OTC Markets Group
Joining today is Michael Rowan the CEO of Active Energy Group that trades on our OTCQB Venture Market under the ticker ATGVF. Active Energy Group is a renewable energy company focused on the production and development of next generation biomass products from sustainable resources. Michael, thanks so much for joining us today.

Michael Rowan
Thank you for inviting me.

OTC Markets Group
So Michael you've been with active energy group since 2018, tell us about your professional background and how that led you to the company.

Michael Rowan
Okay, well I trained as a lawyer in London but actually practiced in New York and Hong Kong and spent a least over a decade at Merrill Lynch doing obviously a combination of legal and investment banking at the time after that career I actually then got involved in smaller businesses looking at. Small cap companies that obviously needed to get some proper advice and actually get looked after and it was in that guise that I actually found aep to energy in about 2014. In fact, when the first the previous management were there trying to create the business around biomass and based it in Eastern Europe and it was a complex business at the time they actually asked me to join the board in 2015 as a non-exec director and quickly soon after that I was asked to become effectively non-exec chair and then became officially CEO in 2018 but I'd seen and over the last sort of 4 years nearly five years now. We've obviously had to change the business quite radically and obviously the environment's change as well as biomass has become a far more topical conversation. So the business has really grown quite radically and has moved dramatically as we've now developed a base in the United States which is obviously going to be our focus for the next few years

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Tell us about your proprietary technology and flagship product CoalSwitch -- how does this drive your strategy and mission?

Michael Rowan
Well coal switch is the brand name. It's a trademark we have for a black pellet. Now what? that really means is it's a next generation pellet which comes with

improved properties. It's a development on from the existing white pellet that exists in the marketplace today that technology around the white pellet is probably over fifty years old and has had very little development. No one has ever thought to ask the question as we've had more environmental regulation and more awareness of the biomass industry in that regard as to how I make a better pellet. How do I create something that's got improved qualities and what are those qualities that you're really looking for well first and foremost you're looking for something that can use. Waste residuals waste wood and by that I mean the bark the branches the treetops what you're not using is the core lumber as the core component of it. The second thing you want to do is to create a pellet which has more heat value than a traditional white pellet because when you talk to your customers. For example, the power of the utility industry. They're really focused on getting their maximum bang for their buck and that comes from having a better-quality pellet and the third thing which can sound very simplistic is that the fuel is hydrophobic which means it is water resistant. It can actually sit in the rain. And it can therefore withstand that and keep its permanent properties without being damaged with a white pellet if you get it wet. It's destroyed forever so you have absolutely no way of being able to use that pellet thereafter so there were 3 simple qualities that we've had to work on and although I've summarized that very quickly. I can assure you it has taken probably 5 to 6 years to get to a point where you've actually got a pellet with those core properties and that most importantly, on top of all of that we've been able to create a pellet that now you can co-fire with coal and you are tackling all of the emissions regulations as they now appear. And being able to address those on a proactive basis. So the genesis of cold switch is literally around a better pellet. It's that simple and it's a pellet therefore which can have a broader audience to be used, not just in the utility industry the power industry we can use it in other industries we've been having conversations with. The cement business with the pulp and paper business. A lot of companies actually consume coal and obviously coal being the topic of the day people are very sensitive to that. Not only about its cost but it's also about its availability and also you get into the environmental credentials behind it. I take the view and the board takes the view that we are part of that journey and cols switch should be part of that journey to make a better pellet and that has to be the order of the day and anybody who really has a sense of future responsibility for the planet and certainly trying to address environmental regulations. We think we're part of that equation. It may be a small step but it's a vital small step and remake progress

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What regions and markets are you targeting?
Michael Rowan

Well, it's an interesting business because if you look at it today right now you've got 2 established markets that work today first and foremost you've got Europe which has been ahead of the game. In terms of biomass consumption. And you've had Asia developing quite fast notably Japan and South Korea but here's the irony all the fuel has actually been made in the United States and in North America including Canada and so you have all this fuel made in North America it is then shipped in different directions. Across to either Europe or to Canada or across to Japan what we see now as a future market is actually all 3 of those markets by making it in North America we want to encourage to have a domestic set of demand that means appealing to these industries. And getting them to have a look at the fuel and look at the co-firing opportunities the fuel presents. It is a step forward as a fuel so therefore it should be exciting as a development going forward but at the same time certainly after the events of the last six to nine months in Europe particularly in Ukraine. We've suddenly been inundated with inquiries out of Europe in particular who are desperate looking for new supplies of fuel and that I think is something we want to try and address secondly and then finally you've got a long-term goal also with Japan you'll see they them growing as well. They have their own need. They need fuel supplies. They need secure free of supplies and for them biomass is part of their future equation. So ironically, it could general be described as a global opportunity. But what we're trying to do is do the small steps so starting with the core base in the United States hopefully getting some core clients in the US. Probably very quickly seeing clients elsewhere around the world.

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So talk a little bit more about the renewable biomass industry. You know for our listeners and educate us about what that means and what it is what is your competitive advantage in the space and how does it, you know how your growth opportunity is.

Michael Rowan
Let's keep it simple. The biomass industry is around a wood pellet industry in very simple terms. It's as I said its existed in a really proper form for the last twenty-five years and it has grown fairly dramatically, you've got an industry now that ships an excess of forty-five million tons of fuel around the world. And that's a white pellet as it's currently described. It's dominated by 2 key players number 1 is the UK name you may have heard of drakes who obviously have converted coal-fired power stations to biomass, and they burn biomass they source most of that from the us and Canada.
And then the other major players a company called Enviva which is listed in New York again it's focused on supplying not only drags but other players as well in

the marketplace. The smaller power stations what you've had is a fuel there that has grown up and it's become quite a developed market. But as I said earlier. What they haven't done in that time is look to how do they improve the pellet and how do they create a better fuel through it. So we believe that we've created a different pellet now we call it a black pellet what I could call it in very simple terms is a steam treat dated pellet. We take the waste wood. We are effectively. Cook it if you like for a period of time at very high pressure. We're able to extract lignan and various other liquids away from the fuel and you almost end up with a kind of naturalized carbon and that is what becomes the essence of the pellet itself and by the way it doesn't need to be a pellet. It could be a log. It could be. It could be even delivered in a powderized form. But in reality it's been produced in a very different way to existing white pellet today and I think that's something that people really need to understand now in the past I would say that people have. And there is a history where people have looked for black pellet before thinking it was going to be the Holy Grail and they've not quite delivered on it. We have well I'm very aware of that and we've had to address that specifically and that's what's so important about the new plant that we've got up in Ashland. Where we are actually looking to create the first sale set of scaled production. It can sound modest when you're talking about. You know the first run of this facility at 30 to forty Thousand tons but it's a very important landmark for. The industry and for us ourselves creating that pellet in scale that can start to talk about how you expand and deliver in quantities that customers are going to require. We went through the process over the last three years of having produced the fuel we've done it on an industrial basis through a first set of reactors that we had run last year we created that fuel. We delivered it for testing partners across in Utah to a program that was coordinated by Rocky Mountain power or Berkshire Hathaway energy, and they have had their first look at the fuel and they were extremely impressed by it. And we want to. We're going to work very hard with them over the next year seeing how we can get that relationship to develop but deliver more fuel people are asking for the fuel to test it to see how it can produce what they hope it can do so on.

OTC Markets Group
That note, what's on the horizon for active energy in 2023?

Michael Rowan
I think we're at a very exciting moment right now we've got the I've just been up in Maine in the last forty-eight hours we've seen the plant getting ready for the new version of the plant to be to manufacture. We're working very hard with the state of Maine to make sure that we will get the right permits and we will be fully sorted out there for production.

And we're looking to get that plant completed and into scale production by I would say the end of the first quarter with fuel out there. We'll be able to deliver to customers and I think that's going to engender a lot more demand for fuel and a lot more interest in whether we can do it. But we're looking at it from two sides we're looking for people who are obviously interested in the fuel but we're also having and we've had a lot of inquiries in the last couple of months from people who want to look at the technology. It's the technology that's also quite exciting because there's the ability to take this technology and install it into other spheres. a good example of that will be putting it into an existing lumbermill where they have an awful lot of waste sawdust they have a lot of waste and they have become like everybody else in the world more conscious of the environmental obligations and the regulations that are applied to them. We might be able to provide with them a dramatic easy answer. And that's I though that's going to be very exciting for us as we see the plant running and seeing customers come up and have a look at us I'd also say that the events of the last six weeks with the inflation reduction act coming through Washington are not insignificant. There is this push for clean energy jobs and. We're very excited to help and I think for us the exciting element for us is the ability to create jobs in rural areas in areas that wouldn't necessarily normally get the chance to talk about a developed technology that could go forward and we're very keen to promote that as I said prescale where we are is in definitely the top end of main. But if you look at the inquiries that we've had from both the southeast United States the Midwest and the West Coast we know there's a level of interest that we want to try and accommodate.

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How does OTCQB contribute to your company's US strategy while you cross trade on the AIM in London?

Michael Rowan
I think it's very significant for us and we spent a lot of time getting sorted out to get onto OTC. It did take us a bit longer than we'd planned. But the reason for it is I think it helps us in a number of ways it raises our profile in the Us. it is amazing how many people and how many corporates are comfortable dealing with us as a public company and when they discover that we're listed both on aim and in New York they know our intent is quite serious. They welcome that it means that we are going to be a serious credible player and that's what they want us to see. So for us OTC is a really important steppingstone the other piece of this is that we're very keen to get a broader audience in the us I've had a lot of enquiries from people and they struggle to buy shares or name which I understand but we also want by creating a dollar quote and being able to create some liquidity in the in

the market over here. We want to encourage people to get involved with the company and its future as we announced news flow through the next twelve months

OTC Markets Group
Well Michael it's a pleasure to speak with you and have you visiting our New York offices today.

Michael Rowan
Thank you very much Cecilia

OTC Markets Group
Active Energy Group trades under the symbol at ATGVF on our OTCQB Venture Market.

**This is an autogenerated transcript and may contain typos.*