

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025
FOR
ACTIVE ENERGY GROUP PLC**

ACTIVE ENERGY GROUP PLC

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ACTIVE ENERGY GROUP PLC
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2025

DIRECTORS:

P R Elliott
P K Rajani

SECRETARY:

Cargil Management Services Limited

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REGISTERED NUMBER:

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ACTIVE ENERGY GROUP PLC
GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

Active Energy Group plc is a London-quoted (AIM: AEG) renewable energy and digital infrastructure company, with its shares also available to US and international investors via the OTC Integrated Disclosure Market under the ticker AEUSF (following the Company's transition from the OTCQB Venture Market on 15 January 2026, see Events after the Reporting Period).

During 2025 the Company completed a fundamental strategic reset, repositioning from a single-technology biomass fuel business into a diversified group operating across four complementary strategic pillars. The Company holds the intellectual property for CoalSwitch®, a patented drop-in renewable fuel that can be co-fired with, or fully replace, coal without requiring significant power-plant capital modifications, and has broadened this base into distributed renewable energy and energy-efficient digital infrastructure.

Strategic objective

During the year, the Group repositioned its strategy toward digital infrastructure, high-performance computing and AI-related hosting, leveraging access to ultra-low-cost energy in the GCC region, particularly the UAE.

Our four strategic pillars

1. CoalSwitch® and clean-fuel partnerships

CoalSwitch® continues to be evaluated; however, activity has been deprioritised as management focuses on the UAE digital infrastructure opportunity. During the year the Company progressed a partnership-led route to commercialisation, working with Indigenous Canadian Energy ("ICE") to develop plans for a CoalSwitch®/ICE black-pellet production facility in Poland, targeting European markets seeking to transition away from traditional coal while maintaining energy security. The Board considers a partnership-led model to be a capital-efficient route to deploying CoalSwitch® at scale. The Company's CoalSwitch® patents were finalised during the year, reinforcing the Company's intellectual property position.

2. Rooftop solar and Battery Energy Storage Systems (BESS)

The Company is building a distributed renewable-energy platform focused on rooftop solar and battery storage. During the year it established a 30MW pipeline of rooftop solar projects across the UK and, on 3 December 2025, secured a 25-year power purchase agreement worth a total of £0.83 million with Cambridge City Football Club - a key milestone in developing recurring, contracted revenue. In parallel, planning and development work continue on a BESS project at Fonmon Castle, South Wales, which the Board considers has the potential to become a strategically important grid-balancing and energy-storage asset.

3. UAE digital infrastructure - AI hosting and crypto mining

The Company has developed energy-efficient digital infrastructure assets in the UAE, focused on high-performance computing for AI hosting and crypto-mining applications. On 1 October 2025 the company established a scalable, phased development pipeline of up to 15.5MVA across multiple sites. This capacity comprises the operational 8MVA site, the acquired Ghummud site (approximately 3.5MVA), and additional sites at Khazna (approximately 1.5MVA) and Taweela (approximately 2.5MVA), which are subject to ongoing negotiation and final execution. The Board's longer-term ambition is to scale toward a 100MVA platform; however, this represents a strategic target rather than a profit forecast.

The Company has established strong local operational and commercial partnerships within the UAE, including a services and facilitation arrangement with the Private Office of HH Sheikh Mohammed bin Ahmed bin Hamdan bin Mohammed Al Nahyan (the "Sheikh's Office") and the appointment of Black Road Investment Group as liaison partner.

Under that framework, the parties are working toward the development and aggregation of an initial 50MVA of capacity across multiple UAE sites.

During the year, Segments Mining Limited (acquired on 1 October 2025), entered into a non-binding letter of intent with Bitdeer Middle East Technology Ltd, a subsidiary of Bitdeer Technologies Group (NASDAQ: BTDR), regarding a proposed profit-sharing collaboration. The proposed collaboration remains subject to satisfactory due diligence, agreement of final commercial terms and execution of definitive documentation.

4. Digital asset treasury strategy

As part of its broader capital-management approach, and following the adoption of a diversified cryptocurrency-focused treasury policy in July 2025, the Company allocated a portion of working capital to digital assets on a trial basis. The Board monitored market conditions closely and considered this measured approach to provide additional optionality without compromising financial discipline. Subsequent to the year end, the Board elected to fully liquidate the digital asset holdings, realising approximately £97,945 which was converted to working capital. The Board will continue to evaluate emerging treasury opportunities as part of its ongoing capital management strategy, balancing potential returns against the Group's liquidity requirements and risk appetite.

Key performance indicators (KPIs)

Given the strategic reset completed during the year, the Board has refreshed the Company's KPIs so that they align with the four-pillar strategy and the Group's transition towards operational, revenue-generating assets.

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- (a) UAE digital infrastructure: MVA commissioned and brought into revenue; percentage of capacity contracted; realised gross margin against the c.50% target.
- (b) Contracted renewable revenue: value and weighted-average life of signed PPAs; MW of solar/BESS pipeline converted to contract.
- (c) CoalSwitch® commercialisation: progress of the Poland/Indigenous Canadian Energy facility to financial close and first production; maintenance of the patent and trademark portfolio.
- (d) Capital and liquidity: cash runway in months; funds raised; cost base held within budget.
- (e) Digital asset treasury: digital assets held and their carrying value; treasury exposure as a percentage of working capital, maintained within Board-approved limits.

How we performed in 2025

The Group's performance during the year is summarised below against the five refreshed KPI categories described above. Given the year was one of strategic reset and infrastructure development, several pillars are reported on a leading-indicator basis (capacity built, contracts signed, partnerships formed) rather than realised revenue, which is expected to flow from FY2026 onwards as the UAE assets transition into operational phase.

- (a) **UAE digital infrastructure - capacity and commissioning:** The Group established a phased UAE development pipeline of up to 15.5MVA across four sites (8MVA Liwa operational; 3.5MVA Ghummud acquired; 1.5MVA Khazna and 2.5MVA Taweela in negotiation). The 8MVA Liwa facility was advanced into final commissioning, with approximately 60% of capacity pre-sold to hosting customers (up from c.35% at initial commissioning) - providing forward revenue visibility of an indicative annualised US\$3.5m to US\$3.8m at a targeted c.50% gross margin. No UAE hosting revenue was recognised in the Current Year, as Ghummud energisation and Liwa commissioning are post-balance-sheet events.
- (b) **Contracted renewable revenue - PPA and pipeline:** The Group signed its first long-term Power Purchase Agreement ('PPA') - a 25-year contract with Cambridge City Football Club worth £0.83 million in aggregate (weighted-average life: 25 years), marking the start of contracted recurring revenue. In parallel, the Group built a 30MW UK rooftop solar pipeline. The PPA-backed revenue base at 31 December 2025 stood at £0.83 million in contracted future cash flows (FY2024: £nil), establishing the foundation for the renewable pillar's growth in subsequent periods.
- (c) **CoalSwitch® commercialisation - partnership progress:** The Group progressed CoalSwitch®/ICE black-pellet facility discussions in Poland under a partnership-led commercialisation model, and finalised its CoalSwitch® patent portfolio during the year, reinforcing the IP position. Activity was deliberately deprioritised relative to the UAE pillar in line with capital-efficient deployment of management focus; financial close on the Poland facility remains a forward target.
- (d) **Capital and liquidity:** The Group raised gross proceeds of approximately £2.85 million during the Period through a combination of equity placings (£0.35m in July 2025 and £2.50m in September 2025) and convertible loan notes (£0.20m). Cash and cash equivalents at the year end stood at £773,193 (FY2024: £4,273), a year-on-year increase of £768,920. Administrative expenses were £1.40 million (FY2024: £1.48m), representing a 5% year-on-year reduction and maintaining costs within Board-approved budget. Forecast cash runway from the year-end position, including the post-period £1.14m net Zeus placing, extends to July 2027.
- (e) **Digital asset treasury:** Following the adoption of a diversified cryptocurrency-focused treasury policy in July 2025, the Group allocated approximately 30% of working capital to diversified digital asset holdings, within Board-approved governance limits. Carrying value at 31 December 2025 was £128,040 (FY2024: £nil).

Strategic milestones achieved during the Year

In addition to the quantitative KPIs above, the Board completed the following non-financial milestones underpinning the four-pillar operating model:

- Strategic reset completed and the four-pillar operating model formally established;
- Strategic partnerships entered into with the Sheikh's Office and Black Road Investment Group in the UAE, working towards aggregation of an initial 50MVA capacity;
- Post year end, a non-binding Letter of Intent ('LOI') was signed with Bitdeer Middle East Technology Ltd in respect of a proposed profit-sharing collaboration; and
- Board leadership refreshed, with Paul Elliott appointed as CEO and Pankaj Rajani as Non-Executive Chairman.

Taken together, these achievements position the Group to transition from a development phase in 2025 to a revenue-generating phase from FY2026 onwards, as further described in the Board Statement and Finance Review.

BOARD STATEMENT

Executive summary

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2025 was a year of transformation for Active Energy Group plc. Having stabilised the Company in late 2024 and early 2025 under a new Board, management used the year to reset the Company's strategy, diversify its asset base and reposition it as a renewable energy and digital infrastructure group. Each of the four strategic pillars progressed during the year, and the Board enters 2026 with the Group materially better diversified than at any point in its recent history, while remaining mindful of the financing and execution challenges inherent in an early-stage, multi-pillar business. The Group's strategic focus has increasingly shifted toward infrastructure-led digital computing solutions in the GCC region, particularly the UAE, where management believes there is a clearer pathway to near-term revenue generation.

OPERATIONAL PERFORMANCE

The Group's four strategic pillars are described above. This section reports on the operational metrics, capital deployment and execution outcomes underpinning that strategy during the year.

Capital deployment

Total capital deployed across the Group during the year was approximately £1.37 million, of which £913,518 was capitalised within Assets Under Construction in respect of the UAE digital infrastructure pillar (Note 12), £213,135 was deployed as investment in the Group's 60% acquired subsidiary Segments Mining Limited (Note 14), and £244,893 was deployed into the digital asset treasury portfolio (Note 11).

The CoalSwitch® and Rooftop Solar/BESS pillars operated on a capital-light basis during the year, with no own-asset capital expenditure committed; their progression was delivered through partnership structures, PPA contract execution and pipeline development at minimal direct capital cost.

No further capital expenditure was committed at the year end other than deferred consideration of £239,978 payable in respect of the Segments Mining Limited acquisition (Note 20), reflecting the Group's disciplined approach to phased capital deployment described in the Principal Risks & Uncertainties section.

Execution against operational milestones

The Board assesses execution discipline against milestone delivery during the year. Pre-sold capacity at the 8MVA Liwa site increased from approximately 35% at initial commissioning to approximately 60% by the year end, exceeding the Board's internal year-end target of 50%. The UAE pipeline was extended beyond its original 12MVA internal target to up to 15.5MVA across four sites. The Cambridge City Football Club Power Purchase Agreement was executed on 3 December 2025, ahead of the Q4 2025 internal target, and the UK rooftop solar pipeline was built to 30MW, ahead of the 25MW internal target. CoalSwitch® patent finalisation was completed during the year, as planned.

Operational headcount and resource

The Group's average monthly headcount during the year was 2 employees (2024: 5), comprising two Directors only (2024: 4 Directors plus 1 administrative employee), reflecting the closure of the Group's US operations completed in May 2024. Directors' aggregate remuneration was £170,343 (2024: £226,545), with no termination benefits paid in the current year (2024: £187,500). The Group operated without dedicated executive operational staff during the year, relying on a network of advisers, contractors and local UAE operational partners to deliver the four-pillar strategy on a capital-light basis. Further detail on key management personnel compensation is set out in Note 3.

Treasury and digital asset movements

During the year, the Group made additions of £244,893 to its digital asset portfolio, recognised disposals of £43,872, and a revaluation loss of £72,981 in the consolidated statement of profit or loss (together with the Pepperstone trading element contributing to the exceptional item of £86,540 disclosed in Note 4). The carrying value of digital assets at 31 December 2025 was £128,040 (2024: £nil), held within Board-approved concentration limits throughout the year.

A core component of the Company's strategy has been the establishment of strong local operational and commercial partnerships within the UAE, including a services and facilitation arrangement with the Sheikh's Office and the appointment of Black Road Investment Group as liaison partner. During the year, Segments Mining Limited entered into a non-binding letter of intent with Bitdeer Middle East Technology Ltd regarding a proposed profit-sharing collaboration.

In the Kingdom of Saudi Arabia, the Company has been granted a MISA Entrepreneur Licence by the Ministry of Investment and has received approval from the Research, Development and Innovation Authority ("RDIA"). No revenue is currently being generated in Saudi Arabia.

Digital asset treasury

Following the adoption of a diversified cryptocurrency-focused treasury policy in July 2025, the Company allocated approximately 30% of working capital to a diversified crypto strategy within Board-approved governance and risk limits. Digital asset holdings were fully liquidated subsequent to the year end.

Corporate and capital developments during the year

- (a) On 27 February 2025, at the Company's general meeting, each existing ordinary share was subdivided into one new ordinary share and nine new deferred shares; this did not alter the number of ordinary shares in issue or the total nominal value of issued share capital.

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- (b) In April 2025, the Company issued £200,000 of unsecured convertible loan notes to Wager Holdings Limited under a new instrument creating up to £500,000 of such notes.
- (c) On 7 July 2025, the Company announced a placing of up to 346,180,628 new ordinary shares to raise gross proceeds of up to £346,180, with Zeus Capital Limited acting as bookbinder, alongside the adoption of a cryptocurrency-focused treasury policy.
- (d) The leadership team was strengthened, with Paul Elliott as Chief Executive Officer and Pankaj Rajani as Non-Executive Chairman.
- (e) The Company maintained its AIM-quoted status and its compliance reporting timetable throughout the year.

Events after the reporting year

Several significant developments have occurred since 31 December 2025:

- (a) On 13 January 2026 the Company published a business update confirming positive progress across all four strategic pillars.
- (b) On 15 January 2026, the Company announced that its ordinary shares had transitioned from the OTCQB Venture Market to the OTC Integrated Disclosure Market (OTCID), enhancing the Company's access to US and international investors. The OTC ticker symbol was updated to 'AEUSF', reflecting the Company's status as a US-quoted foreign issuer. The Company's primary listing on AIM (ticker: AEG) was unaffected. In connection with this, the Company entered into a four-month investor content and marketing services agreement with Digitonic Limited, commencing February 2026.
- (c) On 29 January 2026 the Company announced non-binding Heads of Terms for a UAE venture in which Active Energy would retain a 60% controlling interest, with technical mining operator Segments Cloud Hash FZ LLC and commercial partner LC Group FZE each holding 20%.
- (d) The 8MVA UAE facility was reported to be on track for completion by mid-June 2026.
- (e) On 18 March 2026 the Company announced Heads of Terms for the proposed acquisition of the Ghummud grid-connection asset, expanding its grid-infrastructure portfolio.
- (f) On 23 April 2026, the Group entered into a non-binding letter of intent with Bitdeer Middle East Technology Ltd for a proposed profit-sharing collaboration in respect of its UAE operations.
- (g) In May 2026, the Company received net proceeds of approximately £1.14 million through a fundraise arranged by Zeus Capital, providing additional working capital to support the Group's ongoing development activities and operational requirements.

Going concern

The Directors have given careful consideration to the appropriateness of the going concern basis of preparation. The Group's projected cash requirements comprise its ongoing operating, compliance and development costs together with the capital required to bring its UAE and renewable-energy assets into operation.

The Directors have prepared detailed cash flow forecasts covering a period to July 2027. The forecasts reflect the Group's transition from a development stage to an operational phase, driven by the commissioning and scaling of its UAE digital infrastructure assets. The projections incorporate expected revenue generation from operational sites, ongoing operating costs and committed capital expenditure.

Cash and cash equivalents at 31 December 2025 stood at £773,193. Subsequent to the year end, the Group received net proceeds of approximately £1.14 million from the placing arranged by Zeus Capital Limited, completed on 30 April 2026 and admitted to AIM on 8 May 2026 (gross proceeds £1.3 million before expenses). The Group cash position as at 31 May 2026 was approximately £324,046.

Under the base case forecast, the Group is expected to maintain positive cash balances throughout the assessment period, with no shortfall or negative cash position indicated at any point. The Directors have also considered a range of sensitivities and downside scenarios to assess the resilience of the Group's cash position. On the basis of these forecasts, and having considered the risks and sensitivities set out in the Principal Risks & Uncertainties section, the Directors have determined that no material uncertainty exists in relation to going concern at the date of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

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FOR THE YEAR ENDED 31 DECEMBER 2025

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is subject to several potential risks and uncertainties, which could have a material impact on the short-term and long-term performance of the Group and could cause actual results to differ materially from the Board's expectations. The management of risk is the collective responsibility of the Board of Directors, which reviews the Group's internal controls, procedures and identified risks. Following the diversification of the business during the year, the principal risks have been grouped into five categories: strategic, operational, financial, regulatory and digital-asset.

Strategic

Risk	Mitigating actions
Execution of a multi-pillar strategy	Capital and management attention is sequenced toward the highest-return opportunities, with lower-priority pillars run on a capital-light, partnership-led basis. The CEO is responsible for delivery, with the Board reviewing pillar-level KPIs and capex deployment monthly. Forward actions include integration of Segments Mining Limited into Group reporting and formalisation of the proposed 60/20/20 UAE venture during 2026.
Dependence on key partners and ventures	Several pillars rely on third-party partners and venture arrangements. The Board undertakes due diligence on partners, documents arrangements contractually, and retains a controlling interest where practicable (for example, the proposed 60% UAE joint-venture interest).
Government and regulatory support	While the Group has limited ability to influence global or national policy, it engages constructively with governmental and regulatory authorities in each jurisdiction.

Operational

Risk	Mitigating actions
Commissioning, construction and delivery risk	Bringing the UAE and renewable-energy assets into operation depends on timely commissioning, equipment supply, contractors and grid connection. The Board monitors project milestones closely and phases capital deployment. If delays occur, the Board can redeploy equipment to already-energised sites, defer non-critical capex, and access the existing warrant pool or share allotment authority.
Counterparty performance and concentration risk	Certain elements of the strategy depend on the proposed Bitdeer collaboration and the Sheikh's Office / Black Road framework. The Group seeks creditworthy counterparties and designs facilities for flexible use across AI/HPC hosting and crypto mining.

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Financial Regulatory

Risk	Mitigating actions
Maintenance of operating licences and permits	Operations in the UAE and elsewhere depend on obtaining and maintaining the necessary licences, permits and grid connections. The Group engages local advisers and counterparties to secure and renew the required authorisations. In Saudi Arabia, MISA and RDIA approvals have been obtained.
Compliance with law and regulation across jurisdictions	The Group operates in multiple jurisdictions and on AIM & OTC. It employs advisers with the requisite experience and skill to manage the business within applicable laws and regulations, including the AIM Rules and the Market Abuse Regulation.
Continued AIM & OTC quotation	The Company's shares are admitted to trading on AIM & OTC and remain subject to the associated regulatory regime, including timely publication of financial information. The Board maintains its reporting timetable and works closely with its nominated adviser.
Political, regulatory and geopolitical risk in the GCC	Regional developments, including the impact of geopolitical events on project timetables, are monitored by the Board with contingency planning maintained.

Digital-asset risks

Risk	Mitigating actions
Price volatility and custody of digital assets	Bitcoin and other digital assets held under the treasury policy are subject to significant price volatility, custody and security risks. The Board has approved limits on treasury exposure as a percentage of working capital. Holdings were fully liquidated post year-end.
Hashprice and network difficulty risk	The Company's partnership-led hosting model reduces direct exposure to mining economics. Facility design supports flexible allocation between mining and AI/HPC hosting to optimise utilisation.
Regulatory treatment of digital assets (New)	The regulatory and accounting treatment of digital assets continues to evolve across jurisdictions. The Group monitors regulatory developments and takes professional advice on the classification, measurement and disclosure of its digital-asset holdings.

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SECTION 172(1) STATEMENT

The Directors are aware of their duty under Section 172 of the Companies Act 2006 to act in the way 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, having regard to the matters set out in section 172(1)(a) to (f). This statement is provided in accordance with section 414CZA of the Companies Act 2006 and should be read in conjunction with the Strategic Report as a whole.

The Board's principal decisions during the year, the strategic reset into a four-pillar business, the acquisition of a 60% interest in Segments Mining Limited, the adoption of a diversified cryptocurrency-focused treasury policy, and the equity placings raising approximately £2.85 million, were taken having regard to each of the matters set out in section 172(1)(a) to (f). Engagement with the Group's key stakeholders during the year is set out below.

Shareholders : The Board engaged with shareholders through RNS announcements, the Annual Report, the General Meeting on 20 August 2025, and one-to-one institutional and retail investor meetings (supported by Brighter IR). Principal matters considered included the strategic reset, the dilutive impact of equity placings, and the Bitcoin treasury policy. The Board responded by securing shareholder approval for the disapplication of pre-emption rights, raising £2.85 million of equity capital, and transitioning post year-end to the OTC Integrated Disclosure Market to broaden US investor access.

Employees : Engagement took the form of direct day-to-day working relationships between the Board and the small executive team (average headcount: 2). Principal matters considered included fair treatment, executive compensation discipline within Group resource constraints, and outstanding obligations to former US-based staff. The Board maintained a non-discriminatory hiring approach, reduced directors' remuneration to £170,343 (2024: £226,545) reflecting both team size and cost discipline, and settled all former US staff obligations during the year.

Customers, suppliers and business partners : The Board engaged directly with key partners including ICE (CoalSwitch®), Cambridge City Football Club (PPA), the Sheikh's Office and Black Road (UAE framework), Bitdeer (post year-end LOI), and Segments Mining Limited / Segments Cloud Hash. Principal matters considered included contractual structure of long-term arrangements, facility specifications, and prompt supplier payment. Key resulting actions included the 25-year £0.83 million Cambridge PPA signed on 3 December 2025, the acquisition of Segments Mining Limited on 1 October 2025, and the Bitdeer LOI signed post year-end on 23 April 2026.

Community and the environment : Engagement was inherent in the Group's renewable energy and energy-efficient digital infrastructure activities, with ongoing dialogue maintained with local stakeholders in each jurisdiction. Principal matters considered included environmental impact, energy efficiency at UAE digital infrastructure sites, and engagement with Indigenous communities in Canada through the ICE partnership. The Group's four-pillar strategy is directly aligned with the low-carbon transition, with the Cambridge PPA, the ICE Poland project, and the energy-efficient UAE facility design each contributing during the year.

Regulators and the AIM market : The Board engaged with the London Stock Exchange, OTC Markets Group, Companies House, HMRC, UAE authorities, the Ministry of Investment of Saudi Arabia (MISA), the Research, Development and Innovation Authority (RDIA), and the Group's Nominated Adviser, Zeus Capital. Principal matters considered included maintenance of the AIM quotation, compliance with the AIM Rules and Market Abuse Regulation, and jurisdictional licensing. The post year-end transition to the OTC Integrated Disclosure Market, and continued maintenance of the AIM compliance reporting timetable throughout the year.

The Board engages constructively with its key stakeholders to inform its decision-making, and stakeholder considerations are factored into Board discussions at each meeting.

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FINANCE REVIEW FOR THE YEAR ENDED 31 DECEMBER 2025

The financial results for the year ended 31 December 2025 (the "Current Year") are compared to the year ended 31 December 2024 (the "Prior Year").

Financial highlights

	2025	2024
	£	£
Administrative expenses	(1,398,668)	(1,475,254)
Operating loss	(1,369,455)	(1,854,088)
Loss for the year	(1,457,005)	(1,854,088)
Basic & diluted loss per share (pence)	(0.11)	(1.15)
Net assets	1,410,854	274,064
Cash and cash equivalents (net of £100 overdraft)	773,193	4,273

All figures in £ unless otherwise stated. 2024 figures are extracted from the audited financial statements for the year ended 31 December 2024.

Performance

During the year the Group executed its strategic reset and progressed each of its four pillars towards revenue generation. The loss for the year was £1,457,005 (2024: loss of £1,854,088), and the basic and diluted loss per share was 0.11 pence (2024: 1.15 pence loss).

Administrative expenses for the year were £1,398,668 (2024: £1,475,254), representing a decrease of £76,586 (5%) year on year. The reduction was primarily driven by the cessation of US operations in May 2024, which resulted in nil staff wages during the year, compared with the prior year when US-based operational staff costs were incurred. National insurance contributions decreased accordingly.

This reduction was partly offset by continued legal and professional advisory fees associated with the Group's strategic repositioning, the acquisition of Segments Mining Limited, and its expansion into UAE digital infrastructure.

Operating loss for the year before exceptional items was £1,369,455 (2024: £1,854,088), stated after recognising a fair value gain on warrants of £29,213 within other operating income, arising on the year-end remeasurement of the Zeus Warrant derivative liability.

After finance costs of £1,010 relating to the unwinding of the discount on deferred consideration, the Group reported a total loss for the year of £1,457,005 (2024: £1,854,088), consistent with the basic and diluted loss per share of 0.11 pence.

Cash and cash equivalents at 31 December 2025 were £773,193 (net of overdraft of £100), compared with £4,273 in the prior year.

Revenue

The Group did not generate revenue during the year ended 31 December 2025, as the UAE digital infrastructure facility remained in commissioning and pre-commercialisation phase at the reporting date.

Subsequent to the year end, the Group's UAE operations transitioned from development into revenue-generating phase. In particular, the Ghummud site (approximately 3.5MVA) was successfully energised on 20 April 2026 and commenced commercial hosting operations during May 2026, with the first month of trading revenue confirmed in the Company's announcement on 2 June 2026, and contracted hosting capacity on the 8MVA Liwa site is being progressively brought into revenue in line with customer onboarding.

Accordingly, the Group expects to recognise hosting revenue from the UAE digital infrastructure pillar in the year ending 31 December 2026, the financial impact of which will be reflected in the next reporting period.

Financing and fundraising during the year

The Group strengthened its capital base during the year through a series of fundraising activities:

- the issue in April 2025 of £200,000 of unsecured convertible loan notes to Wager Holdings Limited under an instrument providing up to £500,000 of such notes;
- the placing announced on 7 July 2025 of up to 346,180,628 new ordinary shares of 0.035 pence each to raise gross proceeds of up to £346,180; and
- the further placing completed on 15 September 2025 of 3,333,333,333 new ordinary shares of 0.035 pence each at a price of 0.075 pence per share, raising gross proceeds of £2,500,000. The placing was undertaken following shareholder approval at the General Meeting on 20 August 2025, at which the Directors were granted authority to allot shares and dis-apply pre-emption rights pursuant to sections 551 and 570 of the Companies Act 2006.

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In aggregate, the equity fundraises during the year raised gross proceeds of approximately £2,846,180, significantly strengthening the Group's balance sheet and providing working capital to support the continued development of the UAE digital infrastructure facility and ongoing corporate activities. As at 31 December 2025, cash and cash equivalents stood at £773,193.

Financial position

At 31 December 2025 the Group reported net assets of £1,410,854, including other financial assets of £683,248 (an unquoted equity instrument measured at fair value through other comprehensive income and carried at historic cost), trade and other receivables of £55,941, trade and other payables of £744,197, and loans and borrowings of £574,457.

At 31 December 2025, the Group's financial position changed significantly compared to the prior year, primarily reflecting the acquisition of Segments Mining Limited and investment in UAE digital infrastructure assets. Non-current assets increased materially during the year, driven by plant and machinery additions of approximately £0.91 million in relation to UAE operations. In addition, the Group recognised goodwill of approximately £0.13 million arising on acquisition, together with intangible assets of approximately £0.13 million.

Current assets increased significantly, primarily due to higher cash balances of £773,193 (net of £100 overdraft) at the year end, compared to £4,273 in the prior year. Other current assets include VAT receivable balances, prepayments and a deposit with Fonmon Castle. Total liabilities increased compared to the prior year, primarily reflecting deferred consideration payable of approximately £0.24 million relating to the Segments Mining Limited acquisition, together with higher trade and other payables, accruals, VAT liabilities and other creditors. Overall, the Group's net asset position improved to approximately £1,410,854, reflecting capital raised and continued investment in infrastructure assets, partially offset by the operating loss for the year.

Cash flow

Operating cash outflows in the year were £880,990 (2024: Outflows £1,555,873), and cash and cash equivalents at 31 December 2025 were £773,193 (2024: £4,273).

CORPORATE SOCIAL RESPONSIBILITY REPORT

At its core, Active Energy Group plc seeks to support the transition to a lower-carbon economy. The Group's strategy is intended to have a positive environmental impact: CoalSwitch® is a next-generation biomass fuel that uses low-value forestry residue and can be co-fired with, or replace, coal to reduce emissions; its rooftop solar and battery-storage activities expand distributed renewable generation and grid resilience; and its UAE digital-infrastructure assets are designed to be energy-efficient and to make productive use of low-cost and surplus power. The Board takes regular account of the social, environmental and ethical matters affecting the Group wherever it operates.

Corporate responsibility

The Board is committed to protecting the interests of all stakeholders through ethical and transparent conduct, supported by an anti-corruption policy and code of conduct. As the Group's activities expand across new jurisdictions and business lines, the Board continues to develop and formalise its corporate social responsibility policies accordingly.

Environment

The Board recognises that the Group's activities have the potential to impact the environment and is committed to working with governments and other bodies in each territory in which it operates to follow international principles of environmental sustainability. The Group's renewable-energy and clean-fuel pillars are intended to contribute directly to emissions reduction, and the Group will comply with all environmental requirements arising from its CoalSwitch®, solar, storage and digital-infrastructure operations.

Energy use and digital infrastructure

The Group recognises that high-performance computing and crypto-mining operations are energy-intensive. Its UAE strategy is built around access to low-cost and surplus power and energy-efficient facility design, and the Board will continue to consider the energy sourcing and efficiency of its digital-infrastructure assets as the platform scales.

Employees

The Group includes two employees for the period; its executive function is performed by the two Directors. The Board remains committed to fair treatment, non-discriminatory engagement, and responsible remuneration practices, and will continue to apply these principles as the Group's headcount expands in line with the operational growth of its four-pillar strategy.

Communities

Active Energy seeks to engage with the communities in which it operates. The Group's partnership with Indigenous Canadian Energy reflects a commitment to working alongside local and Indigenous stakeholders, and across its UK, Polish and UAE activities the Group seeks to employ and procure locally, support local initiatives, and meet its local tax and fiscal obligations as they fall due.

Suppliers and contractors

The Group recognises that the goodwill of its contractors, consultants and suppliers is crucial to its success and seeks to build and maintain this goodwill through fair and transparent business practices, aiming to settle genuine liabilities in accordance with contractual obligations.

ACTIVE ENERGY GROUP PLC
GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

Health and safety

The Board recognises its responsibility to provide strategic leadership and direction in the development and maintenance of the Group's health and safety arrangements in order to protect all of its stakeholders and remains vigilant in this regard - particularly as the Group commissions and operates physical infrastructure assets.

Gender and diversity

The Group hires on a non-discriminatory basis, with full and fair consideration given to applications regardless of age, gender, ethnicity, disability, nationality, religious belief or sexual orientation. As the Group executes its growth strategy and considers additional board representation, gender and diversity will form part of the nominations brief.

Enhanced governance

Governance processes are described in the Corporate Governance Statement as mentioned on the group's website (aegplc.com/corporate-governance). The corporate governance disclosures included on the indexed website do not form a part of the Financial Statements for the Group, nor the Group Strategic Report and Report of the Directors. The Board remains committed to improving the governance of the Group and encourages stakeholders who identify opportunities for improvement to notify the Board.

ON BEHALF OF THE BOARD:

Paul Elliott

.....
P R Elliott - Director

Date: 2 July 2027

ACTIVE ENERGY GROUP PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2025

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2025.

The Directors present their annual report together with the audited financial statements of Active Energy Group plc (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2025. The Company was incorporated in England and Wales on 19 January 1996 under company number 03148295 and is admitted to trading on the AIM market of the London Stock Exchange with its shares also available to US and international investors via the OTC Integrated Disclosure Market under the ticker AEUSF.

PRINCIPAL ACTIVITY

The principal activities of the Group during the year were those of a renewable energy and digital infrastructure group. During 2025 the Company completed a fundamental strategic reset, repositioning from a single-technology biomass fuel business into a diversified group operating across four complementary strategic pillars:

- (a) CoalSwitch® and clean-fuel partnerships - development and licensing of the Company's patented biomass fuel technology (a drop-in renewable fuel that can be co-fired with, or fully replace, coal without significant power-plant capital modifications), pursued through a partnership-led commercialisation strategy with Indigenous Canadian Energy ("ICE") targeting a black-pellet production facility in Poland for European markets. The Board notes that CoalSwitch® activity has been deprioritised as management focuses on the UAE digital infrastructure opportunity.
- (b) Rooftop solar and battery energy storage systems ("BESS") - a distributed renewable-energy platform comprising a 30MW UK rooftop solar pipeline, a 25-year power purchase agreement ("PPA") with Cambridge City Football Club worth £0.83 million in aggregate, and the Fonmon Castle BESS project in South Wales.
- (c) UAE digital infrastructure - AI/HPC hosting and crypto-mining operations leveraging ultra-low-cost power and surplus grid capacity in the United Arab Emirates. The Company established a phased development pipeline during the year of up to 15.5MVA across multiple sites, comprising the operational 8MVA site, the acquired Ghummud site (approximately 3.5MVA), and additional sites at Khazna (approximately 1.5MVA) and Taweela (approximately 2.5MVA), which are subject to ongoing negotiation and final execution. The Board's longer-term ambition is to scale toward a 100MVA platform; however, this represents a strategic target rather than a profit forecast.
- (d) Digital asset treasury strategy - following adoption of a cryptocurrency-focused treasury policy in July 2025, the Company allocated approximately 30% of working capital to a diversified crypto strategy within Board-approved governance and risk limits. Digital asset holdings were fully liquidated post year-end.

The Company's shares are admitted to trading on the AIM market of the London Stock Exchange (ticker: AEG) and are also available on the US OTC market (ticker: AEUSF).

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2025.

STRATEGIC REPORT

In accordance with section 414C(11) of the Companies Act 2006, information that would otherwise be required to be disclosed in the Directors' Report has been included in the Strategic Report, which should be read as forming part of this report.

ACTIVE ENERGY GROUP PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2025

DIRECTORS

The Directors who served during the year and/or up to the date of this report were as follows:

Director	Role	Appointed	Status
Paul Robert Elliott	Director	27 January 2025	In office throughout the year and at the date of this report.
Pankaj Keshavlal Rajani	Non-Executive Director	27 January 2025	In office throughout the year and at the date of this report.
James Gerald Leahy	Non-Executive Director	1 November 2019	In office at start of year. Resigned at the General Meeting on 27 February 2025.
Michael Rowan	Non-Executive Director	10 August 2015	In office at start of year. Continued temporarily post-GM to facilitate a smooth transition; subsequently resigned on 28 March 2025.
James Rigby Voce	Director	12 August 2025	Appointed on 12 August 2025 and resigned 9 March 2026 (post-year event).

Board changes during the year

On 27 January 2025, the Company announced the appointment of Mr. Paul Robert Elliott (born February 1970, British, Company Director) as Director effective immediately. Mr. Elliott is a property developer and entrepreneur with over 30 years' experience in the real estate industry, having co-founded his own property management agency after beginning his career at NatWest Bank. He also serves as a director of Zen Ventures Ltd, Trafalgar Property Group PLC and other companies.

On the same date, Mr. Pankaj Keshavlal Rajani (born April 1963, British, Chartered Accountant) was appointed as Non-Executive Director effective immediately and subsequently assumed the role of Non-Executive Chairman. Mr. Rajani qualified as a Chartered Accountant with KPMG in 1987 and is a founding partner of Macalvins Limited, with extensive experience in Corporate Finance transactions, international trade, joint ventures and investor relations.

Mr. James Gerald Leahy, who had served as Non-Executive Chairman since 1 November 2019, resigned at the General Meeting held on 27 February 2025.

Mr. Michael Rowan, who had served as a Non-Executive Director since 10 August 2015, continued temporarily on the Board following the General Meeting to facilitate a smooth transition of responsibilities. He subsequently resigned from the Board during the year.

Mr. James Rigby Voce was appointed as a Director on 12 August 2025.

Post-year Board changes

Mr. James Rigby Voce resigned as a Director on 9 March 2026, effective immediately. His resignation was announced to the London Stock Exchange and statutory filings were made at Companies House. He confirmed he was transitioning fully to the Residential Parks business and was no longer involved in the Company's operations or governance.

At the date of this report, discussions are ongoing with Mr. Daniel Hall regarding a potential appointment as an additional Non-Executive Director. Mr. Rajani has confirmed his support for progressing discussions, including an in-person meeting prior to any formal appointment.

Persons with Significant Control (PSC)

The Company is subject to the Persons with Significant Control regime under Part 21A of the Companies Act 2006.

Based on the Company's PSC register and publicly available shareholder disclosures as at the latest practicable date prior to the approval of these financial statements, the Company has not identified any individual or legal entity that meets the conditions for registration as a Person with Significant Control under Schedule 1A of the Companies Act 2006. In particular, no shareholder holds, directly or indirectly, more than 25% of the issued ordinary share capital or voting rights of the Company, nor exercises significant influence or control over the Company.

ACTIVE ENERGY GROUP PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2025

Directors' Interests in Shares

The Directors' beneficial interests in the ordinary shares of the Company at 31 December 2025 and at the date of this report were as follows:

Director	At 31 December 2025	At the date of this report
Paul Robert Elliott	12,387,885	409,816,456
Pankaj Keshavlal Rajani	9,368,752	9,368,752
James Gerald Leahy (resigned 27 February 2025)	N/A	N/A
Michael Rowan (resigned during the Period)	1,785,321 (till resignation)	N/A
James Rigby Voce (resigned 9 March 2026)	11,928,988	N/A

Movement in Director shareholdings since 31 December 2025

The increase in Mr. Paul Elliott's beneficial interest from 12,387,885 to 409,816,456 ordinary shares arose from the post year-end conversion of £278,200 of indebtedness owed by the Company to Zen Ventures Limited (a related party of Mr. Elliott) into 397,428,571 new ordinary shares at 0.07 pence per share, completed on 2 April 2026. Further details are set out in Note 25 (Events after the Reporting Period) and Note 26 (Related Party Disclosures). There were no other movements in Directors' beneficial interests since 31 December 2025.

Directors' Indemnities and Insurance

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors, as permitted by the Companies Act 2006, which were in force during the year and remain in force at the date of this report. The Company maintained Directors' and Officers' liability insurance throughout the year.

Substantial Shareholdings

As at reporting date, based on the shareholder register at that date, the Company had been notified of, or identified, the following interests representing 5% or more of the Company's issued ordinary share capital:

Shareholder	Number of ordinary shares	Percentage of issued share capital
PERSHING NOMINEES LIMITED	1,503,785,860	22.11%
HARGREAVES LANSDOWN (NOMINEES) LIMITED	901,022,210	13.25%
GLOBAL PRIME PARTNERS LTD	898,435,082	13.21%
INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED	509,271,581	7.49%
SPREADEX LIMITED	502,000,000	7.38%
VIDACOS NOMINEES LIMITED	464,196,505	6.83%
CANTOR FITZGERALD EUROPE	417,367,115	6.14%

*Under an active financial instrument Spreadex Ltd holds an option to acquire an additional 314,517,115 ordinary shares of the Company, being 4.62% of the current issued share capital of 6,801,240,360 ordinary shares of 0.035 pence each at the date of this report.

ACTIVE ENERGY GROUP PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's financial instruments comprise cash and cash equivalents, trade and other receivables, trade and other payables, loans and borrowings, and convertible loan notes. Details of the Group's financial risk management objectives and policies, and the nature and extent of financial instruments, are set out in the financial statements.

The principal financial risks to which the Group is exposed are:

- Credit risk - the risk that a counterparty will fail to meet its contractual obligations. The Group's principal exposures arise from cash held with reputable banking institutions and from trade receivables, against which expected credit losses are measured under the IFRS 9 simplified approach.
- Liquidity risk - the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity through careful cash management, the raising of equity and debt funding, and monitoring of forecast cash requirements.
- Market risk - including foreign exchange risk, interest rate risk, and digital asset price volatility risk. The financial statements are presented in Pounds Sterling (£), which is the functional currency of the parent Company, Active Energy Group plc. Sterling has been selected as the Group's presentation currency reflecting the Company's UK incorporation, its admission to AIM, and the currency in which equity capital is raised and administrative costs are predominantly incurred. The functional currency of the Group's UAE subsidiary, Segments Mining Limited, is the UAE Dirham (AED); on consolidation, its assets and liabilities are translated at the closing rate and its results at the average rate, with translation differences recognised in other comprehensive income in accordance with IAS 21.
- Availability and cost of further funding and dilutive impact - the Board remains conscious of shareholder dilution and evaluates funding structures carefully. The Group mitigates this risk by phasing capital deployment in line with revenue milestones, maintaining cost discipline (administrative expenses reduced by 5% year on year), and considering a balanced mix of equity, debt and warrant-based instruments before progressing any fundraise, with all share allotments undertaken under shareholder-approved authorities.

A comprehensive discussion of the principal risks and uncertainties affecting the Group - categorised as strategic, operational, financial, regulatory and digital-asset risks - is provided in the Principal Risks & Uncertainties section of the Strategic Report.

SHARE CAPITAL

At 31 December 2025, the Company had 3,841,377,097 ordinary shares of 0.035 pence each in issue. Details of movements in the Company's share capital during the financial year are set out below and in the financial statements:

- (a) a share subdivision under which each existing ordinary share was subdivided into one new ordinary share of 0.035 pence with no impact on total nominal value or number of shares in issue;
- (b) the issue of £200,000 of unsecured convertible loan notes to Wager Holdings Limited (further details set out in Note 21);
- (c) a placing on 7 July 2025 of 346,180,628 new ordinary shares, completed alongside the adoption of the Group's cryptocurrency-focused treasury policy;
- (d) a placing on 15 September 2025 of 3,333,333,333 new ordinary shares at 0.075 pence per share, raising gross proceeds of £2.5 million arranged by Zeus Capital Limited; and
- (e) the allotment of new ordinary shares as part-consideration for the acquisition of Segments Mining Limited in October 2025 (further details set out in Note 14).

All allotments during the year were undertaken under share authority and pre-emption disapplication authorities approved by shareholders at the General Meeting held on 20 August 2025.

Further details of the Company's share capital movements during the year are set out in Note 18 to the consolidated financial statements.

ACTIVE ENERGY GROUP PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2025

WARRANTS

During the year, the Company granted 3,448,574,646 warrants to subscribe for new Ordinary Shares of 0.035 pence each, under two separate arrangements:

(a) Investor Warrants:

In connection with the placing completed on 15 September 2025 to raise gross proceeds of approximately £2.5 million, the Company issued 3,333,333,333 warrants. Each warrant entitles the holder to subscribe for one new Ordinary Share at an exercise price of 0.10 pence, exercisable at any time during the three-year period from the date of grant. As these warrants are to be settled by the exchange of a fixed amount of cash for a fixed number of the Company's own ordinary shares, they meet the fixed-for-fixed condition in IAS 32.16(b)(ii) and have been classified as equity-settled instruments.

(b) Zeus Warrants :

In connection with advisory services provided by Zeus Capital Limited in respect of the placings completed in July and September 2025, the Company issued a further 115,241,313 warrants in two certificates: (i) 10,160,875 warrants exercisable at 0.10 pence, and (ii) 105,080,438 warrants exercisable at 0.075 pence, each with a contractual life of five years from the date of grant. As these warrants incorporate a percentage anti-dilution ratchet that varies the number of shares issuable on exercise, they fail the fixed-for-fixed condition under IAS 32 and have been classified as derivative financial liabilities measured at fair value through profit or loss (Level 3 of the fair value hierarchy). The associated warrant liability of £67,188 is included within Trade and Other Payables (Note 20).

The Investor Warrants are held by a range of institutional and individual investors, including nominee accounts. The Zeus Warrants are held by Zeus Capital Limited and its connected advisers in respect of the fundraising activities undertaken during the Period.

The grant-date fair value of the Zeus Warrants of £96,402 was recognised as a derivative financial liability and treated as a cost of the equity transaction, deducted from share premium. At 31 December 2025, the Zeus Warrant liability was remeasured to its fair value of £67,188 using a Black-Scholes model (Level 3 of the fair value hierarchy), resulting in a fair value gain of £29,213 which has been recognised within other operating income in the Consolidated Statement of Comprehensive Income.

No warrants were exercised, lapsed or modified during the Period or up to the date of approval of these financial statements.

Further details of the terms, classification and movements in warrants and share options are set out in Note 27 to the consolidated financial statements..

Post-year end share capital movements

Subsequent to 31 December 2025, the following share capital movements occurred:

- (a) On 2 April 2026, the Board approved the conversion of £278,200 of debt owed to Zen Ventures Limited into 397,428,571 new ordinary shares of 0.035 pence each at a conversion price of 0.07 pence per share (RNS: "Loan and Debt Conversion with Zen Ventures", 2 April 2026).
- (b) On 9 April 2026, the Company completed the acquisition of the Ghummud grid-connection asset (approximately 3.5MVA) through the allotment of 909,090,909 new ordinary shares of 0.035 pence each at an issue price of 0.11 pence per share, representing total share consideration of £1.0 million, together with deferred cash consideration payable from operations (RNS: "Completion of Ghummud Acquisition, Issue of Equity", 9 April 2026).
- (c) On 30 April 2026, the Company announced and conditionally completed a placing arranged by Zeus Capital Limited of 1,575,757,576 new ordinary shares of 0.035 pence each at a price of 0.0825 pence per share, raising gross proceeds of £1.3 million (approximately £1.14 million net of expenses). Admission of the placing shares to trading on AIM occurred on 8 May 2026 (RNS: "Result of Placing and Total Voting Rights", 30 April 2026).
- (d) 77,586,207 new ordinary shares of 0.035 pence each were allotted to AERON Limited and Roast PR Limited in settlement of advisory and investor-relations fees.

As at the date of approval of this report, the Company's issued ordinary share capital comprises 6,801,240,360 ordinary shares of 0.035 pence each, consistent with the Total Voting Rights notification published on 30 April 2026 and the latest Companies House filings.

ACTIVE ENERGY GROUP PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2025

GOING CONCERN

The Directors have given careful consideration to the appropriateness of the going concern basis of preparation. The Group's projected cash requirements comprise its ongoing operating, compliance and development costs together with the capital required to bring its UAE and renewable energy assets into full revenue-generating operation.

The Directors have prepared detailed cash flow forecasts covering the period to July 2027 (being at least twelve months from the date of approval of these financial statements). The forecasts reflect the Group's transition from a development stage to an operational phase, driven by the commissioning and scaling of its UAE digital infrastructure assets. The base-case forecast incorporates:

- (a) Hosting revenue from the UAE digital infrastructure assets, including: (i) the 3.5MVA Ghummud site, which was energised on 20 April 2026 and commenced commercial hosting revenue from May 2026, with the first full month of trading revenue confirmed by the Company's announcement on 2 June 2026; and (ii) the 8MVA Liwa site, which is progressing through final commissioning and is expected to be brought into revenue during the year ending 31 December 2026;
- (b) Net proceeds of approximately £1.14 million received from the placing arranged by Zeus Capital Limited, which was completed on 11 May 2026 with admission of the placing shares to AIM later in May 2026 (gross proceeds of £1.3 million before expenses);
- (c) Ongoing cost controls, with administrative expenses maintained within budget; and
- (d) Repatriation to the UK of approximately 50% of net UAE income.

The Directors have stress-tested the base-case forecast against a downside scenario which assumes a 30% reduction in hosting revenues, a three-month delay in commencement of operations at the 8MVA Liwa site, removal of all Bitcoin mining income, and a 15% increase in cost of sales. Under this downside scenario, the Group is expected to maintain positive cash balances throughout the assessment period due to existing cash reserves, the post year-end £1.14 million net Zeus placing proceeds, and the ability to flex discretionary administrative expenditure.

Under the base case forecast, the Group is expected to maintain positive cash balances throughout the assessment period. On the basis of these forecasts, and having considered the risks and sensitivities set out in the Strategic Report, the Directors have concluded that the Group has adequate resources to continue in operational existence for at least twelve months from the date of approval of these financial statements. Accordingly, the Directors consider it appropriate to adopt the going concern basis of preparation.

The Directors note that, unlike the prior year, the base-case cash flow forecast indicates a positive cash position throughout the forecast period and, on this basis, have determined that no material uncertainty exists in relation to going concern at the date of these financial statements.

The financial statements do not include any adjustments that would arise if the Group were unable to continue as a going concern.

ACTIVE ENERGY GROUP PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2025

EVENTS AFTER THE REPORTING YEAR

A number of significant developments have occurred since 31 December 2025. All post balance-sheet events have been assessed under IAS 10 Events After the Reporting Year:

Non-adjusting events

- On 13 January 2026, the Company published a business update confirming positive progress across all four strategic pillars.
- On 29 January 2026, the Company announced non-binding Heads of Terms for a UAE venture in which Active Energy would retain a 60% controlling interest, with technical mining operator Segments Cloud Hash FZ LLC (20%) and commercial partner LC Group FZE (20%).
- The 8MVA Phase One UAE facility continued towards completion, with site readiness for modular infrastructure deployment confirmed in May 2026, and full energisation and revenue generation expected during June 2026 shortly thereafter.
- On 18 March 2026, the Company announced Heads of Terms for the proposed acquisition of the Ghummud grid-connection asset (approximately 3.5MVA), with consideration of £1 million in AEG shares at 0.11 pence per share and deferred cash from operations.
- On 9 March 2026, Mr. James Rigby Voce resigned as a Director and from the Board, effective immediately.
- On 2 April 2026, the Board approved the conversion of £278,200 of debt owed to Zen Ventures Limited into 397,428,571 new ordinary shares at 0.07 pence per share.
- In May 2026, Zeus Capital completed a placing on behalf of the Company, with the Company's cash balance increasing to approximately £1.13 million following receipt of net proceeds.
- 77,586,207 ordinary shares were allotted to AERON Limited and Roast PR Limited in settlement of advisory fees.
- On 24 April 2026, the Company entered into a non-binding letter of intent with Bitdeer Middle East Technology Ltd (a subsidiary of Bitdeer Technologies Group, NASDAQ: BTDR) establishing a framework for a strategic joint mining partnership in respect of the Group's UAE operations. Under the proposed structure, the Group will provide grid-secured ultra-low-cost power, data centre infrastructure and hosting services, while Bitdeer will deploy and supply the mining equipment, on a profit-sharing basis. The arrangement remains subject to satisfactory due diligence, agreement of final commercial terms and execution of definitive documentation.
- The Company received a MISA Entrepreneur Licence from the Ministry of Investment of Saudi Arabia and approval from the Research, Development and Innovation Authority (RDIA).
- A services and facilitation arrangement was established with the Private Office of HH Sheikh Mohammed bin Ahmed bin Hamdan bin Mohammed Al Nahyan and the appointment of Black Road Investment Group as liaison partner, working toward the aggregation of an initial 50MVA of capacity across multiple UAE sites.
- Subsequent to the year end, the Board elected to fully liquidate the Group's digital asset treasury holdings, realising approximately £97,945 which was converted to working capital. The decision was taken following a review of the Group's near-term liquidity requirements and the Board's assessment of prevailing market conditions. The Board continues to evaluate treasury management strategies to optimise returns on the Group's cash reserves whilst maintaining appropriate financial discipline (see "Digital asset treasury strategy" in the Strategic Report above).
- The Ghummud site (approximately 3.5MVA) was energised on 20 April 2026 and commenced commercial hosting revenue during May 2026, with the first month of trading confirmed in the Company's RNS announcement on 2 June 2026.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards (IFRS) and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the loss of the Group and Company for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- for the Group financial statements, state whether applicable UK-adopted International Accounting Standards have been followed,
- subject to any material departures disclosed and explained in the financial statements;
- for the Company financial statements, state whether applicable UK accounting standards, including FRS 101, have been followed,
- subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

ACTIVE ENERGY GROUP PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and the Director has taken all steps that he ought to have taken as a Director in order to make himself aware of any relevant audit
- information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

AUDITORS

Gravita Audit Limited served as auditor of the Company for the year ended 31 December 2024 and resigned during the year. Following their resignation, Gravita Audit II Limited was appointed as auditor and has served as auditor of the Company for the year ended 31 December 2025. The audit fee for the year was £55,000.

Gravita Audit II Limited has not indicated any intention to resign and, in accordance with Section 489 of the Companies Act 2006, a resolution to reappoint Gravita Audit II Limited as auditor of the Company will be proposed at the forthcoming Annual General Meeting.

Annual General Meeting

The Annual General Meeting (AGM) of the Company is expected to be held in July 2026 at the offices of Blake Morgan LLP, 6 New Street Square, London, EC4A 3DJ, with the precise date and time to be confirmed in the Notice of Annual General Meeting to be circulated to shareholders not less than 21 clear days before the meeting in accordance with section 307 of the Companies Act 2006.

At the AGM, shareholders will be invited to consider, and if thought fit, pass the following resolutions (with full details to be set out in the Notice of Annual General Meeting):

Resolutions to be proposed will include, among other matters:

- the re-election of Directors;
- the appointment of auditors and the authorisation of the Directors to set the auditors' remuneration;
- authorities for the allotment of shares (up to 66% of the issued share capital) and the disapplication of pre-emption rights; and
- statements in relation to the broadening of the Company's stated activities to reflect hosting, mining and power supply operations.

ON BEHALF OF THE BOARD:

Paul Elliott

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P R Elliott - Director

Date: 2 July 2027

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ACTIVE ENERGY GROUP PLC

Opinion

We have audited the financial statements of Active Energy Group PLC (the “Parent Company”) and its subsidiaries (the “Group”) for the year ended 31 December 2025 which comprise consolidated income statement, the consolidated balance sheet, the company balance sheet, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and the notes to the financial statements, including a summary of material accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom adopted International Accounting Standards (IFRS). The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Generally Accepted Practice, including Financial Reporting Standard 101 Reduced Disclosure Framework, and the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group’s and of the Parent Company’s affairs as at 31 December 2025 and of the Group’s loss for the year then ended;
- the Group’s financial statements have been properly prepared in accordance with United Kingdom adopted International Accounting Standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Practice, including Financial Reporting Standard 101 Reduced Disclosure Framework; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included reviewing cash flow forecasts for a period of at least twelve months from the date the financial statements are authorised for issue, assessing expected cash outflows and available liquidity, and considering the assumptions underpinning forecast funding requirements. Further details are provided in the Key Audit Matters section of our report.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our audit approach

Overview

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group financial statements are a consolidation of two reporting units (2024: one reporting unit), comprising the Group’s operating businesses and holding company.

We performed audits of the complete financial information of Active Energy Group Plc, which is individually financially significant. The other reporting unit, Segments Mining Limited, a UAE-based mining infrastructure which was acquired on 01 October 2025, was audited by Gravita for Group purposes only. We also performed specified audit procedures covering goodwill, as well as certain account balances and transaction classes that we regarded as material to the Group at the two reporting units.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ACTIVE ENERGY GROUP PLC

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	2025	2024
Group and company's ability to continue as a going concern	x	
Carrying value of other financial assets	x	x
Impairment of amounts due from subsidiaries		x

Impairment of amounts due from subsidiaries is no longer considered to be a key audit matter as the balances were no longer material to the financial statements as a whole.

The key audit matters are explained in more detail below.

Key audit matter	How our audit addressed the key audit matter
Group and company's ability to continue as a going concern The directors have determined that no material uncertainty exists in relation to going concern at the date of these financial statements and have prepared the consolidated financial statements on a going concern basis. For the year ended 31 December 2025, the Group reported a loss after tax of £1,463,543 (2024: £1,854,088) and remains pre-revenue following its continued business restructuring. The Group held a cash balance of £773,293 at year end (2024: £4,273). The Group's forecasts underpinning the going concern assessment involve significant judgement, particularly in relation to future funding, cost control, liquidity management and successful execution of the restructuring strategy. These assumptions are subject to estimation uncertainty given the Group's pre-revenue status and the dependency on achieving forecast cash flows and funding plans. Although the Group raised funds through debt and equity financing during the year and held improved cash resources at year end, the assessment remains sensitive to the timing and availability of future funding and the Group's ability to manage expenditure within forecast levels. Given these factors, we considered going concern to be a key audit matter due to the significance of the judgements involved in assessing the Group's and the Parent Company's ability to continue as a going concern.	We have performed the following audit procedures: • examined the financial performance of the group, incorporating both financial and non-financial aspects; • reviewed the Group's and the Parent Company's liquidity position, cash flow forecasts and related projections, and assessed the key assumptions used by management to support the going concern assessment. This includes assessment of the UAE strategy, where these forecasts were challenged and vouched to supporting documentation for the financial arrangements stipulated in the lease agreements, inspecting documentation that sites are ready for use post year end, and assessing the proof in concept for money earned on the first site to be functional; • reviewed post balance sheet management accounts, public announcements, board minutes and subsequent events; • evaluated the availability and reliability of funding sources, including existing financing arrangements, equity funding, loans, convertible instruments and letter of support provided (including availability of funds being sufficient to provide this support); and • performed sensitivity testing on forecasts provided by management. Based on the audit work performed, we concluded that the assumptions applied by management in preparing the forecasts were reasonable in the context of the Group's circumstances and that the directors' use of the going concern basis of accounting was appropriate. We also considered the adequacy of the going concern disclosures in the consolidated financial statements and found them to be consistent with the evidence obtained and the directors' assessment.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ACTIVE ENERGY GROUP PLC**

Carrying value of other financial assets The Company had other financial assets of £683,248 at 31 December 2025 (2024: £683,248). These assets consist of an unquoted equity instrument which is valued at fair value through other comprehensive income and classified as a non-current asset. 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. There is a risk that the carrying value of other financial assets is not reflective of its fair value. As such, we considered this to be a Key Audit Matter due to the high level of judgement applied and the value of the overall investments .	We have performed the following audit procedures: • We reviewed management's basis for estimating the fair value of the equity instrument at historic cost including reviewing management's projections of the value of the equity instrument based on the net assets of the entity whose equity instruments it is ("the entity") and the price of recently issued equity of the same entity. Management concluded that cost was within the range of possible values derived from the above, and therefore could be considered the best estimate. • We challenged management's rationale in using the above valuations. • We reviewed the entity's financial statements, relevant correspondences and other factual evidence and found merit in management's reservations for using the recently issued equity of the entity. Based on the audit work performed, we are satisfied with management's valuation of the carrying amount of other financial assets at 31 December 2025 being the best estimate falling within a range of possible values.
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Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group Financial Statements	Company Financial Statements
Overall materiality	£54,200 (2024: N/A).	£51,500 (2024: £66,000).
How we determined it	Based on 2% of Gross Assets (2024: N/A).	Based on 2% of Gross Assets (2024: Based on 4.5% of Loss before tax).
Rationale for benchmark applied	We believe that the most adequate basis for materiality is gross assets, as the Group has limited trading activity during the year and is operating a balance sheet-driven business model during this transition period.	We believe that the most adequate basis for materiality is gross assets, as the Company has limited trading activity during the year and is operating a balance sheet-driven business model during this transition period.
Performance Materiality	£35,200 (2024: N/A)	£33,500 (2024: £42,900)

We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Performance materiality has been set at 65% of overall materiality. We determined performance materiality with reference to factors such as understanding the Group and its complexity, the quality of the control environment and ability to rely on controls and the low level of uncorrected misstatements in the prior year audit.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit for the Group above £2,710 (2024: £nil) and for the Company above £2,570 (£3,300) as well as misstatements below this amount that, in our view, warranted reporting for qualitative reasons.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed,

we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ACTIVE ENERGY GROUP PLC

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 18 and 19, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our knowledge and experience of the entity's activities:
- The Companies Act 2006 and IFRS in respect of the preparation and presentation of the financial statements and;
- AIM regulations and Market Abuse Regulations
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including taxation legislation, anti-bribery, employment, and anti-money laundering regulations.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit; and
- we assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
 - making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
 - considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ACTIVE ENERGY GROUP PLC**

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 of the financial statements were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and
- in response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
 - agreeing financial statement disclosures to underlying supporting documentation;
 - reading the minutes of meetings of those charged with governance;
 - enquiring of management as to actual and potential litigation and claims; and
 - reviewing correspondence with HMRC and the Company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of noncompliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment by for example forgery, or intentional misrepresentation or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Claire Barnes

Claire Barnes (Senior Statutory Auditor)
for and on behalf of Gravita Audit II Limited (Chartered Accountants and Statutory Auditor)
Aldgate Tower
2 Leman Street
London
E1 8FA

Date: 2 July 2026

ACTIVE ENERGY GROUP PLC
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 £	2024 £
CONTINUING OPERATIONS			
Revenue		-	-
Other operating income	3	29,213	-
Impairment charge		-	(378,834)
Administrative expenses		<u>(1,398,667)</u>	<u>(1,475,254)</u>
OPERATING LOSS BEFORE EXCEPTIONAL ITEMS		(1,369,454)	(1,854,088)
Exceptional items	5	<u>(86,540)</u>	<u>-</u>
OPERATING LOSS		(1,455,994)	(1,854,088)
Finance costs	6	<u>(1,010)</u>	<u>-</u>
LOSS BEFORE INCOME TAX	7	(1,457,004)	(1,854,088)
Income tax	8	<u>-</u>	<u>-</u>
LOSS FOR THE YEAR		<u>(1,457,004)</u>	<u>(1,854,088)</u>
Loss attributable to:			
Owners of the parent		(1,455,909)	(1,854,088)
Non-controlling interests		<u>(1,095)</u>	<u>-</u>
		<u>(1,457,004)</u>	<u>(1,854,088)</u>
Earnings per share expressed in pence per share:	10		
Basic		(0.11)	(1.15)
Diluted		<u>(0.11)</u>	<u>(1.15)</u>

The notes form part of these financial statements

ACTIVE ENERGY GROUP PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 £	2024 £
LOSS FOR THE YEAR	(1,457,004)	(1,854,088)
OTHER COMPREHENSIVE INCOME	_____ -	_____ -
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u><u>(1,457,004)</u></u>	<u><u>(1,854,088)</u></u>
Total comprehensive loss attributable to:		
Owners of the parent	(1,455,909)	(1,854,088)
Non-controlling interests	<u>(1,095)</u>	<u>-</u>
	<u><u>(1,457,004)</u></u>	<u><u>(1,854,088)</u></u>

The notes form part of these financial statements

ACTIVE ENERGY GROUP PLC (REGISTERED NUMBER: 03148295)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2025**

	Notes	2025 £	2024 £
ASSETS			
NON-CURRENT ASSETS			
Goodwill	11	134,773	-
Intangible assets	12	128,040	-
Property, plant and equipment	13	934,313	-
Investment in subsidiaries	14	-	-
Investments	14	-	-
Loans and other financial assets	15	683,248	683,248
Trade and other receivables	16	20,000	-
		<u>1,900,374</u>	<u>683,248</u>
CURRENT ASSETS			
Trade and other receivables	16	56,142	29,157
Cash and cash equivalents	17	773,293	4,273
		<u>829,435</u>	<u>33,430</u>
TOTAL ASSETS		2,729,809	716,678
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	19	14,600,959	13,313,129
Share premium Account	20	39,339,371	39,263,037
Convertible debt & warrant	20	1,188,053	12,798
Merger reserves	20	1,502,500	1,502,500
Own shares held reserve	20	(180,150)	(180,150)
Retained earnings	20	(55,091,025)	(53,637,250)
		1,359,708	274,064
Non-controlling interests	18	51,147	-
TOTAL EQUITY		1,410,855	274,064
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	21	744,397	184,519
Financial liabilities - borrowings			
Bank overdrafts	22	100	-
Interest bearing loans and borrowings	22	574,457	258,095
		<u>1,318,954</u>	<u>442,614</u>
TOTAL LIABILITIES		1,318,954	442,614
TOTAL EQUITY AND LIABILITIES		2,729,809	716,678

The financial statements were approved by the Board of Directors and authorised for issue on 2 July 2026 and were signed on its behalf by:

Paul Elliott
.....
Director

The notes form part of these financial statements

ACTIVE ENERGY GROUP PLC (REGISTERED NUMBER: 03148295)

**COMPANY STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2025**

	Notes	2025 £	2024 £
ASSETS			
NON-CURRENT ASSETS			
Goodwill	11	-	-
Intangible assets	12	128,040	-
Property, plant and equipment	13	20,795	-
Investment in subsidiaries	14	213,335	-
Investments	14	-	-
Loans and other financial assets	15	683,248	683,248
Trade and other receivables	16	20,000	-
		<u>1,065,418</u>	<u>683,248</u>
CURRENT ASSETS			
Trade and other receivables	16	754,341	29,157
Cash and cash equivalents	17	<u>773,293</u>	<u>4,273</u>
		<u>1,527,634</u>	<u>33,430</u>
TOTAL ASSETS		<u><u>2,593,052</u></u>	<u><u>716,678</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	19	14,600,959	13,313,129
Share premium Account	20	39,339,371	39,263,037
Convertible debt & warrant	20	1,188,053	12,798
Merger reserves	20	1,502,500	1,502,500
Own shares held reserve	20	(180,150)	(180,150)
Retained earnings	20	(55,081,462)	(53,637,250)
TOTAL EQUITY		<u>1,369,271</u>	<u>274,064</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	21	649,224	184,519
Financial liabilities - borrowings			
Bank overdrafts	22	100	-
Interest bearing loans and borrowings	22	<u>574,457</u>	<u>258,095</u>
		<u>1,223,781</u>	<u>442,614</u>
TOTAL LIABILITIES		<u>1,223,781</u>	<u>442,614</u>
TOTAL EQUITY AND LIABILITIES		<u><u>2,593,052</u></u>	<u><u>716,678</u></u>

The Company has taken advantage of the exemptions allowed under section 408 of the Companies Act 2006 and has not presented its income statement in these financial statements. The company made a loss after tax for the year of £1,446,346 (2024: £1,854,088).

The financial statements were approved by the Board of Directors and authorised for issue on 2 July 2026 and were signed on its behalf by:

Paul Elliott
.....
Director

The notes form part of these financial statements

ACTIVE ENERGY GROUP PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	Called up share capital £	Retained earnings £	Share premium Account £	Convertible debt & warrant £
Balance at 1 January 2024	13,313,129	(52,336,399)	39,263,037	461,857
Changes in equity				
Total comprehensive loss	-	(1,854,088)	-	-
Share based payments	-	91,380	-	-
Convertible debt issued	-	-	-	12,798
Expiry of warrants	-	461,857	-	(461,857)
Balance at 31 December 2024	13,313,129	(53,637,250)	39,263,037	12,798
Changes in equity				
Total comprehensive loss	-	(1,455,909)	-	-
Issue of share capital	1,287,830	-	76,334	-
Share based payments	-	2,134	-	-
Convertible debt issued	-	-	-	11,249
Issue of warrants	-	-	-	1,164,006
Total transactions with owners, recognised directly in equity	1,287,830	2,134	76,334	1,175,255
Balance at 31 December 2025	14,600,959	(55,091,025)	39,339,371	1,188,053

	Merger reserves £	Own shares held reserve £	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2024	1,502,500	(180,150)	2,023,974	-	2,023,974
Changes in equity					
Total comprehensive loss	-	-	(1,854,088)	-	(1,854,088)
Share based payments	-	-	91,380	-	91,380
Convertible debt issued	-	-	12,798	-	12,798
Balance at 31 December 2024	1,502,500	(180,150)	274,064	-	274,064
Changes in equity					
Total comprehensive loss	-	-	(1,455,909)	-	(1,455,909)
Issue of share capital	-	-	1,364,164	-	1,364,164
Share based payments	-	-	2,134	-	2,134
Convertible debt issued	-	-	11,249	-	11,249
Issue of warrants	-	-	1,164,006	-	1,164,006
Losses attributable to NCI	-	-	-	(1,095)	(1,095)
Total transactions with owners, recognised directly in equity	-	-	2,541,553	(1,095)	2,540,458
Non-controlling interest arising on business combination	-	-	-	52,242	52,242
Balance at 31 December 2025	1,502,500	(180,150)	1,359,708	51,147	1,410,855

The notes form part of these financial statements

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The notes form part of these financial statements

ACTIVE ENERGY GROUP PLC
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	Called up share capital £	Retained earnings £	Share premium Account £
Balance at 1 January 2024	13,313,129	(52,336,399)	39,263,037
Changes in equity			
Total comprehensive income	-	(1,854,088)	-
Share based payments	-	91,380	-
Expiry of warrants	-	461,857	-
Balance at 31 December 2024	13,313,129	(53,637,250)	39,263,037
Changes in equity			
Issue of share capital	1,287,830	-	76,334
Total comprehensive income	-	(1,446,346)	-
Share based payments	-	2,134	-
Balance at 31 December 2025	14,600,959	(55,081,462)	39,339,371

	Convertible debt & warrant £	Merger reserves £	Own shares held reserve £	Total equity £
Balance at 1 January 2024	461,857	1,502,500	(180,150)	2,023,974
Changes in equity				
Total comprehensive income	-	-	-	(1,854,088)
Share based payments	-	-	-	91,380
Convertible debt issued	12,798	-	-	12,798
Expiry of warrants	(461,857)	-	-	-
Balance at 31 December 2024	12,798	1,502,500	(180,150)	274,064
Changes in equity				
Issue of share capital	-	-	-	1,364,164
Total comprehensive income	-	-	-	(1,446,346)
Share based payments	-	-	-	2,134
Convertible debt issued	11,249	-	-	11,249
Issue of warrants	1,164,006	-	-	1,164,006
Balance at 31 December 2025	1,188,053	1,502,500	(180,150)	1,369,271

The notes form part of these financial statements

ACTIVE ENERGY GROUP PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

		2025 £	2024 £
Cash flows from operating activities			
Cash generated from operations	1	(1,227,253)	(1,555,873)
Net cash from operating activities		<u>(1,227,253)</u>	<u>(1,555,873)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(244,893)	-
Purchase of tangible fixed assets		(738,675)	-
Sale of intangible fixed assets		43,872	-
		-	1,293,094
Net cash from investing activities		<u>(939,696)</u>	<u>1,293,094</u>
Cash flows from financing activities			
Loans and Borrowings		312,000	200,000
Loan repayments in year		-	62,500
Share issue		2,846,180	-
Share issue costs		(221,608)	-
		-	(25,258)
Net cash from financing activities		<u>2,936,572</u>	<u>237,242</u>
Increase/(decrease) in cash and cash equivalents		769,623	(25,537)
Cash and cash equivalents at beginning of year	2	4,273	30,190
Effect of foreign exchange rate changes		<u>(703)</u>	<u>(380)</u>
Cash and cash equivalents at end of year	2	<u><u>773,193</u></u>	<u><u>4,273</u></u>

The notes form part of these financial statements

ACTIVE ENERGY GROUP PLC

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025**

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2025 £	2024 £
Loss before income tax	(1,457,004)	(1,854,088)
Depreciation charges	904	120
Share based payment expense	2,134	91,380
Impairment of intercompany loans	-	378,834
Foreign currency translations	703	380
CLN Interest	15,612	8,698
Revaluation loss	72,981	-
Finance costs	<u>1,010</u>	<u>-</u>
	(1,363,660)	(1,374,676)
(Increase)/decrease in trade and other receivables	(46,784)	17,194
Increase/(decrease) in trade and other payables	<u>183,191</u>	<u>(198,391)</u>
Cash generated from operations	<u><u>(1,227,253)</u></u>	<u><u>(1,555,873)</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2025

	31.12.25 £	1.1.25 £
Cash and cash equivalents	773,293	4,273
Bank overdrafts	<u>(100)</u>	<u>-</u>
	<u><u>773,193</u></u>	<u><u>4,273</u></u>

Year ended 31 December 2024

	31.12.24 £	1.1.24 £
Cash and cash equivalents	4,273	30,192
Bank overdrafts	<u>-</u>	<u>(2)</u>
	<u><u>4,273</u></u>	<u><u>30,190</u></u>

The notes form part of these financial statements

ACTIVE ENERGY GROUP PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

1. STATUTORY 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 with its shares also available to US and international investors via the OTC Integrated Disclosure Market(AIM: AEG; OTC: AEUSF). Its registered office address is 27/28 Eastcastle Street, London, W1W 8DH. The principal activity of the Company is described in the Strategic Report.

ACTIVE ENERGY GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2025

2. ACCOUNTING POLICIES

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.

The Group financial statements have been prepared 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 Company financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). As permitted by FRS 101, the Company has taken advantage of the disclosure exemption available under that standard to not present a Company Statement of Cash Flows.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS101:

The following paragraphs of IAS 1, 'presentation of financial statements':

- 10(d) (statement of cash flows),
- 38A (requirement for minimum of 2 primary statements, including cashflow statements),
- 111 (statement of cash flows information)

IAS 7, 'Statement of cash flows'

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.

The Company has subsidiaries at the balance sheet date and has therefore prepared consolidated financial statements. These financial statements present the performance and position of the Group, including all of its subsidiaries

Going concern

In preparing the consolidated financial statements, the Directors are required to assess the Group's and the Company's ability to continue as a going concern and whether it is appropriate to prepare the financial statements on that basis.

The Group comprises Active Energy Group plc and its subsidiaries, including Segments Mining Limited, which was acquired on 1 October 2025. During the year, the Group has transitioned from a development stage and to an operational phase in 2026, driven by the commissioning and scaling of its UAE digital infrastructure assets at the Ghummud (3.5MVA) and Liwa (8MVA) sites.

The Directors have prepared detailed cash flow forecasts covering the period to July 2027, being at least twelve months from the date of approval of these financial statements. The base-case forecast incorporates:

- (a) hosting revenue from the 3.5MVA Ghummud site, which was energised on 20 April 2026 and commenced commercial hosting operations during May 2026, with the first month of trading revenue confirmed in the Company's RNS announcement on 2 June 2026;
- (b) hosting revenue from the 8MVA Liwa site, which is progressing through final commissioning and is expected to be brought into revenue during the year ending 31 December 2026;
- (c) ongoing operating cost controls, with administrative expenditure maintained within Board-approved budget;
- (d) the partial repatriation to the United Kingdom of approximately 50% of net UAE earnings; and committed capital expenditure relating to the deferred consideration on the Segments Mining Limited acquisition.

Cash and cash equivalents at 31 December 2025 amounted to £773,193 (2024: £4,273). The Group cash position at 31 May 2026 was approximately £324,046, comprising UK bank balances together with funds held by Segments Mining Limited representing the May 2026 Ghummud hosting profits.

The Directors have also stress-tested the base-case forecast against a downside scenario assuming: (i) a 30% reduction in hosting revenues, (ii) a three-month delay in commercial commencement of the 8MVA Liwa site, (iii) removal of all Bitcoin mining income, and (iv) a 15% increase in cost of sales. Under this downside scenario, the Group is expected to maintain positive cash balances throughout the assessment period, supported by existing cash reserves and the ability to flex discretionary administrative expenditure.

Under both the base case and downside scenarios, the Group is expected to maintain positive cash balances throughout the assessment period, with no shortfall indicated at any point.

On the basis of these forecasts, the post-period developments, and having considered the risks and sensitivities set out in the Principal Risks & Uncertainties section of the Strategic Report, the Directors have concluded that the Group has adequate resources to continue in operational existence for at least twelve months from the date of approval of these financial statements.

ACTIVE ENERGY GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2025

Accordingly, the Directors have determined that no material uncertainty exists in relation to going concern at the date of these financial statements and have prepared the consolidated financial statements on a going concern basis.

The financial statements do not include any adjustments that would be required if the Group or the Company were unable to continue as a going concern.

New and amended standards which are effective for these Financial Statements

The following amendment was effective for the Group for the first time in the year beginning 1 January 2025:

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

The amendments specify how an entity assesses whether a currency is exchangeable into another currency and, where it is not, how the entity determines the spot exchange rate to apply and the disclosures to provide. The Group operates in the United Arab Emirates through its subsidiary, Segments Mining Limited, functional currency of which is the UAE dirham. The dirham remained exchangeable into the Group's presentation currency throughout the year and the Group is not subject to any exchangeability restrictions. The adoption of these amendments has therefore had no material effect on the Group's financial position, financial performance or disclosures.

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

A number of new standards and amendments to existing standards have been issued and, where indicated, adopted for use in the UK, but are not yet effective for the year ended 31 December 2025 and have not been applied in preparing these financial statements.

Those considered potentially relevant to the Group are set out below.

Ref	Title	Summary	Application date (accounting periods commencing)
IFRS7	Financial Instruments: Disclosures	Amendments: classification and measurement of financial instruments	1 January 2026
IFRS9	Financial Instruments	Amendments: classification and measurement of financial instruments	1 January 2026
IFRS7	Financial Instruments: Disclosures	Amendments: contracts referencing nature-dependent electricity	1 January 2026
IFRS9	Financial Instruments	Amendments: contracts referencing nature-dependent electricity	1 January 2026
IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards, Volume 11	Narrow-scope amendments to several standards	1 January 2026
IFRS 18	Presentation and Disclosures	New standard replacing IAS 1, introducing defined categories and required subtotals in the income statement, disclosure of management-defined performance measures, and revised aggregation and disaggregation requirements; does not change recognition or measurement	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	Reduced disclosure requirements for eligible subsidiaries	1 January 2027

The amendments effective from 1 January 2026 are not expected to have a material impact on the amounts recognised or the disclosures presented in the Group's financial statements.

ACTIVE ENERGY GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2025

IFRS 18 replaces IAS 1 Presentation of Financial Statements and will change the structure and presentation of the income statement, including the introduction of defined categories of income and expenses with required subtotals, and will require the disclosure of management-defined performance measures in a single note. The standard does not change the recognition or measurement of any item in the financial statements. It applies retrospectively, with the result that comparative information for the year ending 31 December 2026 will be restated on transition. The Group is currently assessing the impact of IFRS 18, which is expected to affect the presentation of the primary statements and the related disclosures rather than the results reported.

IFRS 19 permits eligible subsidiaries without public accountability to apply reduced disclosure requirements. As these consolidated financial statements relate to a group whose parent company's securities are admitted to trading on AIM, IFRS 19 is not available in respect of the consolidated financial statements and its adoption is not expected to have any impact on them.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Active Energy Group PLC (the Company) and its subsidiaries (together referred to as the Group).

Subsidiaries are entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist where the Company holds, directly or indirectly, more than 50% of the voting rights.

The subsidiaries included in the consolidation comprise AEG Operations Ltd and AEG Private Ltd, both of which are wholly owned by the Company, and Segments Mining Limited, in which the Company holds a 60% interest.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Where the Group holds less than 100% of the equity share capital of a subsidiary, the non-controlling interest is recognised within equity in the consolidated statement of financial position, separately from the equity attributable to the owners of the Company. The non-controlling interest's share of profit or loss is disclosed separately in the consolidated statement of profit or loss.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Related party transactions

Related parties are individuals or entities that have the ability to control, jointly control, or exercise significant influence over the Group, or are members of key management personnel, including Directors.

Transactions with related parties are recognised when the Group enters into a transaction with such entities or individuals. These transactions include, but are not limited to, funding arrangements, intercompany balances, and transactions with key management personnel.

Related party transactions are measured at the amount of consideration agreed between the parties. Where transactions are not conducted at arm's length, this is disclosed in the financial statements where material.

Balances outstanding at the reporting date, including amounts receivable from or payable to related parties, are presented within receivables or payables as appropriate. Intercompany balances and transactions are eliminated in full on consolidation.

Key management personnel compensation, including salaries, fees, and share-based payments, is recognised as an expense in the year in which the service is received.

ACTIVE ENERGY GROUP PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025**

2. ACCOUNTING POLICIES - continued

Significant judgements and estimates

The preparation of the consolidated financial statements in accordance with International Financial Reporting Standards requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and the related disclosures.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, are as follows:

(a) Goodwill arising on acquisition

Goodwill has been recognised on the acquisition of Segments Mining Limited. The calculation of goodwill involves estimating the fair value of identifiable net assets acquired and consideration transferred. This requires the use of assumptions and estimates.

(b) Impairment of investments and goodwill

The Group reviews the carrying value of investments and goodwill for impairment where indicators exist. This involves estimating recoverable amounts based on future cash flows, discount rates and other assumptions.

(c) Recognition of deferred consideration

The Group has recognised deferred consideration arising on acquisition. Estimating the fair value of such consideration involves judgement regarding future outcomes and discounting assumptions.

d) Assets held at fair value

The instrument is an equity investment held at fair value through other comprehensive income. The Group has estimated fair value as the original cost of the investment, which the Directors consider to be the most reliable estimate of fair value within a wide range of reasonably possible outcomes. The significant unobservable inputs are the net asset value per share of the investee and a discount applied for the minority and non-marketable nature of the holding.

e) Warrants held at fair value

The Group measures its derivative warrant liabilities at fair value through profit or loss. The Group has estimated fair value using the Black-Scholes option pricing model, as the Directors consider this model to provide the most reliable estimate of fair value within a wide range of reasonably possible outcomes. The significant unobservable inputs required by the model are the expected volatility of the underlying share price and the expected life of the warrants.

Cash and cash equivalents

Cash represents cash in hand and deposits held on demand with financial institutions. Cash equivalents are short-term, highly-liquid investments with original maturities of three months or less (as at their date of acquisition). Cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of change in that cash value.

In the presentation of the Statement of Cash Flows, cash and cash equivalents also include bank overdrafts. Any such overdrafts are shown within borrowings under 'current liabilities' on the Statement of Financial Position.

ACTIVE ENERGY GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2025

2. ACCOUNTING POLICIES - continued

Goodwill

Goodwill arises on the acquisition of subsidiaries, associates, joint ventures, or businesses and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of any previously held equity interest over the net fair value of the identifiable assets acquired and liabilities assumed at the acquisition date.

Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Goodwill is not amortized but is tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of impairment testing, goodwill is allocated to the cash-generating unit ("CGU") or group of CGUs that are expected to benefit from the synergies of the business combination.

The recoverable amount of a CGU is determined as the higher of its fair value less costs of disposal and its value in use. Where the carrying amount of a CGU, including the allocated goodwill, exceeds its recoverable amount, an impairment loss is recognized immediately in profit or loss. Impairment losses recognized for goodwill are not reversed in subsequent periods.

On disposal of a business or CGU, the attributable carrying amount of goodwill is included in the determination of the gain or loss on disposal.

Any excess of the net fair value of identifiable assets acquired and liabilities assumed over the consideration transferred (bargain purchase gain) is recognized immediately in profit or loss after reassessment of the identification and measurement of the assets acquired and liabilities assumed.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Cost comprises the purchase price and any directly attributable costs of bringing the asset into working condition for its intended use.

Depreciation is charged so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight-line basis over their estimated useful economic lives as follows:

- Plant and machinery	:	2 to 5 years
- Computer equipment	:	2 to 5 years

The estimated useful lives and residual values of assets are reviewed at each reporting date and adjusted where appropriate.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indications exist, the recoverable amount is estimated, and an impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Gains and losses on disposal of tangible fixed assets are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Digital assets - Cryptocurrency

Cryptocurrency assets are classified as intangible assets as they are identifiable non-monetary assets without physical substance. Cryptocurrency assets are initially measured at cost, including directly attributable acquisition costs.

Subsequent to initial recognition, cryptocurrency assets are measured using the revaluation model in accordance with IAS 38 Intangible Assets, based on quoted prices in active markets. Revaluation gains are recognized in other comprehensive income and accumulated in the revaluation reserve, except to the extent that they reverse a previous revaluation decrease recognized in profit or loss. Revaluation losses are recognized in profit or loss except to the extent that they offset an existing revaluation surplus relating to the same asset.

Cryptocurrency assets are considered to have indefinite useful lives and are therefore not amortized. They are tested annually for impairment and whenever there is an indication that the asset may be impaired.

Upon disposal, any gain or loss is recognized in profit or loss as the difference between the disposal proceeds and the carrying amount of the asset. Any related revaluation reserve may be transferred directly to retained earnings

ACTIVE ENERGY GROUP PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025**

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

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.

The Group's financial liabilities include trade and other payables, loan notes, deferred consideration.

(b) Convertible loan notes

Convertible loan notes are classified as either liability, equity, or a compound financial instrument, depending on the substance of the contractual arrangement.

Where the instrument contains both a liability and an equity component, the liability component is initially recognised at fair value, with the residual amount recognised in equity. The liability component is subsequently measured at amortised cost using the effective interest method.

(c) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

(d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position only where the Group currently has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Taxation

The tax expense recognised in the consolidated statement of profit or loss comprises current tax and deferred tax.

Current tax is the expected tax payable or recoverable in respect of the taxable income or loss for the year, calculated using tax rates that have been enacted or substantively enacted at the reporting date. Taxable profit differs from accounting profit as it excludes items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

In the current year, the Group has assessed its deferred tax position and, due to uncertainty surrounding the availability of future taxable profits, no deferred tax asset has been recognised.

Timing differences arise from the inclusion of income and expenses in tax assessments in years different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

ACTIVE ENERGY GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2025

2. ACCOUNTING POLICIES - continued

Foreign currencies

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Pounds Sterling (£), which is the presentation currency of the Group.

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are subsequently translated at the exchange rates prevailing at the reporting date, and the resulting foreign exchange differences are recognised in profit or loss.

For the purpose of consolidation, the financial statements of foreign operations, including Segments Mining Limited (functional currency: UAE Dirham), are translated into the Group's presentation currency (Pounds Sterling) as follows:

- assets and liabilities are translated at the closing exchange rate at the reporting date;
- income and expenses are translated at average exchange rates for the year, unless exchange rates fluctuate significantly, in which case the rates at the date of transactions are used; and
- all resulting translation exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve within equity.

On disposal of a foreign operation, the cumulative exchange differences recognised in equity are reclassified to profit or loss.

Share-based payments

The Company operated equity-settled share-based payment arrangements, principally under its Long Term Incentive Plan (LTIP) and Joint Share Ownership Plan ("JSOP"). The fair value of awards granted is measured at the date of grant using the Black-Scholes valuation model and recognised as an expense on a straight-line basis over the vesting period, with a corresponding credit to equity, based on the Group's estimate of the number of awards expected to vest. Equity instruments issued to advisers in connection with fundraising activities are accounted for as a cost of the equity transaction in accordance with IAS 32.37 and deducted from share premium, rather than recognised as an expense.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM), identified as the Board of Directors. As the Group did not generate material external revenue during the year and the Board reviews financial performance on a consolidated basis, the Directors have concluded that the Group operates as a single reportable operating segment. The Group's revenue, results, assets and liabilities for the reporting segment are therefore equivalent to those reported in the consolidated financial statements. The Directors will reassess the segmental reporting structure once the UAE digital infrastructure assets transition into full revenue generation in the year ending 31 December 2026.

3. OTHER OPERATING INCOME

	2025 £	2024 £
Fair value gain on warrant derivative liability	29,213	-
Total other operating income	<u>29,213</u>	<u>-</u>

Other operating income comprises the fair value gain arising on the year-end remeasurement of the Zeus Warrant derivative financial liability, which is classified at fair value through profit or loss in accordance with IFRS 9. Further details of the warrant terms, valuation methodology, key inputs and sensitivity analysis are set out in following notes.

4. EMPLOYEES AND DIRECTORS

	2025 £	2024 £
Wages and salaries	170,343	437,455
Social security costs	15,754	31,148
Other pension costs	-	286
	<u>186,097</u>	<u>468,889</u>

ACTIVE ENERGY GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

4. EMPLOYEES AND DIRECTORS - continued

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

	2025	2024
Directors	2	4
Administration	-	1
	<u>2</u>	<u>5</u>

The average monthly number of employees of the Group during the year was 2 (2024: 5), comprising 2 Directors in the current year (2024: 4 Directors and 1 administrative employee).

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 Company. These are considered to be the directors of the Company.

	2025 £	2024 £
Directors' emoluments	170,343	226,545
Termination benefits	-	187,500
Share based payments	<u>1,789</u>	<u>89,963</u>
	<u>172,132</u>	<u>504,008</u>

The total remuneration of the highest paid Director for the year, excluding non-cash share-based payments, were £120,343 (2024: £365,795).

	2025 £	2024 £
Directors' remuneration	<u>170,343</u>	<u>289,295</u>
Share based payments - directors	1,789	89,963
Share based payments - others	<u>345</u>	<u>1,417</u>
	<u>2,134</u>	<u>91,380</u>

ACTIVE ENERGY GROUP PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025**

5. EXCEPTIONAL ITEMS

	2025	2024
	£	£
Impairment loss on digital assets (intangible assets)	72,980	-
Realised loss on disposal of digital assets	13,560	-
	<u>86,540</u>	<u>-</u>

Exceptional items represent material non-recurring items which, in the Directors' opinion, should be separately disclosed by virtue of their nature, size or incidence, to assist users in understanding the underlying performance of the Group.

In accordance with the Group's accounting policy, Digital assets (cryptocurrencies) are classified as intangible assets under IAS 38 with indefinite useful lives, measured at cost less accumulated impairment losses. Impairment is assessed at each reporting date by reference to quoted prices in active markets. Gains or losses on disposal are recognised in profit or loss. The impairment loss of £72,981 reflects the net reduction in fair value of crypto assets held at the reporting date.

In addition, a realised loss of £13,560 arose on trading activities undertaken through the Pepperstone account during the year.

Following the Board's decision to fully liquidate the Group's digital asset treasury holdings subsequent to the year end, these items are not considered indicative of the Group's underlying operating performance and have been presented separately.

6. NET FINANCE COSTS

INTEREST PAYABLE AND SIMILAR EXPENSES

	2025	2024
	£	£
Unwinding of discount on deferred consideration	1,010	-
	<u>1,010</u>	<u>-</u>

The finance charge of £1,010 represents the unwinding of the discount on deferred consideration recognised over the three-month period from October to December 2025, following initial recognition of the liability at present value.

7. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging/(crediting):

	2025	2024
	£	£
Depreciation	905	120
Auditor's remuneration-audit services	55,000	68,000
Share based payments	2,134	91,380
Impairment of amounts due from subsidiaries	-	378,834
	<u>-</u>	<u>378,834</u>

ACTIVE ENERGY GROUP PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025**

8. INCOME TAX

(a) Tax charge in the year

No UK corporation tax liability arose during the year ended 31 December 2025 (2024: £nil) as the Group incurred a tax-adjusted loss in the parent Company and its UK operations. No taxes have been paid in respect of the Group's foreign operations during the year (2024: £nil), reflecting the loss position of Segments Mining Limited for the post-acquisition period and the prevailing tax regime applicable in the United Arab Emirates (see (d) below).

(b) Reconciliation of tax charge - Group

The tax assessed for the year differs from the amount that would arise applying the standard rate of UK corporation tax to the Group's loss before tax. The differences are explained below::

	2025	2024
	£	£
Loss before income tax	(1,457,005)	(1,854,088)
Tax credit at UK standard rate of 25% (2024: 25%)	(364,251)	(463,522)
Effects of:		
Expenses not deductible for tax purposes	61,477	122,857
Effect of unrecognised tax losses	302,774	340,665
Tax expense for the year	-	-

(c) Unrecognised deferred tax asset - UK

At 31 December 2025, the Group's UK operations had cumulative unrelieved tax losses and other deductible amounts of approximately £19,333,380 (2024: £18,112,149), giving rise to a potential deferred tax asset of approximately £4,828,146 (2024: £4,528,037), calculated at the UK corporation tax rate of 25%. These comprise:

	2025	2024
	£	£
Non-trade loan relationship deficit (pre-1 April 2017)	1,044,705	1,044,705
Non-trade loan relationship deficit (post-1 April 2017)	2,561,206	2,500,866
Excess management expenses (pre-1 April 2017)	9,489,728	9,489,728
Excess management expenses (post-1 April 2017)	6,237,741	5,076,850
Gross unrelieved losses and deductions	19,333,380	18,112,149
Potential deferred tax asset at 25%	4,833,345	4,528,037
Less: deferred tax liability on fixed asset timing differences	(5,199)	-
Net unrecognised deferred tax asset	4,828,146	4,528,037

In accordance with IAS 12.34, deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. Given that the Group's UK operations are not yet revenue-generating and the timing of future taxable profits is uncertain, no deferred tax asset has been recognised in respect of these accumulated losses. The asset will be recognised in future periods when, and to the extent that, it becomes probable that sufficient future taxable profits will be available, subject to the applicable statutory restrictions on the utilisation of carried-forward losses.

(d) Controlled Foreign Companies

Segments Mining Limited qualifies for the Exempt Period Exemption under Chapter 10, Part 9A TIOPA 2010 for the year ended 31 December 2025, being the first accounting period following its acquisition on 1 October 2025. Accordingly, no CFC apportionment arises.

(e) Factors affecting future tax charges

UK deferred tax balances have been measured at 25%, being the enacted rate at the reporting date. Future tax charges may be affected by changes in tax rates, restrictions on the utilisation of brought-forward losses, or the tax status of the Group's UAE operations.

9. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the income statement and statement of comprehensive income of the parent Company are not presented as part of these consolidated financial statements. The parent Company's loss for the financial year was £1,446,346 (2024: £1,854,088).

ACTIVE ENERGY GROUP PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025**

10. EARNINGS PER SHARE

	2025 £	2024 £
Loss for the year:		
Continuing operations	(1,475,005)	(1,854,088)
Total operations	(1,475,005)	(1,854,088)
Weighted number of Ordinary Shares in issue	1,313,193,079	161,863,136
Basic and diluted loss per share (pence):	(0.11)	(1.15)

The Company's share options and convertible loan notes are anti-dilutive in relation to the loss per share for the years ended 31 December 2025 and 31 December 2024 because their inclusion would decrease the loss per share in each case.

11. GOODWILL

Group

COST	£
Additions	<u>134,773</u>
At 31 December 2025	<u>134,773</u>
NET BOOK VALUE	
At 31 December 2025	<u><u>134,773</u></u>

12. INTANGIBLE ASSETS

Group

	Digital assets £
COST OR VALUATION	
Additions	244,893
Disposals	(43,872)
Revaluations	<u>(72,981)</u>
At 31 December 2025	<u>128,040</u>
NET BOOK VALUE	
At 31 December 2025	<u><u>128,040</u></u>

Digital assets held by the Group comprise investments in cryptocurrencies.

At the reporting date, digital assets are carried based on the revaluation model under IAS 38. The Group determines the fair value of these assets by reference to quoted prices in active markets. Due to the inherent volatility in these markets, the fair value measurements at the reporting date are subject to significant estimation uncertainty, and changes in market prices will directly affect the carrying value of the assets and the related revaluation reserve.

ACTIVE ENERGY GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

12. INTANGIBLE ASSETS - continued

Company

	Digital assets £
COST OR VALUATION	
Additions	244,893
Disposals	(43,872)
Revaluations	<u>(72,981)</u>
At 31 December 2025	<u>128,040</u>
NET BOOK VALUE	
At 31 December 2025	<u>128,040</u>

13. PROPERTY, PLANT AND EQUIPMENT

Group

	Plant and machinery £	Asset under construction £	Computer equipment £	Totals £
COST				
At 1 January 2025	7,592	-	2,165	9,757
Additions	<u>21,700</u>	<u>913,518</u>	<u>-</u>	<u>935,218</u>
At 31 December 2025	<u>29,292</u>	<u>913,518</u>	<u>2,165</u>	<u>944,975</u>
DEPRECIATION				
At 1 January 2025	7,592	-	2,165	9,757
Charge for year	<u>905</u>	<u>-</u>	<u>-</u>	<u>905</u>
At 31 December 2025	<u>8,497</u>	<u>-</u>	<u>2,165</u>	<u>10,662</u>
NET BOOK VALUE				
At 31 December 2025	<u>20,795</u>	<u>913,518</u>	<u>-</u>	<u>934,313</u>
At 31 December 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

ACTIVE ENERGY GROUP PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025**

13. PROPERTY, PLANT AND EQUIPMENT - continued

Group

Assets under construction

Assets under construction (AUC) of £913,518 (2024: £nil) represent capital expenditure incurred by the Group's 60% owned subsidiary, Segments Mining Limited, in respect of the development and commissioning of the 8MVA Liwa digital infrastructure facility in the United Arab Emirates. The facility is designed to host high-performance computing (HPC), AI workloads and digital mining operations.

The costs capitalised within AUC comprise the purchase cost of plant, machinery, electrical infrastructure, containerised hosting units, transformers, switchgear and other directly attributable costs incurred in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, in accordance with IAS 16.16. Borrowing costs, where directly attributable, would be capitalised in accordance with IAS 23; no such borrowing costs were capitalised during the year (2024: £nil) as the Group did not incur qualifying borrowing costs on the asset during the construction phase.

Assets under construction are stated at cost less any accumulated impairment losses and are not depreciated. Depreciation will commence when the assets are available for use, i.e., when they are in the location and condition necessary for them to be capable of operating in the manner intended by management, at which point the related costs will be transferred from AUC to the relevant category of property, plant and equipment (plant and machinery) and depreciated on a straight-line basis over their estimated useful economic lives of 2 to 5 years, consistent with the Group's accounting policy.

As at 31 December 2025, the Liwa 8MVA facility was in the final stages of commissioning. Management has confirmed that, in accordance with the Group's announcements (RNS dated 13 January 2026 and subsequent updates) and the post-balance sheet events disclosed in Note 25, the facility is expected to be brought into use during the second half of 2026, at which point depreciation will commence. The 3.5MVA Ghummud site, also operated by Segments Mining Limited, was separately energised on 20 April 2026 and commenced commercial hosting operations during May 2026.

Company

	Plant and machinery £	Computer equipment £	Totals £
COST			
At 1 January 2025	7,592	2,165	9,757
Additions	<u>21,700</u>	<u>-</u>	<u>21,700</u>
At 31 December 2025	<u>29,292</u>	<u>2,165</u>	<u>31,457</u>
DEPRECIATION			
At 1 January 2025	7,592	2,165	9,757
Charge for year	<u>905</u>	<u>-</u>	<u>905</u>
At 31 December 2025	<u>8,497</u>	<u>2,165</u>	<u>10,662</u>
NET BOOK VALUE			
At 31 December 2025	<u>20,795</u>	<u>-</u>	<u>20,795</u>
At 31 December 2024	<u>-</u>	<u>-</u>	<u>-</u>

ACTIVE ENERGY GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

14. INVESTMENTS

Group

Other
Investment
£

COST

At 1 January 2025
and 31 December 2025

4,754,446

PROVISIONS

At 1 January 2025
and 31 December 2025

4,754,446

NET BOOK VALUE

At 31 December 2025

-

At 31 December 2024

-

Company

	Other Investment £	Investment in Subsidiary Company £	Totals £
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COST

At 1 January 2025
Additions

4,754,446	-	4,754,446
<u>-</u>	<u>213,335</u>	<u>213,335</u>

At 31 December 2025

<u>4,754,446</u>	<u>213,335</u>	<u>4,967,781</u>
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PROVISIONS

At 1 January 2025
and 31 December 2025

<u>4,754,446</u>	<u>-</u>	<u>4,754,446</u>
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NET BOOK VALUE

At 31 December 2025

<u>-</u>	<u>213,335</u>	<u>213,335</u>
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At 31 December 2024

<u>-</u>	<u>-</u>	<u>-</u>
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ACTIVE ENERGY GROUP PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025**

15. LOANS AND OTHER FINANCIAL ASSETS

Fixed Asset investment

The Group and Company hold the following fixed asset investments:

	Group 2025 (£)	Group 2024 (£)	Company 2025 (£)	Company 2024 (£)
Investment in subsidiaries	-	-	213,335	-
Other equity investments	683,248	683,248	683,248	683,248
Other equity investments - fully impaired	-	-	-	-
Total	683,248	683,248	896,583	683,248

(a) Investments in Subsidiaries (Company only)

The cost of £213,135 relates to the Company's 60% interest in Segments Mining Limited, UAE, acquired on 1 October 2025.

The Company's investment in Segments Mining Limited and the intercompany loan advanced to that subsidiary during the year constitute related party transactions and are further disclosed in the related note below.

Included within investments in subsidiaries is of £200 relating to the Company's wholly-owned subsidiaries, AEG Operations Limited (company number 16854383) and AEG Private Limited (company number 16866660), both incorporated in England and Wales, are recorded at a £nil carrying value at 31 December 2025 (2024: £nil). Both subsidiaries are dormant and have not traded during the year (2024: dormant), and no impairment indicators have been identified.

Both dormant subsidiaries were exempt from undergoing an audit for year ended 31 December 2025 by virtue of s394A of Companies Act 2006.

(b) Other Equity Investments : Alpha Prospect Ltd

The Group holds an equity investment in Alpha Prospect Ltd.

No fair value movement has been recognised during the year (2024: £nil).

Dividends received from this investment during the year were £nil (2024: £nil).

(c) Other Equity Investments : Advanced Biomass Solutions

The Group holds an equity investment in Advanced Biomass Solutions ("ABS"), originally recognised at a cost of £4,754,446, which was fully impaired in prior years following the cessation of ABS's operations and the absence of any recoverable value. The carrying amount at 31 December 2025 is £nil (2024: £nil), and no further impairment charge or fair value movement has been recognised during the year.

OTHER FINANCIAL ASSETS

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.

Group investment and Goodwill

Details of the Group's investment in Segments Mining Limited, acquired on 1 October 2025, are set out below.

On 1 October 2025, the Group acquired a 60% equity interest in Segments Mining Limited, a UAE-based digital mining infrastructure company. Control was obtained through the purchase of a majority shareholding under a Share Purchase Agreement ("SPA"). The remaining 40% is held by the original founders and is recognised as a non-controlling interest ("NCI"). The acquisition has been accounted for as a business combination under IFRS 3, using the acquisition method.

The acquisition has been accounted for as a business combination under IFRS 3, using the acquisition method.

ACTIVE ENERGY GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2025

Consideration transferred

The total consideration comprises cash-settled deferred amounts, discounted to present value in accordance with IFRS 3. A discount rate of 9.5% per annum was applied, consistent with the rate specified in the SPA.

Breakdown of Consideration (AED)

Component	Nominal Amount (AED)	Discount Period	Description
Early tranche	230,000	0.54 yrs	Commission payable on energisation or 15 Apr 2026
Deferred tranche	955,155	1.50 yrs	Balance payable within 18 months of SPA
Total Consideration (Nominal)	1,185,155		

Unwinding of the discount on the deferred consideration (AED 24,155) is charged to finance costs in the statement of profit or loss of parent Company over the year and does not form part of acquisition accounting.

Separately identified intangible assets

In accordance with IFRS 3, management has performed an assessment of potential intangible assets meeting the contractual-legal or separability criteria the conclusion of this was that there were no separable intangibles on the basis that the lease commencement did not occur in 2025.

Potential intangible

RAK DAO Business Licence (No. 07010554)
10-year facility lease (Liwa) (post year-end event)
Electricity connection at AED 0.045/kWh (TAQA/ADDC)
Customer contracts / mining agreements
Technology / proprietary know-how

Category

Contractual-legal
Contractual-legal
Contractual-legal
Contractual-legal
Separable

Non-controlling interest

The Group has elected, in accordance with IFRS 3.19, to measure the non-controlling interest in SML at its proportionate share of the fair value of the identifiable net assets of the acquiree at the acquisition date. The NCI recognised at acquisition is therefore £52,242 (AED 258,000), representing 40% of the fair value of identifiable net assets acquired.

Goodwill arising on acquisition

The fair values of the identifiable assets acquired and liabilities assumed at the Acquisition Date, and the resulting goodwill, are set out below:

	AED	GBP
Identifiable assets acquired		
Assets under construction : Liwa 8MVA facility	875,000	177,176
Identifiable liabilities assumed		
Loan from Segments Cloud Hash (third-party)	(230,000)	(46,572)
Fair value of 100% identifiable net assets	645,000	130,604
AEG's 60% share of fair value of identifiable net assets	387,000	78,362
Consideration transferred at fair value (present value)	1,052,590	213,135
Less: AEG's 60% share of identifiable net assets	(387,000)	(78,362)
Goodwill on acquisition	665,590	134,773

For the purposes of impairment testing under IAS 36, goodwill has been allocated to the UAE Digital Infrastructure cash-generating unit, being the lowest level at which goodwill is monitored by management.

Acquisition-related costs

No acquisition-related legal, valuation and advisory costs were expensed to administrative expenses in accordance with IFRS 3.

Post acquisition profit contribution

Item	£
Loss for period 1 Oct - 31 Dec 2025	2,738
AEG share (60%)	1,643
NCI share (40%)	1,095

ACTIVE ENERGY GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2025

Impairment assessment of goodwill (IAS 36)

The Group is required to test goodwill for impairment on an annual basis, or more frequently where indicators of impairment exist. The recoverable amount of the cash-generating unit ("CGU") to which goodwill is allocated is determined from value in use calculations, which require the estimation of future cash flows and the selection of a discount rate to calculate their present value.

The goodwill of £134,773 arising on the acquisition of Segments Mining Limited ("SML") has been allocated to the UAE Digital Infrastructure CGU for the purposes of this annual test. The CGU comprises the operations of SML at the Liwa site in the United Arab Emirates, including the plant and machinery (assets under construction) deployed to deliver hosting services for high-performance computing and digital mining customers.

The non-controlling interest of £52,242 recognised on acquisition was measured at the non-controlling interest's proportionate share of the identifiable net assets of SML (£51,147 at the reporting date). Because goodwill attributable to the non-controlling interest is not recognised under this method, the recognised goodwill of £134,773 has been notionally grossed up by £89,849 to £224,622 for the purposes of the impairment test only, in accordance with IAS 36 Appendix C, paragraph C4. This grossed-up carrying amount of £224,622, together with the other assets of the CGU, has been compared with the recoverable amount of the CGU in performing the test. The notional gross-up does not affect the carrying amount of goodwill recognised in the consolidated statement of financial position.

Identification of the CGU

The Liwa site represents a single CGU as the assets work together to generate hosting revenue that is largely independent of cash inflows from other Group assets. As at 31 December 2025, the CGU was in the final stages of commissioning, with revenue generation expected to commence in May 2026 following customer onboarding.

Carrying amount of the CGU

The carrying amount of the CGU at 31 December 2025, against which the recoverable amount has been tested, comprises the plant and machinery (assets under construction) attributable to the Liwa site, the goodwill of £134,773 recognised on acquisition, and the notional non-controlling interest gross-up of £89,849 referred to above.

Determination of the recoverable amount

The recoverable amount of the CGU has been determined on a value in use ("VIU") basis, using a discounted cash flow ("DCF") model covering a five-year forecast period from 1 January 2026 to 31 December 2030, together with a terminal value calculated under the Gordon Growth Model. The forecasts have been prepared by management and approved by the Board and are based on the latest financial budgets and commercial assumptions for the Liwa site.

Key assumptions

The key assumptions used in the VIU calculation, together with the basis on which each has been determined, are set out below:

Assumption	Base Case	Plausible Downside	Basis of estimation
Forecast period	5 years	5 years	Aligned with management's strategic plan
Year 1 hosting revenue	£1,764,972	£1,500,226	Contracted and pipeline customer volumes;
Annual revenue growth	5% p.a.	2% p.a.	indicative hosting tariff of 4.5 US cents/kWh
Cost of sales growth	5% p.a.	6% p.a.	Phased ramp-up of installed capacity
Terminal growth rate	2.5%	2.0%	Power, maintenance and operational cost inflation
Pre-tax discount rate (WACC)	10.86%	12.36%	Long-term UAE inflation and industry outlook
Capital expenditure (Year 1)	£150,000	£200,000	CAPM-based estimate reflecting the risk profile of the CGU
			Sustaining capex per facility plan

Cash flows beyond the five-year forecast period have been extrapolated using the terminal growth rates set out above, which do not exceed the long-term average growth rate for the industry and geography in which the CGU operates.

Results of the impairment test

The Directors have compared the recoverable amount of the CGU, calculated on a value in use basis, against the carrying amount of the CGU (including the allocated goodwill and the notional non-controlling interest gross-up). Under both the base case and the plausible downside scenarios, the recoverable amount exceeds the carrying amount of the CGU, and accordingly no impairment loss has been recognised in respect of the goodwill of £134,773 at 31 December 2025 (2024: £nil).

Sensitivity analysis

The Directors have considered the sensitivity of the VIU calculation to reasonably possible changes in the key assumptions, including the pre-tax discount rate (tested across a range of 8% to 12%) and the terminal growth rate (tested across a range of 1% to 3%). The headroom identified in the base case is sufficient to absorb reasonably possible adverse movements in these assumptions without resulting in an impairment of goodwill.

ACTIVE ENERGY GROUP PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025**

The Directors recognise that the VIU is most sensitive to (i) the timely conversion of the contracted and pipeline hosting capacity into revenue, (ii) the maintenance of the electricity tariff at or below the contracted threshold of AED 0.045/kWh, and (iii) the successful onboarding of key hosting customers, including the proposed collaboration with Bitdeer Middle East Technology Ltd. A material adverse movement in any of these factors, considered individually or in aggregate, could reduce the headroom and may, in future periods, give rise to an impairment charge.

Conclusion

Based on the impairment test performed at 31 December 2025, the Directors have concluded that the recoverable amount of the UAE Digital Infrastructure CGU exceeds its carrying amount, and that no impairment of goodwill is required at the reporting date. The Directors will continue to monitor the performance of the CGU against the assumptions used in the VIU calculation and will reassess the recoverable amount at each reporting date, or earlier where indicators of impairment exist.

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Current:				
Amounts owed by group undertakings	-	-	698,400	-
VAT	55,001	25,063	55,001	25,063
Prepayments	<u>940</u>	<u>4,094</u>	<u>940</u>	<u>4,094</u>
	<u>55,941</u>	<u>29,157</u>	<u>754,341</u>	<u>29,157</u>
Non-current:				
Other debtors	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>-</u>
Aggregate amounts	<u>75,941</u>	<u>29,157</u>	<u>774,341</u>	<u>29,157</u>

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.

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 2025 or 31 December 2024 and accordingly there were no impairment provisions at either date. An analysis of the Company's trade and other receivables by currency is provided in note 20.

Amounts owed by group undertakings represent an intercompany loan advanced by the Company to its 60% owned subsidiary, Segments Mining Limited, pursuant to Clause 4(e)(v) of the Share Purchase Agreement dated 1 October 2025. The loan is denominated in UAE Dirhams (AED 3,410,000), bears interest at 9.5% per annum, is unsecured, and is repayable on demand. Interest accrued and unpaid is added to the principal balance. The loan is eliminated on consolidation and is included in the Company column only. There is no expected credit loss on this receivable balance. This balance constitutes a related party transaction; further details are set out in Note 27.

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Bank accounts	<u>773,293</u>	<u>4,273</u>	<u>773,293</u>	<u>4,273</u>

ACTIVE ENERGY GROUP PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025**

18. NON-CONTROLLING INTERESTS

The Group has one subsidiary with a material non-controlling interest (NCI), being Segments Mining Limited, incorporated in the United Arab Emirates (RAK DAO Business Licence No. 07010554), with its principal place of business at the Liwa site, Ras Al Khaimah, and a functional currency of UAE Dirham (AED). The Group holds 60% of the equity and voting rights, with the remaining 40% held by the original founders.

In accordance with IFRS 3.19, the NCI was measured at acquisition (1 October 2025) at its proportionate share of acquiree's identifiable net assets, amounting to £52,242 (AED 258,000). For the post-acquisition period to 31 December 2025, SML recorded a loss of £2,738, of which £1,095 (40%) was allocated to the NCI, giving an accumulated NCI of £51,147 at the reporting date (2024: £nil). No dividends were paid to the NCI and there were no ownership changes during the year.

The share of profit or loss and other comprehensive income attributable to the non-controlling interest is disclosed separately in the consolidated statement of profit or loss and other comprehensive income.

19. CALLED UP SHARE CAPITAL

Allotted, called up and fully paid:

Number:	Class:	Nominal value:	2025 £	2024 £
3,841,377,097	Ordinary shares	0.035	1,344,482	566,521
1,287,536,163	Deferred shares	0.99	12,746,608	12,746,608
1,456,768,224	New Deferred shares	0.035	509,869	-
			<u>14,600,959</u>	<u>13,313,129</u>

Movements during the year

On 27 February 2025, by special resolution of the members, each existing ordinary share of 0.35 pence was sub-divided into one new ordinary share of 0.035 pence and nine new deferred shares of 0.035 pence each. This sub-division did not change the number of ordinary shares in issue (161,863,136) but created 1,456,768,224 new deferred shares with an aggregate nominal value of £509,869.

On 11 July 2025, the Company issued 346,180,628 new ordinary shares of 0.035p each at 0.1p per share pursuant to the Project Independence Placing.

On 15 September 2025, the Company issued 3,333,333,333 new ordinary shares of 0.035p each at 0.075p per share pursuant to the Project Raptor Placing, raising gross proceeds of £2,500,000.

The deferred shares carry no voting rights, no rights to receive dividends, and no rights to a return of capital on a winding-up other than the return of nominal value after the holders of ordinary shares have received £1,000,000 per ordinary share. The deferred shares are therefore effectively valueless.

20. RESERVES

Group

	Retained earnings £	Share premium Account £	Convertible debt & warrant £
At 1 January 2025	(53,637,250)	39,263,037	12,798
Deficit for the year	(1,455,909)	-	-
Share Premium Account	-	76,334	-
Share based payments	2,134	-	-
Convertible debt issued	-	-	11,249
Issue of warrants	-	-	1,164,006
At 31 December 2025	<u>(55,091,025)</u>	<u>39,339,371</u>	<u>1,188,053</u>

ACTIVE ENERGY GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

20. RESERVES - continued

Group

	Merger reserves £	Own shares held reserve £	Totals £
At 1 January 2025	1,502,500	(180,150)	(13,039,065)
Deficit for the year	-	-	(1,455,909)
Share Premium Account	-	-	76,334
Share based payments	-	-	2,134
Convertible debt issued	-	-	11,249
Issue of warrants	-	-	1,164,006
At 31 December 2025	<u>1,502,500</u>	<u>(180,150)</u>	<u>(13,241,251)</u>

Company

	Retained earnings £	Share premium Account £	Convertible debt & warrant £
At 1 January 2025	(53,637,250)	39,263,037	12,798
Deficit for the year	(1,446,346)	-	-
Share Premium Account	-	76,334	-
Share based payments	2,134	-	-
Convertible debt issued	-	-	11,249
Issue of warrants	-	-	1,164,006
At 31 December 2025	<u>(55,081,462)</u>	<u>39,339,371</u>	<u>1,188,053</u>

Company

	Merger reserves £	Own shares held reserve £	Totals £
At 1 January 2025	1,502,500	(180,150)	(13,039,065)
Deficit for the year	-	-	(1,446,346)
Share Premium Account	-	-	76,334
Share based payments	-	-	2,134
Convertible debt issued	-	-	11,249
Issue of warrants	-	-	1,164,006
At 31 December 2025	<u>1,502,500</u>	<u>(180,150)</u>	<u>(13,231,688)</u>

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.

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 statement of comprehensive income.

ACTIVE ENERGY GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Current:				
Trade creditors	167,797	18,378	167,797	18,378
Amounts owed to subsidiaries	-	-	200	-
Other creditors	95,173	212	-	212
Warrant liability	67,189	-	67,189	-
Accrued expenses	199,913	165,929	199,913	165,929
Deferred consideration payable	<u>214,125</u>	<u>-</u>	<u>214,125</u>	<u>-</u>
	<u>744,397</u>	<u>184,519</u>	<u>649,224</u>	<u>184,519</u>

Included within other creditors is an amount of £95,173 represent the Group's obligation to Segments Cloud Hash FZ-LLC. This balance constitutes a related party transaction.

Deferred consideration payable relates to the contractual deferred payments due to the vendors of Segments Mining Limited under the Share Purchase Agreement dated 1 October 2025. The balance is stated at present value using a discount rate of 9.5% per annum, with the unwinding of the discount recognised within finance costs.

ACTIVE ENERGY GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

22. FINANCIAL LIABILITIES - BORROWINGS

	Group 2025 £	2024 £	Company 2025 £	2024 £
Current:				
Bank overdrafts	100	-	100	-
Loans and borrowings	574,457	258,095	574,457	258,095
	<u>574,557</u>	<u>258,095</u>	<u>574,557</u>	<u>258,095</u>
Non-current:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Analysis of Loans and Borrowings

(a) Zen Ventures loan

The balance of £174,500 (2024: £62,500) represents an unsecured, repayable-on-demand facility advanced by Zen Ventures Limited, a related party considered to have significant influence over the Company (refer to Note 26, Related Party Disclosures).

Movement during the year	£
Balance at 1 January 2025	62,500
Additional drawdowns	112,000
Repayments	-
Balance at 31 December 2025	174,500

Post balance sheet event: On 2 April 2026, the Board approved the conversion of £278,200 of debt owed to Zen Ventures Limited into 397,428,571 new ordinary shares at 0.07 pence per share (refer to the Events after the Reporting Period section in the Report of the Directors).

(b) Convertible Loan Notes - liability component

The Company has two convertible loan note instruments in issue:

Zen Ventures Limited CLN (2024 instrument) - On 31 October 2024 the Company issued £200,000 of secured convertible loan notes to Zen Ventures Limited, constituted under an instrument creating up to £500,000 of Fixed Rate Secured Convertible Loan Notes 2024 and secured by a debenture in favour of Zen Ventures Limited. The key terms are summarised below:

Term	Detail
Face value	£200,000
Coupon rate	0% (zero-coupon)
Issue date	31 October 2024
Maturity date	31 January 2025
Term	92 days (0.25 years)
Effective / discount rate	30% per annum
Security	Secured
Conversion	Convertible into ordinary shares at a conversion price of 0.04p per share, and are secured by way of a debenture containing fixed and floating charges

(ii) Wager Holdings Limited CLN (2025 instrument) - On 17 April 2025, the Company issued £200,000 of unsecured zero-coupon convertible loan notes to Wager Holdings Limited under a new instrument creating up to £500,000 of such notes. The key terms are summarised below:

Term	Detail
Face value	£200,000
Coupon rate	0% (zero-coupon)
Issue date	17 April 2025
Maturity date	31 December 2025
Term	259 days (0.71 years)
Effective / discount rate	8.50% per annum

Security	Unsecured
Conversion	At the option of the holder into ordinary shares of 0.035 pence each at the agreed conversion price, in accordance with the loan note instrument

Accounting treatment

The convertible loan notes are compound financial instruments within the scope of IAS 32:Financial Instruments: Presentation, comprising:

A liability component : the contractual obligation to deliver cash to the noteholder; and

An equity component : the conversion option to issue a fixed number of the Company's own equity instruments for a fixed amount of cash, which satisfies the "fixed-for-fixed" condition under IAS 32.16(b)(ii).

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On initial recognition (17 April 2025) the liability component was measured at the present value of the contractual cash flows discounted at the market rate of interest for a similar non-convertible instrument (8.5% per annum). The equity component was recognised as the residual amount after deducting the liability component from the fair value of the instrument as a whole, and is presented within the Convertible debt & warrant reserve in equity (refer to Note 19):

Wager Holdings CLN - initial recognition	£
Proceeds received	200,000
Less: Liability component (PV of £200,000 at 8.5% over 0.71 years)	(188,751)
Equity component (residual)	11,249

Subsequent measurement - the liability component is measured at amortised cost using the effective interest method (IFRS 9), with the discount unwound to the profit or loss as finance cost over the life of the instrument until extinguishment on conversion or maturity. The equity component is not subsequently remeasured.

Reconciliation of the CLN liability component

	£
Balance at 1 January 2025 (Zen Ventures 2024 instrument)	195,593
Effective interest accreted - Zen Ventures 2024 instrument	4,407
Issue of Wager Holdings CLN (17 April 2025) - liability component recognised	188,751
Effective interest accreted - Wager Holdings CLN (17 April - 31 December 2025)	11,204
Balance at 31 December 2025	399,955

The corresponding equity component of £11,249 arising on initial recognition of the Wager Holdings CLN was credited to the Convertible debt & warrant reserve within equity.

Finance charge recognised in profit or loss

Total finance charge in respect of the convertible loan notes for the year ended 31 December 2025 was £15,611 (2024: £8,698), comprising:

	£
Zen Ventures 2024 instrument — notional interest accreted	4,407
Wager Holdings 2025 instrument — effective interest accreted (8.5% over 258 days)	11,204
Total CLN finance charge (Note 1 to Cash Flows)	15,611

(c) CLN coupon liability

The CLN coupon liability of £2 (2024: £2) represents a nominal residual coupon balance carried forward. The Wager Holdings CLN is a zero-coupon instrument, with the entire return to the noteholder represented by the discount accreted under the effective interest method described above.

(d) Security and covenants

The convertible loan notes held by Zen Ventures Limited are secured (by a debenture over the Company's assets). The convertible loan notes held by Wager Holdings Limited are unsecured. None of the borrowings is subject to financial covenants, and no guarantees have been provided by Group entities in respect of these borrowings.

The Zen Ventures Limited convertible loan notes, with a principal of £200,000, fell due for redemption at par on 31 January 2025 and were not redeemed on that date. A default therefore arose and the notes remained repayable on demand for the remainder of the period, with a carrying amount in default of £199,955 at 31 December 2025. The default had not been remedied at the reporting date, and the notes were neither repaid nor their terms renegotiated during the year.

On 16 June 2026, before these financial statements were authorised for issue, Zen Ventures Limited irrevocably waived the breach and any resulting right to demand immediate repayment or to charge default interest, and agreed not to enforce its rights for a period of twelve months from that date. As the waiver was granted after the reporting date, the notes are classified as current liabilities at 31 December 2025 in accordance with IAS 1. There were no other defaults or breaches of the terms of any borrowings during the year (2024: none).

(e) Fair value

The Directors consider that the carrying amounts of borrowings approximate their fair values as at the reporting date. The Wager Holdings CLN was discounted at 8.5%, which the Directors consider to be representative of the market rate of interest for a similar non-convertible instrument of comparable credit risk and tenor as at the date of issue. There has been no significant change in the Company's credit risk between the date of issue and the reporting date.

(f) Related party disclosure

Zen Ventures Limited and Wager Holdings Limited, together with their controlling party, are considered to have significant influence over the Company. All balances and transactions disclosed within this note constitute related party transactions and are also disclosed in Note 27 - Related Party Disclosures.

(g) Post balance sheet event

The Wager Holdings CLN matured on 31 December 2025. A final day's effective interest of £45 was accreted to bring the carrying value of the liability component to its face value of £200,000 at the maturity date. The instrument was settled in accordance with the terms of the loan note instrument.

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23. FINANCIAL INSTRUMENTS

The Group's treasury policy is to avoid transactions of a speculative nature. In the course of its operations 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 Company on an ongoing basis. The principal financial instruments used by the company, from which financial instrument risk arises, are:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Equity investments
- Loans and borrowings (including convertible debt instruments and warrants)

A summary of the financial instruments held is provided below:

Financial assets:

	2025	2024
	£	£
At amortised cost:		
Cash and cash equivalents	773,193	4,273
Amount due from subsidiaries	698,400	-
	<u>1,471,593</u>	<u>4,273</u>
At fair value:		
Financial investments	683,248	683,248
	<u>683,248</u>	<u>683,248</u>
Total financial assets	<u><u>2,154,841</u></u>	<u><u>687,521</u></u>

Management has assessed expected credit losses on financial assets measured at amortised cost and concluded that no material impairment provision is required at 31 December 2025.

Financial liabilities:

	2025	2024
	£	£
At amortised cost:		
Trade payables	167,797	18,378
Other current liabilities	288,586	166,142
Loans and borrowings	574,457	258,093

Fair value measurement

The fair value measurement of the Company'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.

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Market Risk

Currency risk

The Company's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency or interest rate risks. The Company 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 Company's cash and cash equivalents are denominated in the following currencies:

	2025	2024
	£	£
US Dollars	(100)	588
UK Pounds Sterling	773,293	3,685
	<u>773,193</u>	<u>4,273</u>

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

	2025	2024
	£	£
UK Pounds Sterling	774,341	29,157
	<u>774,341</u>	<u>29,157</u>

The Company's trade and other payables are denominated in the following currencies:

	2025	2024
	£	£
UK Pounds Sterling	649,224	184,520
	<u>649,224</u>	<u>184,520</u>

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 insignificant.

Interest rate risk

The Company finances its operations through a mixture of equity and loans. The loan notes are non interest bearing but interest is being accounted for on the fair value of the debt component using the effective interest method.

Credit risk

Operational

The Company did not generate any revenue during the year and its exposure to credit risk is therefore limited. The Company does not enter into derivative contracts to manage credit risk. Further information on trade and other receivables is presented in note 11.

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

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they fall due. The Company finances itself through a mix of equity and debt instruments. The Company'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 Company had loans of £574,557 (2024: £258,095).

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Capital risk management

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

24. ULTIMATE PARENT COMPANY

The Company has no overall controlling party.

25. CONTINGENT LIABILITIES

In the prior year, the Group disclosed a contingent liability of £287,602 (2023 (restated): £283,221) in respect of legal claims brought by former subcontractors in the USA against a former subsidiary, concerning alleged unpaid remuneration. The claimants had indicated they might seek to pursue the Company in its capacity as the parent undertaking at the relevant time. Both the Company and its former subsidiary disputed the claims.

No formal claim has been advanced against the Company during the year and, following further legal advice and the time elapsed since the matter first arose, the Directors now consider the possibility of any outflow of economic benefits to be remote. Accordingly, no contingent liability is disclosed in respect of this matter at the reporting date.

At the reporting date, the Group had no material contingent liabilities (2024: £287,602).

The Group was not involved in any material litigation or arbitration proceedings, and the Directors were not aware of any such proceedings that were pending or threatened which could have a material impact on the Group's financial position.

The Directors continue to monitor potential exposures arising in the ordinary course of business, including contractual, regulatory, and tax-related matters. Provisions are recognised where it is probable that a present obligation exists and the amount can be estimated reliably.

26. SUBSEQUENT EVENTS

Events occurring after the reporting date have been assessed in accordance with IAS 10, Events after the Reporting Period.

Adjusting events, being those that provide evidence of conditions existing at the reporting date, have been reflected in the financial statements. Non-adjusting events, which relate to conditions arising after the reporting date, have not been recognised but are disclosed where material.

Details of significant non-adjusting events occurring after the reporting date are included in the Strategic Report and the Directors' Report under "Events after the Reporting Period". The Directors have concluded that there are no additional material adjusting or non-adjusting events requiring disclosure in these financial statements.

ACTIVE ENERGY GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2025

27. RELATED PARTY DISCLOSURES

In accordance with IAS 24 Related Party Disclosures, the Group has identified the following related parties: its subsidiaries, being AEG Operations Limited, AEG Private Limited and Segments Mining Limited; its key management personnel, being the Directors of the Company; and Zen Ventures Limited and Wager Holdings Limited, which are considered to have significant influence over the Company through their financing relationships and common controlling party.

Parent and ultimate controlling party

The Company is the ultimate parent of the Group.

Key management personnel compensation

Key management personnel comprises the Board of Directors. Their aggregate compensation, including short-term employee benefits and share-based payment charges recognised during the year, is disclosed within Note 4: Employees and Directors.

Transactions with entities having significant influence over the Company

Zen Ventures Limited and Wager Holdings Limited are considered to have significant influence over the Company. During the year, the Company drew down additional unsecured, interest-free, repayable-on-demand loan funding from Zen Ventures Limited, and issued unsecured convertible loan notes to Wager Holdings Limited under a new loan note instrument creating up to £500,000 of such notes. The convertible loan notes in issue with Zen Ventures Limited continued to accrete effective interest in accordance with the terms of the related instrument. The principal terms of all such borrowings, the carrying amounts at the reporting date, and the related finance charges recognised in profit or loss, are set out in Note 22: Borrowings.

All amounts owed to Zen Ventures Limited and Wager Holdings Limited are unsecured, with no guarantees given or received by the Group. The on-demand loan from Zen Ventures Limited is interest-free and repayable on demand. The convertible loan notes are convertible at the noteholder's option into ordinary shares of 0.035 pence each at the conversion price set out in the relevant instrument.

No provision for doubtful debts has been recognised in respect of these balances at the reporting date (2024: £nil), and no expense has been recognised during the year in respect of bad or doubtful debts due from related parties (2024: £nil).

Transactions with subsidiaries

On 1 October 2025 the Company acquired a 60% equity interest in Segments Mining Limited, a company registered in the United Arab Emirates. Further details of the acquisition, including the consideration paid and the goodwill arising, are set out in Note 15: Business Combination.

During the year, the Company advanced an unsecured intercompany loan to Segments Mining Limited, bearing interest at 9.5% per annum in accordance with the Share Purchase Agreement and repayable in accordance with its terms. The balance receivable from Segments Mining Limited by the Company at the reporting date is included within amounts owed by group undertakings in Note 16 : Trade and Other Receivables, and no impairment has been recognised against this balance in the Company-only financial statements (2024: £nil).

All transactions and balances between the Company and its subsidiaries are eliminated on consolidation and accordingly do not feature in the consolidated statement of financial position or the consolidated statement of profit or loss.

Transactions with Directors

Other than the key management personnel compensation referred to above, and the Directors' shareholdings and share-based payment arrangements disclosed in the Report of the Directors, there were no other transactions with Directors during the year (2024: none).

Transactions with the Company's Nominated Adviser

Zeus Capital Limited acted as Nominated Adviser, Broker, Bookrunner and recipient of advisory warrants in respect of the placings completed during the year. The grant of the Zeus Warrants was approved by the Board on 9 September 2025; the Zeus Warrants are held by Zeus Capital Limited and its connected advisers. This multiplicity of roles has been considered by the Directors and is disclosed as a related party matter.

Transactions with entities related through Directors

Macalvins Limited is a firm of chartered accountants of which Mr. Pankaj K Rajani, Non-Executive Chairman, is a founding partner. During the year, Macalvins Limited provided accountancy, taxation and company secretarial services to the Group in the ordinary course of business. The total value of these transactions during the financial year was £10,608 (2024: £nil). The balance payable to Macalvins Limited at 31 December 2025 was £3,354 (2024: £nil) and is included within trade and other payables.

Astute Estates is a property-related entity connected to Mr. Paul R Elliott, Chief Executive Officer. The total value of these transactions during the financial year was £91,000 (2024: £nil). During the year, £nil balance was outstanding at 31 December 2025 (2024: £nil).

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28. SHARE OPTIONS AND WARRANTS

From time to time the Company has entered into share option and warrant arrangements under which the holders are entitled to subscribe for Ordinary Shares in the Company. Options issued under the LTIP and JSOP are detailed below.

There were no warrants outstanding at 1 January 2025. During the year, the Company issued warrants in connection with (i) the placing completed on 15 September 2025 ("Investor Warrants") and (ii) advisory arrangements with Zeus Capital Limited entered into in connection with the July and September 2025 placings ("Zeus Warrants"). Each tranche has been assessed under IAS 32.

Tranche	Number	Strike (£)	Life	Classification
Investor Warrants	3,333,333,333	0.001 (0.10p)	3 years	Equity
Zeus Warrants : Certificate 1	10,160,875	0.001 (0.10p)	5 years	Derivative liability (FVTPL)
Zeus Warrants : Certificate 2	105,080,438	0.00075 (0.075p)	5 years	Derivative liability (FVTPL)
Total granted in year	3,448,574,646			

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

	2025 Weighted Average Exercise Price (British pence)	2025 Number of Warrants and Share Options	2024 Weighted Average Exercise Price (British pence)	2024 Number of Warrants and Share Options
At 1 January	-	-	-	-
Granted	0.099	3,448,574,646	-	-
Exercised during the year	-	-	-	-
At 31 December	0.099	3,448,574,646	-	-

The Investor Warrants are settled by exchanging a fixed amount of cash for a fixed number of the Company's own equity instruments in its functional currency, and accordingly meet the equity classification criterion in IAS 32.16(b)(ii). The Zeus Warrants incorporate a percentage anti-dilution ratchet that varies the number of shares issuable on exercise; they therefore fail the fixed-for-fixed condition and are classified as derivative financial liabilities measured at fair value through profit or loss (Level 3 of the fair value hierarchy).

Share options

The movements in share options during the year were as follows:

	2025 Weighted average exercise price	2025 Number of share options
At 1 January	9.8p	4,446,578
Granted during the year	-	-
Exercised during the year	-	-
Forfeited during the year : pre-vesting	12.0p	(1,253,507)
Lapsed / expired during the year : post-vesting	9.0p	(3,193,071)
At 31 December	-	-
Exercisable at 31 December	-	-

The 2023 LTIP options were granted on 18 July 2023 and had a contractual life of ten years, expiring on 17 July 2033. The options were granted in three tranches with exercise prices of 8.3p, 10.0p and 12.0p, vesting on 18 January 2024, 18 January 2025 and 18 January 2026 respectively. During 2025, all remaining 2023 LTIP options were either forfeited pre-vesting or lapsed post-vesting following cessation of employment/directorship, leaving no 2023 LTIP options outstanding or exercisable at 31 December 2025.

A charge of £2,134 has been recognised in the Statement of Comprehensive Income in respect of equity-settled share-based payments during the year ended 31 December 2025 (2024: £91,380).

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Exercise Price Analysis

Options and warrants outstanding at 31 December 2025 and 2024 were exercisable as follows:

Exercise price (British pence)	2025	2024
0.075p - Zeus Warrants (Expiry: Sep 2030)	105,080,438	
0.10p - investor warrants (Expiry: Sep 2028)	3,333,333,333	-
0.10p - Zeus warrants (Expiry: Sep 2030)	10,160,875	-
8.30p	-	3,594,470
10.00p	-	2,344,685
12.00p	-	2,344,685
70.44p	-	1,235,278
123.27p	-	1,235,278
157.50p	-	585,714
175.00p	-	57,143
210.00p	-	128,571
297.50p	-	585,714
At 31 December	3,448,574,646	12,111,538

Zeus Warrant derivative liability : fair value movement

The grant-date fair value of the Investor Warrants was estimated using a Black-Scholes model, resulting in £1,164,006 being credited to the Warrants and Convertible Debt Reserve within equity, with the residual proceeds (net of nominal share capital) recognised in share premium.

The Zeus Warrants (totalling 115,241,313 warrants) issued to Zeus Capital Limited as part-consideration for advisory and bookrunner services in connection with the Independence Placing (July 2025) and the Raptor Placing (September 2025) were granted with an anti-dilution percentage ratchet that varies the number of shares issuable on exercise. As this feature fails the fixed-for-fixed condition under IAS 32.16(b)(ii), the warrants have been classified as derivative financial liabilities measured at fair value through profit or loss in accordance with IFRS 9.

In accordance with IAS 32.37, the grant-date fair value of the Zeus Warrants of £96,402 has been recognised as a derivative financial liability, with the corresponding debit treated as a cost of the equity transaction and deducted from share premium. The initial fair value was estimated using a Black-Scholes model. The principal inputs at the grant dates of 9 September 2025 (Certificate 1) and 15 September 2025 (Certificate 2) are summarised below:

Input	Certificate 1	Certificate 2
Share price at grant (£)	0.0015	0.00085
Exercise price (£)	0.0010	0.00075
Expected life (years)	5.0	5.0
Expected volatility	147.7%	150%
Risk-free rate	4.10%	4.10%
Dividend yield	-	-
Fair value per warrant (£)	0.001392	0.000783
Number of warrants	10,160,875	105,080,438
Aggregate grant-date fair value (£)	14,146	82,256

Movement in derivative warrant liability:

	£
Balance at 1 January 2025	-
Initial recognition at grant : Certificate 1 (9 Sep 2025)	14,146
Initial recognition at grant : Certificate 2 (15 Sep 2025)	82,256
Fair value gain recognised in profit or loss	(29,213)
Balance at 31 December 2025	67,188

The fair value gain of £29,213 has been recognised within other operating income in the Consolidated Statement of Profit or Loss, reflecting the decline in the Company's share price from the grant-date inputs to the closing share price of 0.065 pence at 31 December 2025. The warrant liability is included within Trade and Other Payables.

The derivative warrant liability is categorised within Level 3 of the IFRS 13 fair value hierarchy. The key unobservable inputs are expected volatility and the Company's share price. The sensitivity of the carrying value to reasonably possible changes in these assumptions is set out below, with all other inputs held constant. A 10 percentage point increase in expected volatility would increase the derivative liability by approximately £1,600 (a 10 percentage point decrease would reduce it by approximately £1,900). A 20% increase in the Company's share price would increase the liability by approximately £14,300 (a 20% decrease would reduce it by approximately £14,200).

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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 Company 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 IFRS 2.

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, in three tranches vesting on 18 January 2024 (Tranche 1), 18 January 2025 (Tranche 2) and 18 January 2026 (Tranche 3). There were no options granted during 2025 (2024: nil).

The fair value of the July 2023 LTIP awards was estimated at the grant date using the Black-Scholes model, with the following key inputs: share price 6.15p; exercise prices 8.30p / 10.00p / 12.00p (Tranches 1/2/3); contractual life 10 years; risk-free rate 4.55% (10-year SONIA swap); volatility 184.5% (3-year historical). The grant-date fair value per option was approximately 6.13p across all three tranches.

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 2025, 2024 or 2023. At 31 December 2025, 31 December 2024 and 31 December 2023 there were 400,000 fully vested shares held in the JSOP Trust. No JSOP shares were sold during any of the years.

