

**CINDRIGO GROUP**

Annual Report and group consolidated financial statements for the Year Ended 31 December 2023

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## **Group Information**

### **Directors**

Jorgen Andersson (Non-Executive *Chairman*)

Lars Guldstrand (*Chief Executive Officer*)

Mustaq Patel (*Chief Commercial Officer*)

Dag Andresen (Chief Financial Officer)

Jordan Oxley (Independent Director)

Simon Fawcett (Chief Financial Officer) - Resigned on 30 November 2023

### **Company Secretary**

Mark Taylor

104 Napier Court

Ranelagh Gardens

London

SW6 3XA

### **Registered Office**

PO Box 186, Royal Chambers

St Julian's Avenue, St Peter Port

Guernsey

GY1 4HP

### **Registered Number**

Incorporated in Guernsey with Registered No. 59383

### **Solicitors**

McCarthy Denning Limited

42 Mincing Lane

London

EC3R 7AE

### **Auditors**

Macalvins Limited

Bank House

7 St. John's Road

London

HA1 2EY

### **Company's Financial Advisor and Corporate Broker**

Hannam & Partners

7-10 Chandos Street

London

W1G 9DQ

### **Principal Bankers**

Metro Bank Plc

1 Southampton Row

London

WC1B 5HA

### **Registrars**

Avenir Registrars Limited

5 St John's Lane

London

EC1M 4BH

## **CEO's Statement**

Cindrigo Holdings Limited ("Cindrigo or the Company") is the Holding Company of the Cindrigo Group which is an independent renewable energy power producer and developer focused on clean baseload energy plants, driven by the increased global need and demand for stable clean baseload power. Its geographical focus is on low risk, well established governance, and stable jurisdictions initially primarily in the EU, EU periphery or with EU business/banking ties.

## **Background**

The Company was formed in November 2014 to undertake acquisitions in the entertainment and leisure sectors. With none of the proposed projects coming to fruition the Company looked for alternative activities and completed the acquisition of Cindrigo in 2021. At the time of the acquisition Cindrigo were concentrating on a substantial Waste to Energy ("WtE") project in Ukraine. Due to the invasion of Ukraine by Russia, the Group suspended its projects in Ukraine in February 2022, and re-directed its focus to its geothermal energy developments.

Cindrigo's energy background originated out of WtE and Biomass sectors both as a developer and EPC contractor, with advanced cooperation partners such as China Energy, the world's largest international developer of energy. Cindrigo and China Energy together with Sinosure had several development projects in Ukraine, which had the support of Government and local municipalities at the time of the Russian invasion. The projects had to be suspended as a result of the invasion. Consequently, Cindrigo redirected its focus to the Geothermal sector, whilst evaluating other renewable opportunities including WtE/Combined Heat and Power production.

In June 2022 the Group via its wholly owned subsidiary Cindrigo Geothermal Limited acquired a minority shareholding in an Icelandic geothermal developer and 90% of the issued share capital of EES Dravacel Energetika d.o.o. ("Dravacel"), a Croatian incorporated company which holds a geothermal exploration licence in respect of 57.9 km<sup>2</sup> in Slatina, northern Croatia ("Slatina 3"). The site in Slatina is believed to be suitable for geothermal development with an initial target of a plant generating 20MW. The Company continues to evaluate other potential projects in the power and heat sector.



## **Strategic and Operational Review**

Cindrigo's strategy is to be an active renewable energy developer, coordinating project owner with outsourced construction and operation supported by world class partners, both sub and on-surface. Development is based on proven technology with a modular, replicable expansion.

The Company's aim is to build a broad diversified portfolio of clean energy projects in various renewable energy sectors, with a special focus on the geothermal sector. The Company's aim is to have contracts in place for geothermal power plant projects with up to 200 MW of contracted capacity within a year, up to 450 MW within three years and 1000 MW by 2030, in parallel with clean energy assets in other energy sectors.

Cindrigo is well positioned to develop a substantial geothermal energy group. Its ambitious targets are driven by Europe's high geothermal electricity prices, the drive to decarbonise industrial economics and the renewed focus on European energy security.

Two major factors have converged to increase the attractiveness of geothermal power as a compelling component in Europe's power generation portfolio. In addition to the general necessity of increasing the electricity production and meeting stricter net carbon targets there is a long overdue strategic shift for many European countries to reduce their dependence on Russian energy imports, to locally sourced and produced energy.

Cindrigo's most advanced project is the geothermal project in Slatina 3, Croatia, (the "Project") targeted initially for production of 20 MW electricity. Located in one of Europe's most attractive geothermal markets, with well proven reservoir resource. The Project has already "broken ground" for the development. All the preparatory civil site-works including conductor drilling, well pads, roads are completed. The site is ready for commencement of the drilling of a ca 4,000 meters deep drilling well in an area known to have the required geothermal reservoir. Previous drilling into this reservoir recorded water temperatures approaching 200C, exceeding the recognised minimum thresholds for geothermal power generation. The Project is being undertaken by ESS Dravacel Energetika doo in which the Company holds a 90% interest ("Dravacel").

Investment in the development of the Project, including the recent groundwork, has been circa £6 million to date. £2.5 million of this amount was incurred in 2024, the majority of which was initial costs for the deep drilling.

The Company anticipates a further 6 months extension of the exploration license from April 2024 to be granted by the Croatian Hydrocarbon Agency, which will allow mobilisation and start (spud-in) of the deep level drilling. This extension is crucial to provide enough time to complete the drilling programme and the analysis of the well data to confirm all critical determinants including geothermal flow rates with the objective to move from exploration phase to exploitation phase of the Project. The Project and the GT-1 well pad is located on a property owned by Dravacel within the 55 km<sup>2</sup>

(5,500 hectare) Slatina 3 Geothermal Licence. Initial design and layouts of the Dravacel property indicate sufficient footprint for a 20 MW power plant and potentially several times that capacity.

In addition to the Project the company are evaluating several other opportunities in the geothermal sector, and also other renewable sectors such as WtE incineration. Cindrigo has recently signed an MOU regarding the potential acquisition of a Combined Heat and Power (“CHP”) plant in Kaipola Finland.

The 110 MW CHP Plant would be held under a 50-year lease producing both heat and power. The Plant already exists but requires circa £2.5 millions of upgrade work, to enable the generation of early income later in 2024. The Plant would then represent a significant asset in the Company’s Balance Sheet. Revenues are estimated initially to be €15million per annum, growing over the years to full operational capacity of approximately €37 million annually.

In December 2023 the Company streamlined and centralised its key people resources, know-how, organization, administrative coordination and development in the Holding Company or direct to the projects, and the smaller entities have been suspended or sold. The Company’s wholly owned subsidiary ECG Energy Co-invest Global Corp (“ECG”) suspended its operations, including in Iceland. Cindrigo sold its interest in ECG for a nominal consideration and amounts due from ECG have been written-off to the Statement of Comprehensive Income in the current year. The Company also disposed of its Ukrainian subsidiary, Kiev Power for a nominal consideration.

The Company is continuing the process of seeking approval of a prospectus by the FCA to support an application for re-admission of its issued and to be issued shares of the Company to the Standard Segment of the Official List and to trading on the Main Market of the London Stock Exchange. If the application for readmission to trading is successful, the Company anticipates that future funding will be more readily available.

#### **Board of director changes**

In November 2023, Simon Fawcett the Chief Financial Officer resigned from his office as Director of the Company. There are no other changes in Board of Directors during the financial year 31 December 2023. Dag Andresen has been appointed as Chief Financial Officer and is assisted by a new highly qualified financial controller, based in London.

#### **Other important events**

Cindrigo has entered into a Framework Agreement (the “Agreement”) with Petroline Energy LLC, an Abu Dhabi based energy company (“Petroline”) for the potential financing of up to £75 million in to Cindrigo Holding’s Limited to be used for Cindrigo’s development and construction of its geothermal projects. The process has been slow, due to the delay in the readmission to trading of the Company’s share capital.

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Cindrigo has entered into a Framework Agreement with Kaishan Renewable Energy Development PTE LTD, a Singapore-registered company and member of the Kaishan Group (“Kaishan”) to develop, finance, build and operate geothermal power plants. The first project targeted under the Framework Agreement is the 20 MW project led by Cindrigo development companies on the Slatina 3 geothermal license in Croatia.

The Company have signed a convertible loan agreement in a sum of £10 million with TriRi Asset Management with agreed drawdown after the licence extension has been granted.

Cindrigo has recently signed an MOU regarding the potential acquisition of a 110MW Combined Heat and Power (“CHP”) plant in Kaipola Finland.



**Lars Guldstrand**

Chief Executive Officer

Date: 21 March 2024

## **Financial Review**

### **Overview**

The Group incurred a loss in the year under review as a result of administrative expenses and finance costs. There was no revenue for the year ended 31 December 2023.

### **Loss for the year**

During the year, the Group recorded a loss of £3,076k (2022 loss: of £2,467k) and administrative expenses of £1,651k (2022: £1,780k). The key components of administrative expenses in the Group financial statements include £139k of legal fees, £826k of consulting fees, £146k of professional fees and £172k of travel costs. Finance costs in relation to the outstanding convertible notes were £113k (2022: £97k).

### **Balance Sheet**

The total assets on the balance sheet as per the balance sheet date is £3,357k (2022: £1,941k). In addition, the Group shows cash and cash equivalents of £172k (2022: £690k) and trade and other receivables of £1,041k (2022: £402k).

A mix of equity and convertible notes has financed these assets. The equity at the balance sheet date amounted to (£2,087k) (2022: (£779k)) and the liabilities were £5,444k (2022: £2,720k).

### **Cash flow**

During the year, cash used in operations totalled £2,055K (2022: £1,991k).

### **Closing cash**

As at 31 December 2023, the Group held £172k (2022: £690k) in the bank accounts.



**Dag Andresen**  
Chief Financial Officer

Date: 21 March 2024

## **Board of Directors and Senior Management**

The present Board consists of Jorgen Andersson (Chairman), Lars Guldstrand (Chief Executive Officer), Dag Andresen (Independent Director), Mustaq Patel (Executive Director), Jordan Oxley (Independent Director). Details of the current Board are set out below.

### **Jorgen Andersson**

*Chairman*

*Appointed 1 October 2020*

Mr. Andersson has a broad background in, and a strategic knowledge of, the energy sector from a business and a governmental policy perspective. As a former Minister of Interior, Minister of Energy (Sweden) and Mayor of the City of Halmstad and, as member of Swedish Central Bank, Chairman of Vattenfall and as a Director of Sydkraft (today owned by E.ON, the world's largest private energy group), he has extensive experience and expertise in the energy sector. He was the Chairman of Cindrigo Energy Ltd from its inception until its dissolution.

### **Lars Guldstrand**

*Chief Executive Officer*

*Appointed 7 September 2020*

Mr. Guldstrand has more than 35 years of executive and international investing experience in the energy, technology, telecom and media sector. During his career, Mr. Guldstrand has held executive positions in a number of private and public companies in Europe, the United States, the Middle East and Africa, including CEO of Eniro AB (publ), Chairman of Monetar Pensionsförvaltning AB (Sweden) and CEO of KMW Renewable AB (Sweden). Mr. Guldstrand was an executive director of Cindrigo Energy Ltd and also currently serves as the Chairman of Ellge Kapital I Stockholm AB and Bergasols Stiftelse.

### **Dag Andresen**

*Chief Financial Officer*

*Appointed 3 November 2020*

Mr Andresen served as Deputy Group CEO and Group CFO for Vattenfall one of Europe's largest energy companies. He has also held the CFO position at Vestas Wind Systems A/S in Denmark. He has an extensive banking background as previous Head of Nordea Bank Business Area Transaction and Finance Banking and Group Chief Audit Executive and was educated as an Officer with the Royal Norwegian Air Force serving in the NATO office. He graduated from the Executive Management/Leadership Program from Harvard Business School & Stanford University Graduate School of Business.

**Mustaq Patel**

*Executive Director*

*Appointed 7 September 2020*

Mr. Patel has a background in mergers and acquisitions for clients such as Hewlett Packard, Compaq, Ford Motor Company, Hutchinson Whampoa, Rank Organization, Airbus and the Royal Bank of Scotland. He spent two years working for the Government of Brunei in the recovery and restructuring of assets for the Government of Brunei and the Brunei Investment Agency and was previously the Head of Legal & Corporate Affairs for Jumar Holdings and Petromir, one of the world's largest gas fields (Angaro-Lenskoye field) in the East Siberian region of Russia. He served as the group Managing Director of Cindrigo Energy Ltd from the company's inception until its dissolution and was the President from January 2018.

**Jordan Oxley**

*Independent Director*

*Appointed 1 January 2021*

Mr. Jordan Oxley is an experienced financier with a robust background in energy and finance. Jordan is currently Managing Director of Energy Co-Invest, which the Company acquired in early 2022. Since April 2022 Jordan has been Chairman of GEG ehf (Iceland). Jordan began his career in central banking with the Governor of the Bank of Canada. He continued to progressively senior positions with financial, fintech, mining and energy companies. Jordan has held executive management over a billion dollars in transaction and enterprise value. With a focus on efficient outsourcing models and smaller teams of high-quality experts, Jordan has managed companies and divisions ranging from eight to 120 people.

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**Directors' Report**

The Directors present their report with the consolidated financial statements of the Group for the year ended 31 December 2023.

The Group's Ordinary Shares were originally admitted to listing on the London Stock Exchange, on the Official List pursuant to Chapters 14 of the Listing Rules, which sets out the requirements for Standard Listings, on 19 February 2015.

**Principal Activities**

The Group was formed originally to undertake acquisitions in the entertainment and leisure sectors with a particular focus on the attractions sector.

The Group's acquisition of Cindrigo Energy Limited was expected to involve renewable energy projects in the Ukraine built on cooperation with China Energy and a broad Swedish expertise and experience in the waste to energy and biomass energy sector. These expectations have been prevented by the Russian invasion of Ukraine.

In June 2022 the Cindrigo Group via its 100% subsidiary Cindrigo Geothermal Limited acquired 90% of the issued share capital of EES Dravacel Energetika d.o.o. ('Dravacel'), a Croatian incorporated company, which holds a geothermal exploration licence in respect of 57,926 m<sup>2</sup> in Slatina, north Croatia ('CCP Slatina' or the 'Project'), prospective for geothermal development (the 'Acquisition').

**Review of Business in the Year**

Further details of the Group's business and expected future development are also set out in the CEO's Statement, the Strategic and Operational Review and the Financial Reviews on pages 4 to 7.

**Principal Risks and Uncertainties**

The primary business risk is that the project financing and/or development of the Group's geothermal projects are delayed or not achieved.

**Directors**

The Directors of the Group during the year and their beneficial interest in the Ordinary shares of the Group at 31 December 2023 were as follows:

<b>Director</b>	<b>Position</b>	<b>Appointed</b>	<b>Resigned</b>	<b>Ordinary Shares</b>	<b>Options</b>
Lars Guldstrand	CEO	07/09/2020	-	10,392,615	-
Mustaq Patel	Exec Director	07/09/2020	-	3,699,969	-
Jorgen Andersson	Chairman	01/10/2020	-	2,996,744	-
Dag Andresen	CFO	03/11/2020	-	412,563	-
Jordan Oxley	Director	01/01/2021	-	-	-
Simon Fawcett	CFO	01/02/2021	30/11/2023	-	-

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**Substantial shareholders**

As at 31 December 2023, the total number of issued Ordinary Shares with voting rights in the Group was 142,041,530.

Prior to its acquisition of Cindrigo Energy Limited, the Company undertook a share consolidation on 28th September 2021. Every 266.7609 of Existing Ordinary Shares of £0.01 were consolidated into one New Ordinary Share of £2.667609 each.

Save for the interests of the Directors, as at 31 January 2024, being the latest practicable date prior to publication of this Document, the Group has been informed of the following holdings of Ordinary Shares which represent more than 5 per cent of its issued share capital:

- HSBC Global Custody Nominee (UK) Limited – 42,085,179 shares (29.62%)
- Security Services Nominees Limited – 21,850,396 shares (15.38%)
- DNB BANK ASA – 8,423,587 shares (5.93%)
- HSBC Global Custody Nominee (UK) Limited – 7,963,676 shares (5.60%)
- Lars Guldstrand beneficiary ownership through company – 10,392,615 (7.25%)

**Financial instruments**

Details of the use of financial instruments by the Group are contained in notes 7 and 10 of these consolidated financial statements.

**Dividends**

The Directors do not propose a dividend in respect of the year ended 31 December 2023.

**Going concern**

The financial information has been prepared on the assumption that the Group will continue as a going concern. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. In assessing whether the going concern assumption is appropriate, the Directors take into account all available information for the foreseeable future, in particular for the twelve months from the date of approval of the financial information.

In January 2024, the Company received bridging finance of €3.3m from Danir AB, its major shareholder, to secure the progress of the Project.

In February 2024, the Company signed a convertible loan agreement in the sum of £10m from TriRi Asset Management, with agreed drawdown as soon as the licence extension for the Project is granted.

The Group has the option to reduce costs, principally consulting fees payable to senior executives, to preserve cash resources.

The directors have prepared cash flow forecasts to March 2025 and consider that the company has sufficient working capital to continue as a going concern during the period.



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The Directors' objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. At the date of this financial information, the Group had been financed from equity and convertible notes. In the future, the capital structure of the Group is expected to consist of convertible notes and equity attributable to equity holders of the Group, comprising issued share capital and reserves.

**Auditors**

The auditors, Macalvins Limited, have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

**Statement of Directors' responsibilities**

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

The Companies (Guernsey) Law, 2008 (as amended) requires the directors to prepare consolidated financial statements for each financial year. Under that law the directors have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs') as adopted by the EU and applicable law.

Under Companies (Guernsey) Law, 2008 (as amended), the directors must not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss for that period. In preparing these consolidated financial statements, the directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- Prepare the consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the consolidated financial statements comply with the Companies (Guernsey) Law, 2008 (as amended). 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.

They are further responsible for ensuring that the Directors' Report and other information included in the Annual Report and Consolidated financial statements is prepared in accordance with applicable law in Guernsey.

The maintenance and integrity of the Cindrigo Holdings Limited (formerly Challenger Acquisitions Limited) website is the responsibility of the Directors.

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The CEO's statement, Strategic and Operational Review, and Financial Review, all of which are incorporated into this report, include a true and fair view of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face and provides information necessary for shareholders to assess the Group's performance, business model and strategies.

The consolidated financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer and the undertakings included in the consolidation taken as a whole.

**Statement as to Disclosure of Information to Auditors**

So far as each of the Directors is aware, there is no relevant audit information of which the Group's auditor is unaware and each has taken all the steps he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

**On behalf of the Board:**



**Lars Guldstrand**

Chief Executive Officer

Date: 21 March 2024

## **Corporate Governance Report**

### **Introduction**

The Board is committed to good corporate governance and because it is a Group listed on the Standard Segment of the Official List of the UK Listing Authority (the listing is currently suspended in accordance with the listing rules following the Reverse Takeover of Cindrigo Energy Limited by the Company), the Group is not required to comply with the provisions of the UK Corporate Governance Code. However, the Board sets out below its practices to ensure good corporate governance having due regard for the principles of the UK Corporate Governance Code to the extent appropriate for a Group of this size and nature.

The Board meets regularly and is responsible for formulating, reviewing, and approving the Group's strategy, budgets, performance, major capital expenditure and corporate actions.

Set out below are Cindrigo Holdings Limited's corporate governance practices for the year ended 31 December 2023 and, where applicable, its position for the current financial year.

### **Leadership**

The Group is headed by an effective Board which is collectively responsible for the long-term success of the Group.

#### *The role of the Board*

The Board sets the Group's strategy, ensuring that the necessary resources are in place to achieve the agreed strategic priorities, and reviews management and financial performance. It is accountable to shareholders for the creation and delivery of strong, sustainable financial performance and monitoring the Group's affairs within a framework of controls which enable risk to be assessed and managed effectively. The Board also has responsibility for setting the Group's core values and standards of business conduct and for ensuring that these, together with the Group's obligations to its stakeholders, are widely understood throughout the Group. The Board has a formal schedule of matters reserved which is detailed later in this report.

#### *Board Meetings*

The core activities of the Board are carried out in scheduled meetings of the Board and its Committees. These meetings are timed to link to key events in the Group's corporate calendar and regular reviews of the business are conducted. Additional meetings and conference calls are arranged to consider matters, which require decisions outside the scheduled meetings. During 2023, the Board met on 4 occasions related to board changes, project reviews, a prospectus equity funding a note conversion, and other corporate matters.

Outside the scheduled meetings of the Board, the Directors maintain frequent contact with each other to discuss any issues of concern they may have relating to the Group or their areas of responsibility, and to keep them fully briefed on the Group's operations. Decisions are also taken by written resolutions in accordance with the Articles Association of the Company.

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Matters reserved specifically for the Board

The Board has a formal schedule of matters reserved that can only be decided by the Board. The key matters reserved are the consideration and approval of:

- The Group's overall strategy;
- Consolidated financial statements and dividend policy;
- Management structure including succession planning, appointments and remuneration;
- Material acquisitions and disposal, material contracts, major capital expenditure projects and budgets;
- Capital structure, debt and equity financing and other matters;
- Risk management and internal controls;
- The Group's corporate governance and compliance arrangements;
- Corporate policies.

Summary of the Board's work in the year

During 2023, the Board considered all relevant matters within its remit, but focused in particular on financing, board changes and the search for new potential projects.

Attendance at meetings:

<b>Member</b>	<b>Meetings held</b>	<b>Meetings attended</b>	<b>Attendance</b>
Jorgen Andersson	4	4	100%
Lars Guldstrand	4	4	100%
Mustaq Patel	4	4	100%
Dag Andresen	4	3	75%
Jordan Oxley	4	4	100%
Simon Fawcett	2	1	50%

The Board is pleased with the high level of attendance and participation of Directors at Board meetings. Due to the early stage of the Group, no meetings of the Audit & Risk Committee or Remuneration Committee were held during the year, with all relevant business instead conducted at Board meetings.

The Chairman sets the Board Agenda and ensures adequate time for discussion.

Non-executive Directors

The non-executive Directors bring a broad range of business and commercial experience to the Group and have a particular responsibility to challenge independently and constructively the performance of the Executive management and to monitor the performance of the management team in the delivery of the agreed objectives and targets.

Non-executive Directors are initially appointed for a term of one year, which may, subject to satisfactory performance and re-election by shareholders, be extended by mutual agreement. It is anticipated that two additional non-executive directors will be appointed in the first quarter of 2024.

## **Delegations of authority**

### Board Committees

Once the Group grows beyond its early stages and expands its number of directors, the Board intends to delegate matters to two committees, namely an Audit & Risk Committee, and a Remuneration Committee. The memberships, roles and expected activities of these committees are detailed in separate reports: the Audit & Risk Committee from page 24 onwards, and the Remuneration Committee from page 21 onwards. Each committee will report to the Board and the issues considered at meetings of the committees are provided by the respective committee chairmen. The terms of reference of each committee are to be reviewed by the Board every other year.

### Other governance matters

All of the Directors are aware that independent professional advice is available to each Director in order to properly discharge their duties as a Director. In addition, each Director and Board committee has access to the advice of the Group Secretary.

### The Company Secretary

The Company Secretary is Mark Taylor who is retained on a consultancy basis. He is available to Directors and responsible for the Board complying with UK procedures.

## **Effectiveness**

For the year under review the Board comprised of three Executive Directors and three Non-Executive Directors. Biographical details of the Board members are set out on pages 9 and 10 and the following pages of this report.

The Directors are of the view that the Board consists of Directors with an appropriate balance of skills, experience, independence and diverse backgrounds to enable them to discharge their duties and responsibilities effectively.

### Independence

The Non-Executive Director and the Non- Executive Chairman bring a broad range of business and commercial experience to the Group. The Board considers Jordan Oxley and Jorgen Andersson to be independent in character and judgement.

### Appointments

The Remuneration Committee is responsible for reviewing the structure, size and composition of the Board and making recommendations to the Board with regards to any required changes.

### Commitments

All Directors have disclosed any significant commitments to the Board and confirmed that they have sufficient time to discharge their duties.

Induction

All new Directors received an induction as soon as practical on joining the Board.

Conflict Of interest

A Director has a duty to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the interests of the Group. The Board has satisfied itself that there is no compromise to the independence of those Directors who have appointments on the Boards of, or relationships with, companies outside the Group. The Board requires Directors to declare all appointments and other situations which could result in a possible conflict of interest.

Board performance and evaluation

Cindrigo Holdings Limited (formerly Challenger Acquisitions Limited) has a policy of appraising Board performance annually. Cindrigo Holdings has concluded that for a Group of its current scale, an internal process administered by the Board is most appropriate at this stage.

**Diversity and inclusion**

The Group does not discriminate on the grounds of age, gender, nationality, ethnic or racial origin, non-job-related-disability, sexual orientation or marital status. The Group gives due consideration to all applications and provides training and the opportunity for career development wherever possible. The Board does not support discrimination of any form, positive or negative, and all appointments are based solely on merit.

**Accountability**

The Board is committed to providing shareholders with a clear assessment of the Group's position and prospects. This is achieved through this report and as required other periodic financial and trading statements. The Board has made appropriate arrangements for the application of risk management and internal control principles, and these are detailed on page 19. Given the size of the Group the Board as a whole has performed the duties of the audit and nomination committee as detailed on page 24 and the remuneration committee as detailed on page 21.

**Going concern**

The financial information has been prepared on the assumption that the Group will continue as a going concern. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. In assessing whether the going concern assumption is appropriate, the Directors take into account all available information for the foreseeable future, in particular for the twelve months from the date of approval of the financial information.

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In January 2024, the Company received bridging finance of €3.3m from Danir AB, its major shareholder, to secure the progress of the Project.

In February 2024, the Company signed a convertible loan agreement in the sum of £10m from TriRi Asset Management, with agreed drawdown as soon as the licence extension for the Project is granted.

The Group has the option to reduce costs, principally consulting fees payable to senior executives, to preserve cash resources.

The directors have prepared cash flow forecasts to March 2025 and consider that the company has sufficient working capital to continue as a going concern during the period.

The Directors' objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. At the date of this financial information, the Group had been financed from equity and convertible notes. In the future, the capital structure of the Group is expected to consist of convertible notes and equity attributable to equity holders of the Group, comprising issued share capital and reserves.

Internal controls

The Board of Directors reviews the effectiveness of the Group's system of internal controls in line with the requirements of the Code. The internal control system is designed to manage the risk of failure to achieve its business objectives. This covers internal financial and operational controls, compliances and risk management. The Group had necessary procedures in place during the year under review and up to the date of approval of the Annual Financial Report. The Directors acknowledge their responsibility for the Group's system of internal controls and for reviewing its effectiveness. The Board confirms the need for an ongoing process for identification, evaluation and management of significant risks faced by the Group. A risk assessment for each project is carried out by the Directors before making any commitments.

The Directors are responsible for taking such steps as are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

**Nomination**

Currently due to the size of the Group there is no Nomination Committee. Nominations are considered by the whole Board. The Directors anticipate that a Nomination Committee will be established in the future when the size of the Group justifies it.

The Nomination Committee will review the composition and balance of the Board and senior management on a regular basis to ensure that the Board and senior management have the right structure, skills and experience in place for the effective management of the Group's business and are expected to meet twice a year.

## **Shareholder relations**

### Communication and dialogue

Open and transparent communication with shareholders is given high priority. The Directors are available to meet with institutional shareholders to discuss any issues and gain an understanding of the Group's business, its strategies and governance.

All Directors are kept aware of changes in major shareholders in the Group and are available to meet with shareholders who have specific interests or concerns. The Group issues its results promptly to individual shareholders and also publishes them on the Group's website: [www.cindrigo.com](http://www.cindrigo.com). Regular updates to record news in relation to the Group and the status of its projects are included on the Group's website.

### Annual General Meeting

At each AGM, individual shareholders are given the opportunity to put questions to the Chairman and to other members of the Board that may be present. Notice of the AGM is sent to shareholders at least 10 days before the meeting. Details of proxy votes for and against each resolution, together with the votes withheld are announced to the London Stock Exchange and are published on the Group's website as soon as practical after the meeting.



## **Directors' Remuneration Report**

### **The Remuneration Committee**

During the year ended 31 December 2023, the full Board of the Group met to consider matters relating to remuneration and performed the duties as set out in the report. The Remuneration Committee now comprises Jorgen Andersson, Jordan Oxley and Lars Guldstrand.

Cindrigo Holdings' Remuneration Committee operate within the terms of reference approved by the Board.

### **Committee's main responsibilities**

- The Remuneration Committee considers the remuneration policy, employment terms and remuneration of the Directors and reviews the remuneration of senior management;
- The Remuneration Committee's role is advisory in nature, and it makes recommendations to the Board on the overall remuneration packages for Directors and senior management in order to attract, retains and motivates high quality executives capable of achieving the Group's objectives;
- The Remuneration Committee also reviews proposals for any share option plans and other incentive plans, makes recommendations for the grant of awards under such plans as well as approving the terms of any performance-related pay schemes.

### **Committee advisors**

The Group consults with the Group's major investors and investor representative companies as appropriate. No Director takes part in any decision directly affecting their remuneration. No remuneration advisors were retained by the Remuneration Committee during the year.

### **Statement of Cindrigo Holdings' policy on Directors' remuneration**

The Group's policy is to maintain levels of remuneration so as to attract, motivate, and retain Directors and senior executives of the highest calibre who can contribute their experience to deliver industry leading performance with the Group's operations. The remuneration package for Directors comprises base fees and is planned to implement share incentive arrangements. Each executive director is entitled to participate in a bonus scheme.

A meaningful proportion of executive and senior managements' remuneration is structured so as to link rewards to corporate and individual performance, align their interests with those of shareholders and to incentivise them to perform at the highest levels. The Remuneration Committee considers remuneration policy and the employment terms and remuneration of the Directors and makes recommendations to the Board of Directors on the overall remuneration packages for the Directors.

### **Service Agreements and Letters of Appointment**

All of the service contracts with Directors are on an evergreen basis, subject to termination provisions. The appointment of Directors is subject to termination upon three months' notice.

The directors who held office at 31 December 2023 and had beneficial interests in the Ordinary Shares of the Group are disclosed on page 12 of the consolidated financial statements.

### **Terms of appointment**

The services of the Directors, provided under the terms of agreements with the Group, either direct with the director or with an intermediary Group which undertakes to provide the services of the director, dated as follows:

<b>Director</b>	<b>Year of appointment</b>	<b>Number of years completed</b>	<b>Date of current engagement letter</b>
Lars Guldstrand	2020	3 years, 4 months	07/09/2020
Mustaq Patel	2020	3 years, 4 months	07/09/2020
Jorgen Andersson	2020	3 years, 3 months	01/10/2020
Dag Andresen	2020	3 years, 2 months	03/11/2020
Jordan Oxley	2021	3 years	01/01/2021

### **Consideration of shareholder views**

The Remuneration committee will consider shareholder feedback received and guidance from shareholder bodies. This feedback, plus any additional feedback received from time to time, is considered as part of the Group's annual policy on remuneration.

### **Policy for new appointments**

Base salary levels will take into account market data for the relevant role, internal relativities, their individual's experience and their current base salary. Where an individual is recruited at below market norms, they may be re-aligned over time (e.g. two to three years), subject to performance in the role. Benefits will generally be in accordance with the approved policy.

For external and internal appointments, the Committee may agree that the Group will meet certain relocation and/or incidental expenses as appropriate.

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**Directors' emoluments and compensation (audited)**

Set out below are the emoluments of the Directors for the year ended 31 December 2023 (GBP):

<b>Name of Director</b>	<b>Directors Fees</b>	<b>Short term employment benefits</b>	<b>Termination benefits</b>	<b>Consultancy fees</b>	<b>Total</b>
Lars Guldstrand	15,000	-	-	120,000	135,000
Mustaq Patel	15,000	-	-	96,000	111,000
Jorgen Andersson	22,000	-	-	-	22,000
Dag Andresen	15,000	-	-	-	15,000
Jordan Oxley	15,000	-	-	169,807	184,807
Simon Fawcett	-	-	-	41,333	41,333

All of these payments were paid by Cindrigo Limited on behalf of the Company.

There were no accruals or payables as of 31 December 2023 in respect of outstanding fees for director services.

Set out below are the emoluments of the Directors for the year ended 31 December 2022 (GBP):

<b>Name of Director</b>	<b>Directors Fees</b>	<b>Short term employment benefits</b>	<b>Termination benefits</b>	<b>Consultancy fees</b>	<b>Total</b>
Lars Guldstrand	15,000	-	-	120,000	135,000
Mustaq Patel	15,000	-	-	106,475	121,475
Jorgen Andersson	22,000	-	-	-	22,000
Dag Andresen	15,000	-	-	-	15,000
Jordan Oxley	15,000	-	-	13,750	28,750
Simon Fawcett	-	-	-	44,000	44,000

None of the remuneration paid was subject to performance conditions.

## **Report of the Audit & Risk Committee**

The responsibilities of the Audit & Risk Committee were performed by the full Board during the year. The committee oversees the Group's financial reporting and internal controls and provides a formal reporting link with the external auditors. The ultimate responsibility for reviewing and approving the Annual Report and Accounts and the half-yearly reports remains with the Board.

### **Main Responsibilities**

The Audit Committee acts as a preparatory body for discharging the Board's responsibilities in a wide range of financial matters by:

- Monitoring the integrity of the consolidated financial statements and formal announcements relating to the Group's financial performance;
- Reviewing significant financial reporting issues and accounting policies and disclosures in financial reports;
- Overseeing that an effective system of internal control and risk management systems are maintained;
- Ensuring that effective whistle-blowing, anti-fraud and bribery procedures are in place;
- Considering the Group's internal audit requirements and making recommendations to the Board;
- Overseeing the Board's relationship with the external auditors and, where appropriate, the selection of new external auditors;
- Approving non-audit services provided by the external auditors, or any other accounting firm, ensuring the independence and objectivity of the external auditors is safeguarded when appointing them to conduct non-audit services;
- Ensuring compliance with legal requirements, accounting standards and the Listing Rules and the Disclosure and Transparency Rules.

The Audit and Risk Committee shall meet at least twice a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required.

### **Governance**

The Board requires that at least one member of the Audit Committee has recent and relevant financial experience. Jordan Oxley, Chairman of the Audit Committee, has significant senior management experience covering all business areas, including finance. As a result, the Board is satisfied that the Audit Committee has recent and relevant financial experience.

The Group's external auditors are Macalvins Limited and the Audit Committee will closely monitor the level of audit and non-audit services they provide to the Group. In the year ended 31 December 2023 Macalvins Limited performed non-audit services totalling £16,360.

Total audit fees for group and company only financial statements of Cindrigo Holdings Limited and the audits of its subsidiary companies totalled £45,000.

**External auditor**

The Group's external auditors are Macalvins Limited. The external auditors have unrestricted access to the Audit Committee Chairman. The Committee is satisfied that Macalvins Limited has adequate policies and safeguards in place to ensure that auditor objectivity and independence are maintained. The external auditors report to the Audit Committee annually on their independence from the Group.

The current auditors, Macalvins Limited were first appointed by the Group in 2020. Having assessed the performance objectivity and independence of the Auditors, the Committee will be recommending the reappointment of Macalvins Limited as auditors to the Group at the next annual general meeting.

**Independent Auditor's Report to the Members of Cindrigo Holdings Limited (formerly Challenger Acquisitions Ltd)**

**Opinion**

We have audited the consolidated financial statements of Cindrigo Holdings Limited (formerly Challenger Acquisitions Ltd) (Group) for the year ended 31 December 2023 which comprise the consolidated statement of comprehensive income, consolidated the statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, the parent company statement of financial position, the parent company statement of changes in equity and notes to the consolidated financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the consolidated 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 2023 and of its result for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law 2008.

**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 consolidated financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the UK, including the FRC's Ethical Standard, 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.

**Overview of our audit approach**

*Materiality*

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the consolidated financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the consolidated financial statements as a whole to be £154,200 (parent company: £48,000), based on 5% of the loss for the year from continuing operations.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the consolidated financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £7,700 (parent company: £2,400). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

*Overview of the scope of our audit*

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we focussed on where the directors made subjective judgements, for example in respect of estimating the recoverability of the amounts receivable.

The Group was subject to a full scope audit.

*Key Audit Matters*

We have determined that there are no key audit matters to communicate in our report.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 consolidated 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.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies (Guernsey) Law 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Group; or
- the Consolidated financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of the directors for the consolidated financial statements**

As explained more fully in the directors' responsibilities statement set out on page 13, the directors are responsible for the preparation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;

These matters were discussed among the audit engagement team regarding how and where fraud might occur in the consolidated financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the consolidated financial statements. The key laws and regulations we considered in this context included the Companies (Guernsey) Law 2008 and local tax legislation.

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



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**Use of our report**

This report is made solely to the Group's members, as a body, in accordance with Companies (Guernsey) Law 2008. Our audit work has been undertaken so that we might state to the Group's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Pankaj Rajani**  
Senior Statutory Auditor  
For and on behalf of  
Macalvins Limited  
Statutory Auditor  
7 St John's Road  
Harrow  
Middlesex  
HA1 2EY

Date: 22 March 2024

**Consolidated Statement of Comprehensive Income**

The statement of comprehensive income is set out below:

		Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
	Note		
Administrative expenses		(1,651)	(1,780)
Other operating income		226	10
<b>Operating profit / (loss)</b>		<b>(1,425)</b>	<b>(1,770)</b>
Investments written off		(1,553)	-
Finance costs	12	(113)	(97)
<b>Profit / (loss) before income taxes</b>		<b>(3,091)</b>	<b>(1,867)</b>
Income tax expense	16	-	-
Profit / (loss) after taxation		<b>(3,091)</b>	<b>(1,867)</b>
<b>Profit / (loss) for the year</b>		<b>(3,091)</b>	<b>(1,867)</b>
Share of profit / (loss) in associate		-	(603)
Share of (profit) / loss attributable to non-controlling interest		15	3
<b>Total comprehensive profit / (loss) attributable to owners of the parent</b>		<b>(3,076)</b>	<b>(2,467)</b>
Earnings / (loss) per share:			
Basic from continuing operations	17	(0.022)	(0.017)
Diluted from continuing operations	17	(0.022)	(0.017)

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**Consolidated Statement of Financial Position**

The statement of financial position as at 31 December 2023 is set out below:

	Note	As at 31 December 2023 £'000	As at 31 December 2022 £'000
<b>Assets</b>			
<b>Non - current assets</b>			
Property, plant and equipment	6	2,144	622
Intangible Assets	7	-	227
<b>Current assets</b>			
Cash and cash equivalents	9	172	690
Trade and other receivables	10	1,041	402
Investments		-	-
<b>Total current assets</b>		<b>3,357</b>	<b>1,941</b>
<b>Total assets</b>		<b>3,357</b>	<b>1,941</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital account	8	12,490	12,038
Equity component of convertible instruments		4,038	3,456
Retained earnings		(18,597)	(16,270)
Non-controlling interests		(18)	(3)
<b>Total equity attributable to equity holders</b>		<b>(2,087)</b>	<b>(779)</b>
<b>Current liabilities</b>			
Borrowings	11	4,741	2,407
Trade and other payables	13	703	313
<b>Total current liabilities</b>		<b>5,444</b>	<b>2,720</b>
<b>Total equity and liabilities</b>		<b>3,357</b>	<b>1,941</b>

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**Consolidated Statement of Changes in Equity**

The statement of changes in equity is set out below:

	Share capital account £'000	Equity component of convertible instruments £'000	Retained earnings £'000	Non-controlling interest Total £'000	Total £'000
<b>As at 1 January 2022</b>	<b>11,879</b>	<b>3,275</b>	<b>(13,818)</b>	<b>-</b>	<b>1,336</b>
Profit for the year					
<b>Total comprehensive loss for the year</b>			<b>(2,467)</b>	<b>-</b>	<b>(2,467)</b>
<b>Transaction with owners</b>					
Proceeds from issue of shares					
Conversion of loan notes to equity instruments		181		-	181
Other movements in reserve			15	-	15
Other movements in equity	159			-	159
Amounts attributable to non-controlling interests				(3)	(3)
<b>As at 31 December 2022</b>	<b>12,038</b>	<b>3,456</b>	<b>(16,270)</b>	<b>(3)</b>	<b>(779)</b>

**Consolidated Statement of Changes in Equity**

	Share Capital account £'000	Equity component of convertible instruments £'000	Retained earnings £'000	Non- controlling interest Total £'000	Total £'000
<b>As at 1 January 2023</b>	<b>12,038</b>	<b>3,456</b>	<b>(16,270)</b>	<b>(3)</b>	<b>(779)</b>
Profit for the year					
<b>Total comprehensive loss for the year</b>			<b>(3,076)</b>	<b>-</b>	<b>(3,076)</b>
<b>Transaction with owners</b>					
Proceeds from issue of shares					
Conversion of loan notes to equity instruments	-	582	-	-	582
ECG disposal (moved out from group)	(13)	-	1,151	-	1,138
Transfer of reserve correction	450	-	(450)	-	-
Foreign exchange differences on currency conversion	15	-	48	-	63
Amounts attributable to non-controlling interests	-	-	-	(15)	(15)
<b>As at 31 December 2023</b>	<b>12,490</b>	<b>4,038</b>	<b>(18,597)</b>	<b>(18)</b>	<b>(2,087)</b>

Share capital comprises the Ordinary Shares issued by the Group.

Retained earnings represent the aggregate retained losses of the Group since incorporation.

Equity component of convertible instruments represents the equity element of instruments with a convertible element.

## **Consolidated Statement of Cash Flows**

The cash flow statement is set out below:

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
<b>Cash flow from operating activities</b>		
Loss for the period before taxation	(3,076)	(2,473)
Premium paid on convertible loan note repayment		
Loss on disposal of ECG	1,138	-
Interest	113	97
	<b>(1,825)</b>	<b>(2,564)</b>
<b>Operating cash flows before movements in working capital</b>		
(Increase)/decrease in receivables	(340)	461
Decrease in accounts payable and accrued liabilities	389	112
<b>Net cash used in operating activities</b>	<b>(2,076)</b>	<b>(1,991)</b>
Fixed assets investment – Assets under construction	(1,305)	(849)
Payback from investments	-	-
<b>Net cash outflow from investing activities</b>	<b>(1,305)</b>	<b>(849)</b>
Changes in borrowings/convertible instruments	2,335	1,615
Equity component of convertible instruments	582	181
Other movements in equity/Minority interest	(54)	172
Funding received from Cindrigo Limited	-	-
<b>Net cash inflow from financing activities</b>	<b>2,863</b>	<b>1,968</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(518)</b>	<b>(872)</b>
Cash and cash equivalent at beginning of period	690	1,562
<b>Cash and cash equivalent at end of period</b>	<b>172</b>	<b>690</b>

## **Notes to the consolidated financial statements**

### **1. GENERAL INFORMATION**

The Group was incorporated under section II of the Companies (Guernsey) Law 2008 on 24 November 2014, it is limited by shares and has registration number 59383.

The Group's registered office is located at PO Box 186, Royal Chambers, St Julian's Avenue, St. Peter Port, Guernsey GY1 4HP, Channel Islands.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of preparation**

The consolidated financial statements of Cindrigo Holdings Limited (formerly Challenger Acquisitions Limited) for the year ended 31 December 2023 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS's as adopted by the EU), issued by the International Accounting Standards Board (IASB), including interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) applicable to the companies reporting under IFRS.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

The financial information has been presented in British Pound (£), being the functional currency of the Group.

#### **Income recognition**

##### Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.

##### Other income

Other income is recognized when it is probable that economic benefits will flow to the entity, and the income can be reliably measured. Income is recognized irrespective of when the cash is received or receivable.

**Basis of consolidation**

The consolidated financial statement incorporates the results of the Group and its wholly owned subsidiaries:

The Group conducts its operational business through the Company's wholly-owned subsidiary, Cindrigo Limited (UK).

All inter-company, investments, balances, transactions, income and expenses and profits and losses resulting from inter-company group transactions are eliminated in full on consolidation. Unrealised losses are also eliminated when the transaction provides evidence of an impairment of the asset transferred.

The following companies are consolidated into the Group financial statements:

<b>Name of Company</b>	<b>Country of incorporation</b>	<b>Nature of Operations</b>	<b>% owned</b>	<b>Method of Consolidation</b>
Cindrigo Limited	U.K	Cost Centre	100%	Full consolidation
Cindrigo Geothermal Limited	U.K	Holding Company	100%	Full consolidation
Dravacel Energetika doo	Croatia	Geothermal Energy	90%	Full consolidation
Cindrigo Geothermal (Europe) Limited	U.K	Geothermal Energy	100%	Full consolidation

The following companies are not consolidated in the current year:

<b>Name of Company</b>	<b>Country of incorporation</b>	<b>Nature of Operations</b>	<b>% owned</b>
Energy Co-Invest Global	Canada	Holding company	100%
GEG eff	Iceland	Geothermal Energy	48%
Kyiv Power BTS LLC	Ukraine	Holding company	99%

During the year, Energy Co-Invest Global ("ECG") and GEG suspended their operations and the shares in ECG were sold for a nominal consideration. The investment and intercompany balance with ECG have been written off.

Kyiv Power BTS LLC would have acted as the holding company for the operations to build and operate waste to energy plants in Ukraine. Given the invasion of Ukraine by the Russian Federation in February 2022 all group operations in Ukraine were suspended and the investment was fully impaired in the previous year. In the current year, the interest in Kyiv Power BTS LLC was sold for a nominal consideration.



### **Going concern**

The financial information has been prepared on the assumption that the Group will continue as a going concern. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. In assessing whether the going concern assumption is appropriate, the Directors take into account all available information for the foreseeable future, in particular for the twelve months from the date of approval of the financial information.

In January 2024, the Company received bridging finance of €3.3m from Danir AB, its major shareholder, to secure the progress of the Project.

In February 2024, the Company signed a convertible loan agreement in the sum of £10m from TriRi Asset Management, with agreed drawdown as soon as the Licence Extension for the Project is granted.

The Group has the option to reduce costs, principally consulting fees payable to senior executives, to preserve cash resources.

The directors have prepared cash flow forecasts to March 2025 and consider that the company has sufficient working capital to continue as a going concern during the period.

The Directors' objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. At the date of this financial information, the Group had been financed from equity and convertible notes. In the future, the capital structure of the Group is expected to consist of convertible notes and equity attributable to equity holders of the Group, comprising issued share capital and reserves.

### **New standards, interpretations and amendments effective from 1 January 2023**

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 January 2023 that had a significant effect on the Group's consolidated financial statements.

### **Standards and interpretations issued but not yet applied**

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective.

The directors do not expect that any of these standards and interpretations will have a material impact on the consolidated financial statements of the Group.

### **Segment Reporting**

For the purpose of IFRS 8, the Chief Operating Decision Maker "CODM" takes the form of the board of directors. The Directors are of the opinion that the business of the Group comprised a

single activity, being the identification and acquisition of target companies or businesses in the energy sector.

### **Foreign Currency Translation**

#### Functional and presentation currency

Items included in the consolidated financial statements 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 British Pounds (GBP), which is Cindrigo Holdings functional and presentation currency.

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Foreign exchange gains and losses are presented in the statement of profit or loss, within finance income or finance costs.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

### **Fair value of assets**

Assets are tested for fair value whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. A reduction in fair value is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing fair value, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered a significant reduction in fair value are reviewed for possible reversal of the significant reduction in fair value at the end of each reporting period.

### **Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and

bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

#### **Investments and other financial assets**

##### Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

##### Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

The Group's investments in corporate debt securities which are held within a business model whose objective is achieved both by collecting contractual cash flows and by selling securities are classified as held at fair value through profit or loss (FVTPL).

Investments in equity securities have been classified as measured at FVTPL.

Interest income from financial assets at fair value through profit or loss is included in the net gains/(losses). Interest on financial assets held at amortised cost, calculated using the effective interest method is recognised in the statement of profit or loss as part of revenue from continuing operations.

##### Impairment of financial assets

Financial assets are assessed for indicators of decline in fair value at the end of the reporting period. The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

#### **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

#### **Employee benefits**

##### Short term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### **Related Parties**

For the purposes of these financial statements, a party is considered to be related to the Company if:

(i) the party has the ability, directly or indirectly, through one or more intermediaries, to control the Company or exercise significant influence over the Company in making financial and operating policy decisions or has joint control over the Company;

(ii) the Company and the party are subject to common control;

(iii) the party is an associate of the Company or a joint venture in which the Company is a venturer;

(iv) the party is a member of key management personnel of the Company or the Company's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

(v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals;

(vi) the party, or any member of a group of which it is part, provides key management personnel services to the company or its parent.

#### **Contributed equity**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity under share capital as a deduction, net of tax, from the proceeds.

#### **Earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

### 3. CRITICAL ESTIMATES, JUDGEMENTS AND ERRORS

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included together with information about the basis of calculation for each affected line item in the consolidated financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of an error and of changes to previous estimates.

#### Significant estimates and judgements

The areas involving significant estimates or judgements are:

- Going concern  
 See accounting policies (note 2) for details of the assessment made.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

### 4. FINANCIAL RISK MANAGEMENT

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	Future commercial cash flows not denominated in GBP Recognised financial assets and liabilities not denominated in GBP	Cash flow forecasting Sensitivity analysis	No hedging  No hedging
Credit risk	Cash and cash equivalents, trade receivables, other receivables	Aging analysis Credit ratings	Diversification of bank deposits. Follow-ups to loan investment
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

**Foreign exchange risk**

The Group is especially focused on the currency pairs USD/GBP. The Group's only active investment is denominated in GBP.

The Group's exposure to foreign currency risk at the end of the current period, expressed in £'000 was as follows:

Currency	Assets in CCY	Assets in GBP	10% change	Liabilities in CYY	Liabilities in GBP	10% change
USD	-	-	-	-	-	-
EUR	1k	1k	(0.1k)	-	-	-
CHF	-	-	-	-	-	-
SEK	-	-	-	18,000k	1,372k	137k

The Group's exposure to foreign currency risk at the end of the prior period, expressed in £'000 was as follows:

Currency	Assets in CCY	Assets in GBP	10% change	Liabilities in CYY	Liabilities in GBP	10% change
USD	-	-	-	-	-	-
EUR	1k	1k	(0.1k)	-	-	-
CHF	-	-	-	-	-	-
SEK	-	-	-	18,000k	1,429k	143k

During the year, £19k foreign-exchange related gains were recognised in profit or loss.

As described above the Group is primarily exposed to changes in the USD/GBP exchange rate. The sensitivity of profit or loss to changes in the exchange rates as summarized in the above table arises mainly from the Group's SEK denominated liability.

**Interest rate risk**

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IFRS 7, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**Credit risk**

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. To limit the risk the Group's main cash resources are held with banks with a minimum external rating of A.

**Liquidity Risk**

The Group currently holds cash balances to provide funding for normal trading activity. Trade and other payables are monitored as part of normal management routine.

As at 31 December 2023 all financial assets were classified at fair value. A maturity analysis of the Group's financial assets is as follows:

	<b>As at 31 December 2023 £'000</b>	<b>As at 31 December 2022 £'000</b>
0 to 3 months	1,041	402
3 to 6 months	-	-
6 months +	-	-
<b>Total</b>	<b>1,041</b>	<b>402</b>

As at 31 December 2023 all financial liabilities were classified at amortised cost. A maturity analysis of the Group's financial liabilities based on contractual undiscounted payments is as follows:

	<b>As at 31 December 2023 £'000</b>	<b>As at 31 December 2022 £'000</b>
0 to 3 months	703	313
3 to 6 months	4,741	2,407
6 months +	-	-
<b>Total</b>	<b>5,444</b>	<b>2,720</b>

**5. BUSINESS SEGMENTS**

For the purpose of IFRS 8, the Chief Operating Decision Maker "CODM" takes the form of the board of Directors. The Directors are of the opinion that the business of the Group comprised a single activity, being the identification and acquisition of target companies or businesses in the energy sector.



**6. PROPERTY, PLANT AND EQUIPMENT**

	<b>Land</b>	<b>Assets under construction</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 31 December 2022	622	-	622
Foreign exchange differences	(10)	-	(10)
Reclassification from intangible assets		227	227
Additions		1,305	1,305
At 31 December 2023	612	1,532	2,144

Land was acquired as part of new acquisition Dravacel, in June 2022, land is in Croatia and has license to construct GEFL energy site. The land is not depreciated. The directors have considered whether the value of the land requires an impairment as at 31 December 2023, and due to the fact that Dravacel has exploration rights for the land, the directors consider that there has been no diminution in the carrying value of the land since the acquisition.

Assets under construction include costs relating to the development of the Slatina 3 project in Croatia and depreciation of these assets will commence when the assets are ready for their intended use.

**7. INTANGIBLE ASSETS**

During the year, the balance brought forward from 31 December 2022, was reclassified to assets under consideration, as it consisted of costs relating to the development of the Slatina 3 project in Croatia.

	<b>Patents and licences</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>
At 31 December 2022	227	227
Reclassification to assets under construction	(227)	(227)
At 31 December 2023	-	-

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**8. SHARE CAPITAL**

Issued and fully paid	Number of shares	Share capital account £'000
At 31 December 2022	142,041,530	22,485
Issue of shares	-	-
At 31 December 2023	142,041,530	22,485

**9. CASH AND CASH EQUIVALENTS**

	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Cash at bank and in hand	172	690
Total	172	690

**10. TRADE AND OTHER RECEIVABLES**

	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Prepayments and accrued income	622	1
Trade debtors	22	23
Other debtors	397	39
TCB Investors	-	339
Total	1,041	402

On 5 August 2022 CINH lent TCB Investors OU the Vendor of ECG £340,000 for a term to 31<sup>st</sup> December 2023, this amount is not recoverable and written off in Statement of Comprehensive Income in current year.

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**11. BORROWINGS**

	<b>As at 31 December 2023 £'000</b>	<b>As at 31 December 2022 £'000</b>
<b>Current</b>		
Convertible notes	4,427	2,065
Other loans	314	342
<b>Total</b>	<b>4,741</b>	<b>2,407</b>

	Note 1 £'000	Note 2 £'000	Note 3 £'000	Note 4 £'000	Note 5 £'000	Note 6 £'000	Note 7 £'000	Note 8 £'000	Total £'000
Balance at 31 December 2021 (liability)	-	-	-	-	-	-	-	-	-
Balance at 31 December 2021(equity)	1,000	700	1,575	-	-	-	-	-	3,275
Issue of Note	-	-	-	1,443	827	-	-	-	2,270
Conversion of loan to equity instrument	-	-	-	-68	-113	-	-	-	181
Finance Charge	-	-	-	23	1	-	-	-	24
Other movements	-	-	-	-	-	-	-	-	-
Balance at 31 December 2022 (liability)	-	-	-	1,398	715	-	-	-	2,113
Balance at 31 December 2022 (equity)	1,000	700	1,575	68	113	-	-	-	3,456
Issue of Note	-	-	-	-	-	1,000	515	1,289	2,804
Conversion of loan to equity instrument	-	-	-	-	-	-216	-137	-229	582
Finance Charge	-	-	-	73	37	34	13	7	163
F/X gain/losses	-	-	-	-72	-	-	-	-	72
Balance at 31 December 2023 (liability)	-	-	-	1399	752	818	391	1067	4,427
Balance at 31 December 2023 (equity)	1,000	700	1,575	68	113	216	137	229	4,038

**Note 1**

On 29 January 2016, the Group issued further £1 million of secured convertible notes. The notes were unlisted, secured, transferable and convertible. Maturity date was 30 June 2019. The Secured Convertible Notes were secured by one common unit of New York Wheel Investor LLC, representing a total value US\$1 million. Interest accrued at 8% per annum and was payable quarterly. One eighth of the interest can be settled in cash or shares at the Group's discretion. Seven eighths of the interest is settled in new convertible notes with the same terms. The notes are convertible in cash or shares at the option of the holder and can be converted into Ordinary Shares at a fixed conversion price of £0.80 per Ordinary Share. The Group can redeem the notes at a 10% premium anytime. As per the nature of this convertible instrument, £106k has been recognised as an equity component in of convertible instruments in statement of changes of equity, using a discount rate of 12%.

In August 2021, the loan notes, including all accumulated but unpaid interest, were settled by new 10-year zero coupon loan notes with a principal value of £1m which have been reclassified as an equity instrument under IFRS.

**Note 2**

The last tranche of £400,000 of the £1 million funding facility announced by the Group on 13 June 2017, was drawn on 18 January 2018 and subsequently the Group issued convertible note for £400,000. The notes were unlisted, unsecured, transferable and convertible. Maturity date was 8 June 2019. No conversions could happen in the first 120 days. The maximum amount that could be converted in any 30day period was 20% of the principal amount. The conversion price was the lowest volume weighted average price over 10 days prior to the conversion. Interest rate was 8% per annum and payable upon conversion at the Group's option in cash or ordinary shares at the conversion price. The Group could redeem in cash all or any part of the outstanding convertible note with a 25% premium to the principal amount. Despite reaching maturity this note was still outstanding and continued to accrue interest in accordance with the interest terms stated

In August 2020, the loan notes, including all accumulated but unpaid interest, were settled by new 10- year zero coupon loan notes with a principal value of £700,000 which have been reclassified as an equity instrument under IFRS.

**Note 3**

On 11th October 2021, the Group created up to £1,575,000 Series 4 unlisted, unsecured, zero-coupon, convertible and transferable loan notes 2031.

**Note 4**

On 6<sup>th</sup> September 2022, Company received funding of SEK 18,000k from Danir AB. The loan is interest free and payable on 05 September 2025 but has an option to convert.

**Note 5**

On 5th August 2022, Danir agreed to lend CINH £750,000 at an interest rate of 5% per annum. The Loan was to be convertible at a 25% discount to VWAP or £1.25 per share which ever was the higher.

On 9th December 2022, CINH agreed with Danir to restructure the facility. A loan of £750,000 was advanced to CINH on that date with agreements and loan note instruments being reduced to writing in January 2023. The original agreement was cancelled and a new issue of £3,800,000 convertible notes were issued to Danir convertible at £0.15 per share. A further loan was advanced in the sum of £750,000 which will be convertible at £1.25 per share. 2,000,000 warrants at £1.00 exercisable by 31 December 2023 and 3,000,000 warrants at £1.25 exercisable by 31 December 2023.

**Note 6**

On 26th April 2023, Danir lent CINH the sum of £1,000,000 by the subscription for convertible loan notes, £1,573,519 unlisted, unsecured 12% convertible loan notes. The loan is interest free and payable on 26 September 2027.

**Note 7**

On 15th September 2023, Danir lent CINH the further sum of £515,000 by the subscription for convertible loan notes. The loan is with 8% interest per annum, rolled up and paid on maturity and repayable on 31 December 2026.

**Note 8**

In November 2023, Danir lent sum of £1,289,145, by subscription of zero-coupon redeemable Loan Notes. The loan is interest free and payable on 31 December 2026.

**Other loans**

On October 21, 2018, Cindrigo Inc borrowed US\$295,600 from a group of arm's length parties. The loans bear interest at 7% interest per annum. The loans are convertible at the option of the lenders at any time between 6 to 30 months after the Company's listing of Cindrigo Inc on a Stock Exchange at a conversion price that is at a 25% discount to the 30 day volume weighted average share price. If the loans are not converted, the loans are due three years after the Cindrigo Inc's listing. Cindrigo Inc has been dissolved however Cindrigo Holdings Limited has indicated that subject to contract the original terms of the loan notes will be honoured.

**12. FINANCE INCOME AND COSTS**

	<b>As at 31 December 2023 £'000</b>	<b>As at 31 December 2022 £'000</b>
Interest on convertible loan notes	91	97
Interest on other loans	22	-
<b>Total</b>	<b>113</b>	<b>97</b>

**13. TRADE AND OTHER PAYABLES**

	<b>As at 31 December 2023 £'000</b>	<b>As at 31 December 2022 £'000</b>
Trade payables	457	57
Other payables	124	149
Accrued expenses	122	107
<b>Total</b>	<b>703</b>	<b>313</b>

**14. EMPLOYEE BENEFIT EXPENSE**

	<b>As at 31 December 2023 £'000</b>	<b>As at 31 December 2023 £'000</b>
Wages and salaries	-	-
Share options granted to directors, employees and key advisers	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**15. DIRECTORS' EMOLUMENTS**

The Directors were paid emoluments of £83k as directors' fees during the period under review (£126k in 2022). The directors billed an additional of £427k (2022: £327k) as consultancy fees, booked under administrative expenses.

These details and the details for the other Directors can be found within the Director's remuneration report on page 21.

The Directors were the key management personnel of the Group.

**16. TAXATION**

Cindrigo Holdings Limited is a Guernsey Corporation subject to a corporate tax rate of nil, as of 31 December 2023.

None of the group's subsidiaries incurred any tax liabilities during the year ended 31 December 2023.

There are no unrecognised tax losses.

**17. EARNINGS PER SHARE**

The calculation for earnings per share (basic and diluted) for the relevant period is based on the profit / loss after income tax attributable to equity holder for the period ending 31 December 2023 and is as follows:

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**31 December 2023**

Loss from continued operations attributable to equity holders (£)	(3,075,000)
Weighted average number of shares of £2.667609 each	<u>142,041,530</u>
Loss per share basic (£)	<u>(0.022)</u>
Weighted average number of shares for dilutive calculation	142,041,530
Loss per share diluted (£)	<u>(0.022)</u>

**31 December 2022**

Loss from continued operations attributable to equity holders (£)	(2,467,000)
Weighted average number of shares of £2.667609 each	<u>142,202,476</u>
Loss per share basic (£)	<u>(0.017)</u>
Weighted average number of shares for dilutive calculation	142,202,476
Loss per share diluted (£)	<u>(0.017)</u>

Basic earnings per share is calculated by dividing the loss after tax attributable to the equity holders of the Group by the weighted average number of shares in issue during the year.

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary shares namely the conversion of the convertible loan note in issue. The effect of these potential dilutive shares would be anti-dilutive and therefore are not included in the above calculation of diluted earnings per share.

**18. RELATED PARTY TRANSACTIONS**

During the period, consultancy fees of £96k (31 December 2022: £106k) were payable to Fitzrovia Advisory Ltd, a company in which M Patel, a director, has a material interest. A balance of £15k (31 December 2022: £nil) was outstanding at the period end. Transactions are completed on an arm's length basis on normal commercial terms.

During the period, consultancy fees of £120k (31 December 2022: £120k) were payable to IMM International. At the period end, no balances were due to IMM International (31 December 2022: £9k of amount payable). IMM International and Cindrigo Holdings Limited are connected by virtue

of common key management personnel, L Guldstrand transactions are completed on an arm's length basis on normal commercial terms.

During the period, consultancy fees of £170k (31 December 2022: £14K) were payable to Treasury Core UAB. A balance of £7.5K (31 December 2022: £nil) was outstanding at the period end. Treasury Core UAB and Cindrigo Holdings Limited are connected by virtue of common key management personnel, J Oxley. Transactions are completed on an arm's length basis on normal commercial terms.

During the period, consultancy fees of £41k (31 December 2022: £44k) were payable to Osmosis Limited. At the period end, no balances were due to Osmosis Limited as at 31 December 2023 (31 December 2022: £4K). Osmosis Limited and Cindrigo Holdings Limited are connected by virtue of common key management personnel, S Fawcett. Transactions are completed on an arm's length basis on normal commercial terms. S Fawcett resigned as director in November 2023.

Outstanding balance of loans received from Danir is £4,427K. Danir holds 29% of the company's share capital. Loan received has option to convert to equity.

At the balance sheet date, amounts receivable of £4,431K from Cindrigo Limited and £105K from Dravacel, all balances are fully recoverable.

**19. COMMITMENTS**

The Group had not entered into any material commitments as of 31 December 2023.

**20. SHARE BASED PAYMENTS**

The Group does not operate share- based payment plans as of 31 December 2023.

**21. SUBSEQUENT EVENTS**

The Company received a further sum of £2.7M from Danir, its largest shareholder, to fund initial costs of the deep drilling in connection with the Project.

The Company entered into a £10 million convertible loan agreement with TriRi Asset Management Limited, a reputable investment firm based in the USA and Canada. The funds are to support the ongoing development of the Slatina 3 Project in Croatia.

None of these events impact the financial statements for the year ended 31 December 2023.

**22. ULTIMATE CONTROLLING PARTY**

As of 31 December 2023, no one entity owns more than 50% of the issued share capital. Therefore, the Group does not have an ultimate controlling party.



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**Parent Company (Cindrigo Holdings Limited) Statement of Financial Position**

The parent company statement of financial position as at 31 December 2023 is set out below:

	Note	As at 31 December 2023 £'000	As at 31 December 2022 £'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	-	22
Trade and other receivables	8	4,331	3,055
Investments	9	-	-
<b>Total current assets</b>		<b>4,331</b>	<b>3,077</b>
<b>Total assets</b>		<b>4,331</b>	<b>3,077</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital account	6	22,493	22,493
Equity component of convertible instruments		4,038	3,456
Retained earnings		(26,908)	(25,163)
<b>Total equity attributable to equity holders</b>		<b>(377)</b>	<b>786</b>
<b>Current liabilities</b>			
Borrowings	10	4,427	2,113
Trade and other payables	12	281	178
<b>Total current liabilities</b>		<b>4,708</b>	<b>2,291</b>
<b>Total equity and liabilities</b>		<b>4,331</b>	<b>3,077</b>

The notes on pages 57 to 72 form part of these financial statements.

The Company has elected to take the exemption under the Companies (Guernsey) Law 2008 not to present the company's statement of comprehensive income. The Company's loss for the year was £1,745K (2022: £548k).

The directors acknowledge their responsibilities for complying with the requirements of the Companies (Guernsey) Law 2008 with respect to account records and the preparation of financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 21 March 2024 and are signed on its behalf by:

  
**Lars Guldstrand**  
Chief Executive Officer

**Parent Company (Cindrigo Holdings Limited) Statement of Changes in Equity**

The statement of changes in equity is set out below:

	Share Capital account £'000	Equity component of convertible instruments £'000	Retained earnings £'000	Total £'000
<b>As at 1 January 2022</b>	<b>22,493</b>	<b>3,275</b>	<b>(10,578)</b>	<b>15,190</b>
Profit for the year				
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(14,585)</b>	<b>(14,585)</b>
<b>Transaction with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Issue of shares	-	-	-	-
Conversion of loan notes to equity instruments	-	181	-	181
Other movements in equity	-	-	-	-
<b>As at 31 December 2022</b>	<b>22,493</b>	<b>3,456</b>	<b>(25,163)</b>	<b>786</b>

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**Parent Company (Cindrigo Holdings Limited) Statement of Changes in Equity**

	Share Capital account £'000	Equity component of convertible instruments £'000	Retained earnings £'000	Total £'000
<b>As at 1 January 2023</b>	<b>22,493</b>	<b>3,456</b>	<b>(25,163)</b>	<b>786</b>
Profit for the year				
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(1,745)</b>	<b>(1,745)</b>
Transaction with owners				
Issue of shares	-	-	-	-
Conversion of loan notes to equity instruments	-	582	-	582
Other movements in equity	-	-	-	-
<b>As at 31 December 2023</b>	<b>22,493</b>	<b>4,038</b>	<b>(26,908)</b>	<b>(377)</b>

Share capital comprises the Ordinary Shares issued by the Company.

Retained earnings represent the aggregate retained losses of the Company since incorporation.

Equity component of convertible instruments represents the equity element of instruments with a convertible element.

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**Parent Company (Cindrigo Holdings Limited) Statement of Cash Flows**

The cash flow statement is set out below:

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
<b>Cash flow from operating activities</b>		
Loss for the period before taxation	(1,745)	(548)
Premium paid on convertible loan note repayment	-	-
Interest	91	62
<b>Operating cash flows before movements in working capital</b>	<b>(1,654)</b>	<b>(486)</b>
(Increase)/decrease in receivables	(1,276)	(1,165)
Increase in accounts payable and accrued liabilities	103	34
<b>Net cash used in operating activities</b>	<b>(2,827)</b>	<b>(1,617)</b>
Amounts written of investments	-	-
Payback from investments	-	-
<b>Net cash outflow from investing activities</b>	<b>-</b>	<b>-</b>
New convertible loans/repayments	2,314	1,431
Issue of convertible instruments net of issue costs	582	181
Interest paid	(91)	-
Funding received from Cindrigo Limited	-	-
<b>Net cash inflow from financing activities</b>	<b>2,805</b>	<b>1,612</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(22)</b>	<b>(5)</b>
Cash and cash equivalent at beginning of period	22	27
<b>Cash and cash equivalent at end of period</b>	<b>-</b>	<b>22</b>

There were significant non-cash transactions being the issue of share capital to settle convertible debt and interest. These are detailed in Note 10.

## **Notes to the parent company (Cindrigo Holdings Limited) financial statements**

### **1. GENERAL INFORMATION**

The Company was incorporated under section II of the Companies (Guernsey) Law 2008 on 24 November 2014, it is limited by shares and has registration number 59383.

The Company's registered office is located at PO Box 186, Royal Chambers, St Julian's Avenue, St. Peter Port, Guernsey GY1 4HP, Channel Islands.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of preparation**

The financial statements of Cindrigo Holdings Limited (formerly Challenger Acquisitions Limited) for the year ended 31 December 2023 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS's as adopted by the EU), issued by the International Accounting Standards Board (IASB), including interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) applicable to the companies reporting under IFRS.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The financial information has been presented in British Pound (£), being the functional currency of the Company.

#### **Going concern**

The financial information has been prepared on the assumption that the company will continue as a going concern. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. In assessing whether the going concern assumption is appropriate, the Directors take into account all available information for the foreseeable future, in particular for the twelve months from the date of approval of the financial information.

In January 2024, the Company received bridging finance of €3.3m from Danir AB, its major shareholder, to secure the progress of the Project.

In February 2024, the Company signed a convertible loan agreement in the sum of £10 million from TriRi Asset Management, with agreed drawdown as soon as the Licence Extension for the Project is granted.

The company has the option to reduce costs, principally consulting fees payable to senior executives, to preserve cash resources.

The directors have prepared cash flow forecasts to March 2025 and consider that the company has sufficient working capital to continue as a going concern during the period.

The Directors' objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. At the date of this financial information, the Group had been financed from equity and convertible notes. In the future, the capital structure of the Group is expected to consist of convertible notes and equity attributable to equity holders of the Group, comprising issued share capital and reserves.

#### **New standards, interpretations and amendments effective from 1 January 2023**

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 January 2023 that had a significant effect on the Company's financial statements.

#### **Standards and interpretations issued but not yet applied**

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective.

The directors do not expect that any of these standards and interpretations will have a material impact on the financial statements of the Company.

#### **Segment Reporting**

For the purpose of IFRS 8, the Chief Operating Decision Maker "CODM" takes the form of the board of directors. The Directors are of the opinion that the business of the Company comprised a single activity, being the identification and acquisition of target companies or businesses in the energy sector.

#### **Foreign Currency Translation**

##### Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in British Pounds (GBP), which is Cindrigo Holdings functional and presentation currency.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit

or loss. Foreign exchange gains and losses are presented in the statement of profit or loss, within finance income or finance costs.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

#### **Fair value of assets**

Assets are tested for fair value whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. A reduction in fair value is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing fair value, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered a significant reduction in fair value are reviewed for possible reversal of the significant reduction in fair value at the end of each reporting period.

#### **Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

#### **Investments and other financial assets**

##### Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

##### Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly

attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

The Company's investments in corporate debt securities which are held within a business model whose objective is achieved both by collecting contractual cash flows and by selling securities are classified as held at fair value through profit or loss (FVTPL).

Investments in equity securities have been classified as measured at FVTPL.

Interest income from financial assets at fair value through profit or loss is included in the net gains/(losses). Interest on financial assets held at amortised cost, calculated using the effective interest method is recognised in the statement of profit or loss as part of revenue from continuing operations.

#### Impairment of financial assets

Financial assets are assessed for indicators of decline in fair value at the end of the reporting period. The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

#### Income recognition

Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.



#### **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

#### **Employee benefits**

##### Short term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### **Related Parties**

For the purposes of these financial statements, a party is considered to be related to the Company if:

(i) the party has the ability, directly or indirectly, through one or more intermediaries, to control the Company or exercise significant influence over the Company in making financial and operating policy decisions or has joint control over the Company;

(ii) the Company and the party are subject to common control;

(iii) the party is an associate of the Company or a joint venture in which the Company is a venturer;

(iv) the party is a member of key management personnel of the Company or the Company's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

(v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals;

(vi) the party, or any member of a group of which it is part, provides key management personnel services to the company or its parent.

#### **Contributed equity**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity under share capital as a deduction, net of tax, from the proceeds.

#### **Earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

### 3. CRITICAL ESTIMATES, JUDGEMENTS AND ERRORS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of an error and of changes to previous estimates.

#### Significant estimates and judgements

The areas involving significant estimates or judgements are:

- Going concern  
 See accounting policies (note 2) for details of the assessment made.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

### 4. FINANCIAL RISK MANAGEMENT

This note explains the Company's exposure to financial risks and how these risks could affect the Company's future financial performance. Current year profit and loss information has been included where relevant to add further context.

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	Future commercial cash flows not denominated in GBP Recognised financial assets and liabilities not denominated in GBP	Cash flow forecasting Sensitivity analysis	No hedging  No hedging
Credit risk	Cash and cash equivalents, trade receivables, other receivables	Aging analysis Credit ratings	Diversification of bank deposits. Follow-ups to loan investment
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

**Foreign exchange risk**

The Company is especially focused on the currency pairs USD/GBP. The Company's only active investment is denominated in GBP.

The Company's exposure to foreign currency risk at the end of the reporting period, expressed in £'000 was as follows:

Currency	Assets in CCY	Assets in GBP	10% change	Liabilities in CCY	Liabilities in GBP	10% change
USD	-	-	-	-	-	-
EUR	1k	1k	(0.1k)	-	-	-
CHF	-	-	-	-	-	-
SEK	-	-	-	18,000k	1,372k	137k

The Company's exposure to foreign currency risk at the end of the prior period, expressed in £'000 was as follows:

Currency	Assets in CCY	Assets in GBP	10% change	Liabilities in CCY	Liabilities in GBP	10% change
USD	-	-	-	-	-	-
EUR	1k	1k	(0.1k)	-	-	-
CHF	-	-	-	-	-	-
SEK	-	-	-	18,000k	1,429k	143k

During the year, £1k foreign-exchange related losses were recognised in profit or loss.

As described above the Company is primarily exposed to changes in the USD/GBP exchange rate. The sensitivity of profit or loss to changes in the exchange rates as summarized in the above table arises mainly from the Company's USD denominated asset.

**Interest rate risk**

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IFRS 7, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**Credit risk**

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. To limit the risk the Company's main cash resources are held with banks with a minimum external rating of A.

**Liquidity Risk**

The Company currently holds cash balances to provide funding for normal trading activity. Trade and other payables are monitored as part of normal management routine.

As at 31 December 2023 all financial assets were classified at fair value. A maturity analysis of the Company's financial assets (excluding intercompany balances) is as follows:

	<b>As at 31 December 2023 £'000</b>	<b>As at 31 December 2022 £'000</b>
0 to 3 months	95	340
3 to 6 months	-	-
6 months +	-	-
<b>Total</b>	<b>95</b>	<b>340</b>

As at 31 December 2023 all financial liabilities were classified at amortised cost. A maturity analysis of the Company's financial liabilities based on contractual undiscounted payments is as follows:

	<b>As at 31 December 2023 £'000</b>	<b>As at 31 December 2022 £'000</b>
0 to 3 months	281	178
3 to 6 months	-	-
6 months +	4,427	2,113
<b>Total</b>	<b>4,708</b>	<b>2,291</b>

**5. BUSINESS SEGMENTS**

For the purpose of IFRS 8, the Chief Operating Decision Maker "CODM" takes the form of the board of Directors. The Directors are of the opinion that the business of the Company comprised a single activity, being the identification and acquisition of target companies or businesses in the energy sector.

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**6. SHARE CAPITAL**

<b>Issued and fully paid</b>	<b>Number of shares</b>	<b>Share capital account £'000</b>
At 31 December 2022	142,041,530	22,485
Issue of shares	-	-
At 31 December 2023	142,041,530	22,485

**7. CASH AND CASH EQUIVALENTS**

	<b>As at 31 December 2023 £'000</b>	<b>As at 31 December 2022 £'000</b>
Cash at bank and in hand	-	22
Total	-	22

**8. TRADE AND OTHER RECEIVABLES**

	<b>As at 31 December 2023 £'000</b>	<b>As at 31 December 2022 £'000</b>
Prepayments and accrued income	73	1
Other receivables	22	339
Amounts due from related companies	4,236	2,715
Loan note consideration due	-	-
Total	4,331	3,055

The balance due from related companies represents receivable loan payments paid into the bank account of Cindrigo Limited less expenses paid by Cindrigo Limited on behalf of Cindrigo Holdings Limited.

**9. INVESTMENTS**

In July 2021 the Company acquired the Cindrigo Group. In accordance with IFRS this is recognised as an investment within the accounts of Cindrigo Holdings Limited.

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**10. BORROWINGS**

	<b>As at 31 December 2023 £'000</b>	<b>As at 31 December 2022 £'000</b>
<b>Current</b>		
Convertible notes	4,427	2,065
Deferred cash consideration	-	48
<b>Total</b>	<b>4,427</b>	<b>2,113</b>

	Note 1 £'000	Note 2 £'000	Note 3 £'000	Note 4 £'000	Note 5 £'000	Note 6 £'000	Note 7 £'000	Note 8 £'000	Total £'000
Balance at 31 December 2021 (liability)	-	-	-	-	-	-	-	-	-
Balance at 31 December 2021 (equity)	1,000	700	1,575	-	-	-	-	-	3,275
Issue of Note	-	-	-	1,443	827	-	-	-	2,270
Conversion of loan to equity instrument	-	-	-	-68	-113	-	-	-	181
Finance Charge	-	-	-	23	1	-	-	-	24
Other movements	-	-	-	-	-	-	-	-	-
Balance at 31 December 2022 (liability)	-	-	-	1,398	715	-	-	-	2,113
Balance at 31 December 2022 (equity)	1,000	700	1,575	68	113	-	-	-	3,456
Issue of Note	-	-	-	-	-	1,000	515	1,289	2,804
Conversion of loan to equity instrument	-	-	-	-	-	-216	-137	-229	582
Finance Charge	-	-	-	73	37	34	13	7	163
F/X gain/losses	-	-	-	-72	-	-	-	-	72
Balance at 31 December 2023 (liability)	-	-	-	1,399	752	818	391	1,067	4,427
Balance at 31 December 2023 (equity)	1,000	700	1,575	68	113	216	137	229	4,038

**Note 1**

On 29 January 2016, the Group issued further £1 million of secured convertible notes. The notes were unlisted, secured, transferable and convertible. Maturity date was 30 June 2019. The Secured Convertible Notes were secured by one common unit of New York Wheel Investor LLC, representing a total value US\$1 million. Interest accrued at 8% per annum and was payable quarterly. One eighth of the interest can be settled in cash or shares at the Group's discretion. Seven eighths of the interest is settled in new convertible notes with the same terms. The notes are convertible in cash or shares at the option of the holder and can be converted into Ordinary Shares at a fixed conversion price of £0.80 per Ordinary Share. The Group can redeem the notes at a 10% premium anytime. As per the nature of this convertible instrument, £106k has been recognised as an equity component in of convertible instruments in statement of changes of equity, using a discount rate of 12%.

In August 2021, the loan notes, including all accumulated but unpaid interest, were settled by new 10-year zero coupon loan notes with a principal value of £1m which have been reclassified as an equity instrument under IFRS.

**Note 2**

The last tranche of £400,000 of the £1 million funding facility announced by the Group on 13 June 2017, was drawn on 18 January 2018 and subsequently the Group issued convertible note for £400,000. The notes were unlisted, unsecured, transferable and convertible. Maturity date was 8 June 2019. No conversions could happen in the first 120 days. The maximum amount that could be converted in any 30day period was 20% of the principal amount. The conversion price was the lowest volume weighted average price over 10 days prior to the conversion. Interest rate was 8% per annum and payable upon conversion at the Group's option in cash or ordinary shares at the conversion price. The Group could redeem in cash all or any part of the outstanding convertible note with a 25% premium to the principal amount. Despite reaching maturity this note was still outstanding and continued to accrue interest in accordance with the interest terms stated

In August 2020, the loan notes, including all accumulated but unpaid interest, were settled by new 10- year zero coupon loan notes with a principal value of £700,000 which have been reclassified as an equity instrument under IFRS.

**Note 3**

On 11th October 2021, the Group created up to £1,575,000 Series 4 unlisted, unsecured, zero-coupon, convertible and transferable loan notes 2031.

**Note 4**

On 6<sup>th</sup> September 2022, Company received funding of SEK 18,000k from Danir AB. The loan is interest free and payable on 05 September 2025 but has an option to convert.

**Note 5**

On 5th August 2022, Danir agreed to lend CINH £750,000 at an interest rate of 5% per annum. The Loan was to be convertible at a 25% discount to VWAP or £1.25 per share which ever was the higher.

On 9th December 2022, CINH agreed with Danir to restructure the facility. A loan of £750,000 was advanced to CINH on that date with agreements and loan note instruments being reduced to writing in January 2023. The original agreement was cancelled and a new issue of £3,800,000 convertible notes were issued to Danir convertible at £0.15 per share. A further loan was advanced in the sum of £750,000 which will be convertible at £1.25 per share. 2,000,000 warrants at £1.00 exercisable by 31 December 2023 and 3,000,000 warrants at £1.25 exercisable by 31 December 2023.

**Note 6**

On 26th April 2023, Danir lent CINH the sum of £1,000,000 by the subscription for convertible loan notes, £1,573,519 unlisted, unsecured 12% convertible loan notes. The loan is interest free and payable on 26 September 2027.



**Note 7**

On 15th September 2023, Danir lent CINH the further sum of £515,000 by the subscription for convertible loan notes. The loan is with 8% interest per annum, rolled up and paid on maturity and repayable on 31 December 2026.

**Note 8**

In November 2023, Danir lent sum of £1,289,145, by subscription of zero-coupon redeemable loan notes. The loan is interest free and payable on 31 December 2026.

**11. FINANCE INCOME AND COSTS**

	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Interest on convertible loan notes	91	62
Total	91	62

**12. TRADE AND OTHER PAYABLES**

	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Trade payables	83	37
Other payables	100	99
Accrued expenses	98	42
Total	281	178

**13. EMPLOYEE BENEFIT EXPENSE**

	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Wages and salaries	-	-
Share options granted to directors, employees and key advisers	-	-
Total	<u>-</u>	<u>-</u>

**14. DIRECTORS' EMOLUMENTS**

All current year directors' fees were paid for by the Company's 100% subsidiary Cindrigo Limited and recharged to the Company.

These details and the details for the other Directors can be found within the Director's remuneration report on page 23.

The Directors were the key management personnel of the Company.

**15. TAXATION**

Cindrigo Holdings Limited (formerly Challenger Acquisitions Limited) is a Guernsey Corporation subject to a corporate tax rate of nil, as of 31 December 2023. There are no unrecognised tax losses.

**16. EARNINGS PER SHARE**

The calculation for earnings per share (basic and diluted) for the relevant period is based on the profit / loss after income tax attributable to equity holder for the period ending 31 December 2022 and is as follows:

**31 December 2023**

Loss from continued operations attributable to equity holders (£)	(1,745,000)
Weighted average number of shares of £2.667609 each	<u>142,041,530</u>
Loss per share basic (£)	<u>(0.0123)</u>
Weighted average number of shares for dilutive calculation	142,041,530
Loss per share diluted (£)	<u>(0.0123)</u>

**31 December 2022**

Loss from continued operations attributable to equity holders (£)	(548,000)
Weighted average number of shares of £2.667609 each	<u>142,202,476</u>
Loss per share basic (£)	<u>(0.0038)</u>
Weighted average number of shares for dilutive calculation	142,202,476
Loss per share diluted (£)	<u>(0.0038)</u>

Basic earnings per share is calculated by dividing the loss after tax attributable to the equity holders of the Company by the weighted average number of shares in issue during the year.

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary shares namely the conversion of the convertible loan note in issue. The effect of these potential dilutive shares would be anti-dilutive and therefore are not included in the above calculation of diluted earnings per share.

**17. RELATED PARTY TRANSACTIONS**

There were no related party transactions except for the transactions disclosed in Note 14 to the accounts.

**18. COMMITMENTS**

The Company had not entered into any material commitments as of 31 December 2023.

**19. SHARE BASED PAYMENTS**

The Group does not operate share-based payment plans as of 31 December 2023.

**20. SUBSEQUENT EVENTS**

The Company received a further sum of £2.7M from Danir, its largest shareholder, to fund initial costs of the deep drilling.

The Company entered into a £10 million convertible loan agreement with TriRi Asset Management Limited, a reputable investment firm based in the USA and Canada. The funds are to support the ongoing development of the Slatina 3 Project in Croatia.

None of these events impact the financial statements for the year ended 31 December 2023.

**21. ULTIMATE CONTROLLING PARTY**

As of 31 December 2023, no one entity owned more than 50% of the issued share capital. Therefore, the Company does not have an ultimate controlling party.