

## BRIEFING SUMMARY

### *Moving towards cash generative operations and Listing on the LSE by the end of 2024*

#### **Focussed on Clean Energy Generation**

Cindrigo Holdings Limited ([www.cindrigo.com](http://www.cindrigo.com)) is strategically positioned to have an important role in the development of renewable energy assets across Europe. With a current asset platform of ca 200MW in Finland and Germany, the Company's operations will soon generate solid cash flows which will support its expansion into new projects.

As part of its growth strategy, Cindrigo is now seeking pre-IPO capital from existing shareholders to facilitate the operational launch of its Waste to Energy ("WtE") plant in Kaipola, Finland, and its planned listing on the Main Market of the London Stock Exchange (the "Listing") which is targeted for December 2024.

#### **Strategic Focus**

Cindrigo's ambitions in Europe's renewable energy markets are fuelled by three key factors:

- Europe's high electricity prices
- The urgent need to decarbonize industrial economies
- Increasing focus on energy security, particularly reducing reliance on Russian energy imports

Geothermal energy is rapidly becoming one of Europe's most attractive investment opportunities, driven by the region's need for greater electrification in general, and baseload energy requirements in particular, and strict carbon neutrality goals. Cindrigo aims to capitalise on this opportunity through strategic expansion across Europe.

#### **Expansion Plans**

Cindrigo is initially focussed on projects within the EU and select non-EU countries which are politically stable and have transparent legal frameworks. Operating cashflow from the Company's Kaipola WtE plant and its three geothermal licenses in Germany will provide the Company with flexibility to pace its growth by dividing capital and time between the three licenses, or between the various stages of each project; from initial heat generation, up to full-scale Combined Heat and Power ("CHP") generation, while balancing investment and operational milestones.

In addition to its geothermal expansion in Germany (with over 125km<sup>2</sup> of licensed areas), Cindrigo is evaluating further WtE, geothermal and other power generation projects. Additional funding would be necessary for this growth, which the Company is already discussing with potential investors, banks, and partners. A successful Listing will be key to unlocking this further financing.

With the right financial partners, Cindrigo is confident it can establish a robust and growing cash-generating business within some 5 years, positioning itself as a billion-euro enterprise.

## Current Portfolio

### Finland - Waste to Energy:

Cindrigo holds a 90% stake in an already constructed 110MW CHP plant in Kaipola, Finland. Operating under a 50-year lease, the plant was initially built and operated by UPM Kymmene Corporation as an integral part of its paper mill factory.

The plant is a biomass incineration plant capable of generating 25 MW of electricity and 85MW of steam.



*Kaipola 110MW Waste to Energy Plant*

**Steam/Heat Off-takers / Buyer:** The village of Kaipola and local industrial tenants.

**Electricity Off-takers / Buyers:** Local industrial tenants and NordPool, one of Europe's leading power exchanges.

Operations are expected to commence by the end of 2024, with first year cashflows of ca € 5 million and an annualised cash flow of ca.€20million once fully operational.

This cash flow will serve as a foundation for further growth in the geothermal energy sector once the Company has completed its Listing.

### Germany – Geothermal Heat and Power

Cindrigo has Signed Term Sheet for 3 geothermal licenses in the Upper Rhine Valley (ORG), Germany, with a total area of 125km<sup>2</sup> and a targeted capacity exceeding 300MW of combined geothermal power and heat.

Whilst early stage, initial development is projected to deliver around 80MW, with commercial operations expected to begin within 2.5 years.



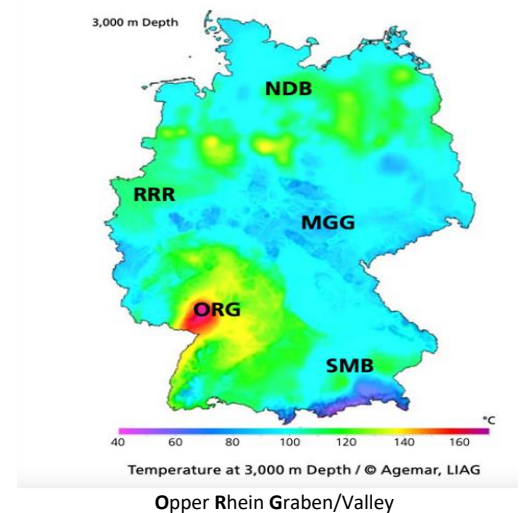
*Geothermal Plant built by the Team*

### **German Geothermal Market**

- Has a robust regulatory regime and is transparent
- Pays some of the world's highest prices for geothermal power in some of the lowest risk sales structures
- Government incentives include:
  - *Electricity:* Long-term (20 years) Feed-In Tariffs ("FITs") of €250 per MWh
  - *Heat:* Up to 40% CAPEX subsidy and tariffs of ca. €40-60 per MWh.

### **The Upper Rhine Valley**

- Highly suited for geothermal electricity generation with ca. 10 projects at planning phase.
- The highest subsurface temperatures measured in Germany
  - *Over 170 °C at a depth of 3 km*
  - *200°C at 4km recently shown in in nearby Graben-Neudorf illustrates the areas potential*
- A mature energy producing field, with >1,000 oil & gas and 24 deep geothermal wells already drilled.
- Nine power and heat projects in operation
- Some geothermal projects in the area are also focusing on extracting Lithium from geothermal brine; the Upper Rhine Valley is considered the most promising area for geothermal Lithium extraction in Europe (*Source: Sanjuan et al, 2024*)



### **Expertise and Partnerships**

Cindrigo's leadership team combines extensive experience in the energy, political, financial, and industrial sectors with the required expertise to capitalise on its renewable energy opportunities as a listed company.

Its WtE team has considerable experience which is strengthened by the addition of the Kaipola plant team and its operational expertise. In geothermal energy, the Company benefits from its Icelandic team which has been contracted in the drilling, engineering, procurement, and construction ("EPC") of 16 geothermal plants globally.

The Kaishan Group, one of the largest geothermal groups worldwide, is Cindrigo's turnkey EPC partner. Kaishan will finance 70% of the Company's geothermal EPC costs, or approximately 40% of the total CAPEX, until six months after the Company's geothermal plants start commercial operations. Kaishan's extensive resources and expertise provide solid backing for Cindrigo's expansion.

### **Financial Projection**

Cindrigo's primary focus is to complete its Listing targeted for December 2024, commence commercial operations at its Finnish WtE to become cash generative in 2025, and initiate Phase 1 of its German geothermal projects. It is targeted that by 2027 the geothermal operation will come online.

Cindrigo expects to leverage cashflow from its Kaipola WtE plant, raise additional finance once listed and secure long-term debt financing to support its growth. Additionally, the Kaishan Group has already committed to finance approximately 40% of its geothermal CAPEX.

The following is Forecasted Revenue and EBITDA for Cindrigo's Kaipola WtE and Phase 1 of its German Geothermal Project. This excludes any expansion or acquisition potential.

<b>Current Portfolio (excluding Expansions and Acquisitions)</b>						
- Kaipola WtE and German Geothermal Phase 1						
	(€ million)	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
<b>Revenue</b>	Kaipola	15	25	30	35	40
	Germany Phase 1	-	-	3	15	25
	<b>Total</b>	<b>15</b>	<b>25</b>	<b>33</b>	<b>50</b>	<b>65</b>
<b>EBITDA</b>	Kaipola	5	10	15	20	23
	Germany Phase 1	-	-	-	10	17
	<b>Total</b>	<b>5</b>	<b>10</b>	<b>15</b>	<b>30</b>	<b>40</b>

### **Financing Requirements**

To reach operational readiness at its Kaipola WtE plant and support the Company's Listing, Cindrigo has secured approximately £8 million from Danir AB, its largest shareholder, and a wider group of current shareholders,

An additional £3 million is needed for the Kaipola WtE plant to commence commercial operations and to satisfy working capital requirements to achieve the Company's Listing targeted for December 2024.

Cindrigo and Danir AB would therefore like to invite all Shareholders to participate in this funding round at highly discounted terms:

**Price:** £0.06 per share

**Terms:** 1 new share per share held, with oversubscriptions allocated on a pro-rata basis

**Subscription Deadline:** 24<sup>th</sup> October 2024

**Completed and signed Subscription Letters (attached) should be sent to [2024@cindrigo.com](mailto:2024@cindrigo.com)**