

13 June 2022

Cindrigo Holdings Limited
(‘Cindrigo’ or the ‘Company’)

**Acquisition of 90% of the issued share capital
of
EES Dravacel energetika d.o.o.
for Development of 20MW Geothermal Power Plant in Croatia**

Cindrigo is pleased to announce that as part of its ongoing expansion strategy its wholly owned subsidiary, Cindrigo Geothermal Limited, has entered into a Share Purchase Agreement to acquire 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 m² in Slatina, north Croatia (‘CCP Slatina’ or the ‘Project’), prospective for geothermal development (the ‘Acquisition’). Dravacel has prepared formal requests for all permits necessary to obtain the right to implement a well-defined drilling programme to access the geothermal heat resource and the necessary permit is anticipated to be issued shortly.

Highlights

- Cindrigo to acquire a 90% interest in Dravacel, with plan to developed as a 20 MW geothermal power plant with potential further expansion opportunities identified
- Project located in the Virovitica–Podravina County, near the town of Slatina in a region with anticipated highly energetic geothermal resources
- Formal requests for all permits necessary to obtain the right to implement a well-defined drilling programme to access the geothermal heat resource have been prepared, and the necessary permit is anticipated to be issued shortly
- The Project, once operational, is anticipated to annually produce an EBITDA of £12 million, with potential dividend streams to Cindrigo
- Financing for project construction and commissioning to primarily be sought on a project-finance basis alongside the potential issue of certified green bonds
- Dravacel to retain remaining 10% interest, with Cindrigo holding the controlling majority of the Dravacel board
- Cindrigo holds rights and responsibilities to determine the required technology and equipment and select the suppliers and contractors required by the Project
- The Acquisition underpins an active growth strategy; aiming to secure 200MW in contractual licences by 2023, up to 450MW by 2025 and 1000MW by 2030

Lars Guldstrand, CEO of Cindrigo, said:

“Following our acquisition of ECG, we are now delighted to be finalising the planned acquisition of the highly prospective CCP Slatina project in Croatia. This marks an important step towards

achieving our target of securing our first step of 200MW contractual geothermal projects within 2023”.

“Geothermal is an exciting and high growth clean energy resource, which is forecast to play an increasingly prominent role as a green baseload power source, amid a spiralling energy price environment and global shift to renewable energy. Croatia is a country with boundless geothermal opportunities, which we are uniquely placed to capitalise on as an early mover with a highly experienced management team.”

“Alongside this high energy resource, high value licence, Cindrigo continues to explore additional growth opportunities in Croatia and in other strong geothermal regions of the Pannonian Basin and we hope to make further announcements shortly.”

Summary Details of Share Purchase Agreement:

1. Parties

Marijan Mikulic

Cindrigo Geothermal Limited (a wholly owned subsidiary of Cindrigo)(“CGEO”)

2. Subject Matter

CGEO acquiring 90% of the issued share capital of Dravacel.

3. Consideration

CGEO is obliged to provide €500,000 working capital to Dravacel within 30 days of the delivery up to CGEO of defined “business documents”. CGEO is also responsible for the delivery of the development capital required to construct the planned 20MW geothermal plant.

4. Management

Dravacel will be operated by a management board in accordance with its Articles of Association which provide for a controlling majority appointed by CGEO. CGEO will also choose the required technology and suppliers required by the project

As a result of this transaction the Term Sheet issued to ECG, which related to CCP Slatina, has been terminated and superseded by this Agreement.

****ENDS****

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Notes

Cindrigo is a clean baseload power developer focussed on becoming a significant renewable energy provider including through consolidation of predominantly European geothermal assets. Specific geothermal resources having been identified for a first round of projects in Croatia and Hungary, in the Pannonian Basin of Central Europe. The Company is aiming to have contracts in place for geothermal power plant projects with up to 200 MW of contractual capacity by 2023, up to 450 MW within three years and 1000 MW by 2030. The financing for each power plant project will primarily be sought on a project-finance basis at the level of the special purpose vehicle utilised for that project.

Geothermal is classed as 'Green Energy' and commands premium power prices due to its decarbonising impacts and clean operations. It is also preferred by governments and grid operators given it provides 'baseload energy', providing stable power to the grid, in contrast to fluctuating solar and wind power. Baseload energy is currently in high demand due to the decommissioning of coal plants, nuclear and other baseload power plants and thus, is of critical importance for grid stability. With a yearly global market growth of 5-9%, the market for geothermal power is expected reach US\$7-9 billion by 2026.