479)
Finance expenses	4,874	9,473
Income tax	(634,129)	(1,395)
	(2,405,447)	(3,201,525)
Decrease in inventories	-	27,250
Decrease in trade and other receivables	60,210	641,946
(Decrease) in trade and other payables	(534,232)	(22,234)
Net cash (outflow) from operating activities	(2,879,469)	(2,554,563)

Company	2023 US	2022 US
Loss for the year	(29,202,154)	(740,114)
Adjustments for:		
Share based payment expense	475,437	358,121
Depreciation	898	19,874

Depreciation	898	1,318
Impairment of investments	5,913,580	-
Impairment of intercompany loans	19,454,760	-
Foreign currency translations	684,678	(381,967)
Finance expenses	943	5,474
	(2,671,858)	(757,168)
Decrease in trade and other receivables	72,174	300,844
Increase/(decrease) in trade and other payables	136,346	(255,046)
Net cash (outflow) from operating activities	(2,463,338)	(711,370)

Cash to net debt reconciliation:

	Group 2023 US	Group 2022 US	Company 2023 US	Company 2022 US
Cash and cash equivalents	319,137	2,614,472	38,445	2,545,913
Borrowings	(135,627)	(147,664)	(31,772)	(42,005)
Net Cash/(debt)	183,510	2,466,808	6,673	2,503,908
Cash and liquid investments	319,137	2,614,472	38,445	2,545,913
Fixed rate instruments	(135,627)	(147,664)	(31,772)	(42,005)
Net Cash/(debt)	183,510	2,466,808	6,673	2,503,908

Net Debt Reconciliation:

Group	Cash and cash equivalents US	Unsecured loans US	Total Debt US	Net Cash US
Net cash/(debt) at 1 January 2023	2,614,472	(147,664)	(147,664)	2,466,808
Cash flows	(2,264,321)	18,981	18,981	(2,245,340)
Foreign exchange movements	(31,014)	(6,944)	(6,944)	(37,958)
Net cash/(debt) at 31 December 2023	319,137	(135,627)	(135,627)	183,510

Net Debt Reconciliation:

Company	Cash and cash equivalents US	Unsecured loans US	Total Debt US	Net Cash US
Net cash/(debt) at 1 January 2023	2,545,913	(42,005)	(42,005)	2,503,908
Cashflows	(2,476,583)	12,302	12,302	(2,464,281)
Foreign exchange movements	(30,885)	(2,069)	(2,069)	(32,954)
Net cash/(debt) at 31 December 2023	38,445	(31,772)	(31,772)	6,673

24. FINANCIAL INSTRUMENTS

The Group's treasury policy is to avoid transactions of a speculative nature. In the course of trading the Group is exposed to a number of financial risks that can be categorised as market, credit, and liquidity risks. The board reviews these risks and their impact on the activities of the Group on an ongoing basis.

The principal financial instruments used by the Group, from which financial instrument risk arises, are:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Equity investments
- Loans and borrowings

A summary of the financial instruments held is provided below.

Financial assets	Group 2023 US	Group 2022 US	Company 2023 US	Company 2022 US
<i>At amortised cost:</i>				
Cash and cash equivalents	319,137	2,614,472	38,445	2,545,913
Amounts due from group companies	-	-	2,129,033	21,444,342
Other receivables	-	38,366	-	38,308
	319,137	2,652,838	2,167,478	24,028,563
<i>At fair value:</i>				
Financial investments	870,047	823,744	870,047	823,744
Total financial assets	1,189,184	3,476,582	3,037,525	24,852,307

Financial liabilities	Group 2023 US	Group 2022 US	Company 2023 US	Company 2022 US
<i>At amortised cost:</i>				
Trade payables	381,926	428,106	238,385	170,975
Other current liabilities	268,727	737,107	234,305	145,696
Loans and Borrowings	135,627	147,664	31,772	42,005
Total financial liabilities	786,280	1,312,877	504,462	358,676

Fair value measurement

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

Level 1: Quoted prices in active markets for identical items (unadjusted)

Level 2: Observable direct or indirect inputs other than Level 1 inputs

Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item.

Transfers of items between levels are recognised in the period they occur.

Market Risk

Currency risk

The Group's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency or interest rate risks. The Group is exposed to transactional foreign exchange risk and takes profits and losses as they arise as, in the opinion of the directors, the cost of hedging against fluctuations would be greater than the potential benefits.

The Group's cash and cash equivalents are denominated in the following currencies:

	Group 2023 US	Group 2022 US	Company 2023 US	Company 2022 US
US Dollars	62,134	2,062,984	31,242	1,996,724
UK Pounds Sterling	257,003	551,456	7,203	549,157
Euros	-	32	-	32
	319,137	2,614,472	38,445	2,545,913

The Group's trade and other receivables are denominated in the following currencies:

	Group 2023 US	Group 2022 US	Company 2023 US	Company 2022 US
US Dollars	786,691	774,727	-	-
UK Pounds Sterling	59,023	131,197	59,023	131,197

845,714	905,924	59,023	131,197
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The Group's trade and other payables are denominated in the following currencies:

	Group 2023 US	Group 2022 US	Company 2023 US	Company 2022 US
US Dollars	177,965	848,541	-	-
UK Pounds Sterling	487,601	351,255	487,601	351,255
	665,566	1,199,796	487,601	351,255

The effect of a 5 per cent strengthening of the US Dollar at the reporting date on the foreign currency denominated net financial instruments carried at that date would, all other variables held constant, have been an increase in net assets of 8,171 (2022: 15,782 reduction in net assets). A 5 per cent weakening of the US Dollar would, on the same basis, have decreased net assets by the same amount.

Interest rate risk

The Group and Company finance their operations through a mixture of equity and loans. The remaining debt consists of government issued or guaranteed debt with fixed rates of interest.

Credit risk

Operational

The Group did not generate any revenue during the period and its exposure to credit risk is therefore limited. The Group does not enter into derivative contracts to manage credit risk. Further information on trade and other receivables is presented in note 14.

Financial

Financial risk relates to non-performance by banks in respect of cash deposits and is mitigated by the selection of institutions with a strong credit rating.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and payments to its suppliers. Without revenue generating activities the Group has inherent liquidity risk and there is a risk that the Group will encounter difficulties during this period in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they fall due. The Group finances itself through a mix of equity and debt instruments. The Group's objective is to ensure sufficient liquidity is available to meet foreseeable needs through the preparation of short and long term forecasts. Further details of the Directors' going concern assessment are set out in note 1.

The Group had loans of 135,627 at 31 December 2023 (2022: 147,664). No personal guarantees were in place.

Capital risk management

The Group's objective when managing capital is to establish and maintain a capital structure that safeguards the Group as a going concern and provides a return to shareholders.

25. RELATED PARTY DISCLOSURES

As at 31 December 2023 all fees complied with directors' contractual obligations and were paid up to date. Details of directors' remuneration are set out in the Directors' report.

In 2023 there were related party transactions with Zimmfor Management Services Limited and Jason Zimmermann for 43,533 in respect of directors' fees. (2022: nil)

The Group paid nil (2022: 53,539) to INJ London Limited for sales and marketing services. This company is owned by Max Aitken, who was a director of the Company.

Transactions between the Company and its subsidiaries have been eliminated on consolidation. These

transactions, which were incurred in the ordinary course of business and under normal commercial terms, were as follows:

	2023	2022
	US	US
Allocation of management time and expenses	-	65,826

The Company's intercompany receivable balances at the year end were as follows:

	2023	2022
	US	US
Amounts due from Group companies	<u>2,129,033</u>	<u>21,444,342</u>

26. CAPITAL COMMITMENTS

The Group had no capital commitments at 31 December 2023 or 31 December 2022.

27. SUBSEQUENT EVENTS

On 4 March 2024 the Group agreed a settlement with Player Design, Inc. and its connected parties ("PDI") in relation to the Group's aborted operations in Ashland, Maine. Under this settlement the Group received cash of 1,650,000 which represented consideration for the transfer of certain property, plant and equipment to PDI (classified as *non-current assets held for sale* in these financial statements), the return of certain cash advances made by the Group to PDI for the development of the Ashland facility and the settlement of all claims between the Group and PDI. The 31 December 2023 fair value of the non-current assets held for sale has been determined based on the consideration ultimately received for them under the settlement with PDI.

The Company's shares were suspended from trading on AIM on 1 July 2024 and will remain suspended, pursuant to AIM Rule 19, until the Company has published its annual report and accounts for the year ended 31 December 2023 and its interim report and accounts for the six months ended 30 June 2024.

On 22 July 2024 the Group placed its subsidiary Advanced Biomass Solutions Limited into a members' voluntary liquidation. The Group expects the company to realise its assets and settle its liabilities at amounts approximate to their carrying values.

In October 2024 the Company raised £200,000 (260,878) through the issue of loan notes, of which £27,616 (36,022) are convertible loan notes that will convert to new ordinary shares representing 29.9% of the Company's issued share capital on 31 December 2024 (subject to shareholder approval). The loan notes are secured by way of a fixed and floating charge over the assets of the Company.

On 1 November 2024 Jason Zimmermann and Max Aitken resigned as directors of the Company.

28. ULTIMATE CONTROLLING PARTY

The company has no overall controlling party.

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