

CINDRIGO GROUP

Annual Report and group consolidated financial statements for the Year Ended 31 December 2022

Contents

Group information	3
CEO's Statement	4
Board of Directors and Senior Management	8
Corporate Governance Report	14
Report of the Audit and Risk Committee	23
Independent Auditors Report	25
Consolidated Statement of Comprehensive Income	29
Consolidated Statement of Financial Position	39
Consolidated Statement of Changes in Equity	31
Consolidated Cash Flow Statement	33
Notes to the Consolidated Financial Statements	34-54
Parent Company Statement of Financial Position	55
Parent Company Statement of Changes in Equity	56
Parent Company Cash Flow Statement	58
Notes to the Parent Company Financial Statements	59-77

Group Information

Directors

Jorgen Andersson (*Non-Executive Chairman*)
Lars Guldstrand (*Chief Executive Officer*)
Mustaq Patel (*Chief Commercial Officer*)
Dag Andresen (*Independent Director*)
Jordan Oxley (*Independent Director*)
Simon Fawcett (*Chief Financial Officer*)

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

Auditors

Macalvins Limited
Bank House
7 St. John's Road
London
HA1 2EY

Solicitors

McCarthy Denning Limited
42 Mincing Lane
London
EC3R 7AE

Company's Guernsey Law Advisors

Mourant Ozannes
PO Box 186, Royal Chambers
St Julian's Avenue, St. Peter Port
Guernsey
GY1 4HP

Principal Bankers

HSBC Bank plc
8 Canada Square

London
E14 5HQ

Registrars

Avenir Registrars Limited
5 St John's Lane
London
EC1M 4BH

CEO's Statement

For Cindrigo Holdings Group (formerly Challenger Acquisitions Limited the "Company") the year 2022 was a year of material change

Initially formed in November 2014 to undertake one or more acquisitions in the entertainment and leisure sectors with a particular focus on the attractions sector. With none of the proposed projects coming to fruition the company looked for alternative activity.

The company had been looking for suitable projects and believed the energy sector, in particular renewable energy, was an attractive sector in which to focus its development. In 2021 it completed the acquisition of Cindrigo Energy Limited and its wholly owned subsidiary Cindrigo Limited. The companies acquired were part of a group of companies (the "Group") pursuing renewable energy projects, initially in the Ukraine, built on cooperation with China Energy a world leader in energy development in combination with a broad Swedish expertise and experience in the waste to energy and biomass energy sector.

Strategic and Operational Review

Due to the situation in Ukraine, the Group suspended its projects in Ukraine in February 2022. In anticipation of the development of the troubles in Ukraine the Company has since the middle of 2022 concentrated its efforts in the geothermal sector. The Group acquired an option in November 2021 to acquire the entire issued share capital of Energy Co-invest Global Corp. ("ECG"), a renewable energy developer based in Canada with geothermal opportunities and assets primarily in Iceland and Croatia. This option was exercised in March 2022 with ECG being a platform for the Group's geothermal business and the continued development and pursuit of geothermal opportunities, primarily in Central Europe ECG also held 48% of the issued share capital of GEG a geothermal specialist based in Iceland with potential project in Chile and Kenya.

In June 2022 the Group via its wholly owned subsidiary Cindrigo Geothermal Limited acquired 90% of the issued share capital of EES Dravacel Energetika d.o.o. ('Dravacel'), a Croatian incorporated company, which held and continues to hold a geothermal exploration licence in respect of 57.9 km² in Slatina, northern Croatia ('CCP Slatina' or the 'Project'), believed to be suitable for geothermal development (the 'Acquisition'). Dravacel has the permits necessary to implement a well-defined drilling programme to access the geothermal heat resources.

The Group's Board of Directors reflects the industry expertise necessary to pursue this opportunity.

Acquisition of Cindrigo Energy Limited

On 30 July 2021, the Group acquired Cindrigo Limited and Cindrigo Energy Limited, which were part of a group of companies pursuing renewable energy projects in the Ukraine.

The acquisition constituted a reverse takeover for the Company.

The entire issued share capital of Cindrigo Limited has been distributed to the Company by Cindrigo Energy and following such distribution Cindrigo Energy Limited has been dissolved.

Cindrigo Holdings Limited (as the Company has been renamed) is in the process of preparing an application to the FCA for its enlarged ordinary share capital to be readmitted to the standard segment of the Official List of the London Stock Exchange and to trading on the Main Market of the London Stock Exchange.

Board of director changes

There have been no changes in the Board of Directors during the financial year ended 31 December 2022.

Investments

The Group holds two investments from previous ventures on the statement of financial position which are fully impaired.

Dallas, Texas investment

In January 2019, the Group agreed to sell its US\$300,000 investment in the Odyssey of Texas back to the original developers in tranches over the course of 2019. To date, the Group has received US\$275,000 of the principal sum and US\$7,625 of the interest. The remaining balance of US\$25,000 is still outstanding and being pursued by the Group, however given the uncertainty of the recoverability of this balance in has been impaired in full.

New York Wheel equity units

The Group retains an equity unit in this project. Since the value of these units relates directly to the stalled project on Staten Island, there is no carrying value on the balance sheet for this investment. The Group has transferred one of the equity units to a loan note holder as part of a settlement on existing loan notes.

Cindrigo Limited Investment

To complete the acquisition of Cindrigo Energy Limited and Cindrigo Limited the Group issued 140,449,800 new ordinary shares and convertible loan notes with a principal value of £612,259.41 convertible into up to 6,122,594 new ordinary shares at £0.10 per share as consideration for the acquisition.

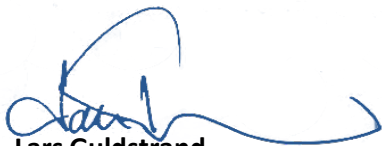
In accordance with IFRS the transaction is recorded as an investment in the accounts of the Group which eliminates on consolidation.

Cindrigo Energy Limited held a 100% investment in Cindrigo Limited which in turn held a 99% investment in Kyiv Power BTS LLC a company incorporated in Ukraine. This company would have acted as the holding company for the operations to build and operate waste to energy plants in contracts with the Ukrainian government. Given the invasion of Ukraine by the Russian Federation in February 2022 all operations in Ukraine were suspended indefinitely and accordingly there is uncertainty about whether the investment is recoverable. Accordingly in the company only accounts of Cindrigo Holdings Limited the investment has been fully impaired. This impairment does not impact the net assets of the group as the investment is eliminated in the consolidation for the Cindrigo Group financial statements.

Other important events post reporting period, is that the Company has signed Framework agreement with Petrolina a company based in the Abu Dhabi UAE regarding project funding (contingent on Due Diligence) and Kaishan, a Singapore based company for full turn key EPC contract, to be finalized in specific contract for Croatia 1 (Slatina 3). The Group's largest shareholder have also provided additional £1million of working capital, the funds were received in April 2023.

Current priority is to raise and finalise Project development funds for the Dravacel /Croatia 1 project, to move the project forward, while also evaluate additional licenses primarily in Europe, to strengthen the portfolio.

On behalf of the new Cindrigo Holdings Board, we would like to take this opportunity to thank our shareholders and note holders for their patience and support during another challenging year.



Lars Guldstrand

Chief Executive Officer

Date : 7 July 2023

Financial Review

Overview

The Group posted a loss in the year under review as a result of administrative expenses and cost of interest on the convertible loan notes. There was no revenue for the year ended 31 December 2022.

Profit for the year

For the year, the Group recorded a loss of £2,467k (2021 loss: of £2,016k). and administrative expenses of £1,780k (2021: £1,881k). The key components of administrative expenses in the group financial statements include £270K in legal fees, £285k in consulting fees, £155k in professional and £266K in travel. The biggest cost driver was the £97k (2021: £204k) in accrued interest and finance costs for the outstanding convertible notes. The Group reports a total consolidated comprehensive loss of £2,467k (2021 loss: £2,016k).

Balance Sheet

The total amount of assets on the balance sheet as per the balance sheet date is £1,941k (2021: £2,425k). In addition, the Group shows cash and cash equivalents of £690k (2021: £1,562k) and trade and other receivables of £402k (2021: £863k).

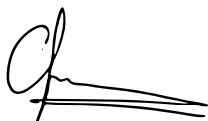
A mix of equity and convertible notes has financed these assets. The equity at the balance sheet date amounted to (£779k) (2021: £1,335k) and the liabilities were £2,720k (2021: £1,090k).

Cash flow

Cash used in operations totalled £1,991K (2021: £1,922k).

Closing cash

As at 31 December 2022, the Group held £690k (2021: £1,562k) in the bank accounts.



Simon Fawcett
Chief Financial Officer
Date : 7 July 2023

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) and Simon Fawcett (Chief Financial Officer). Details of the current Board are set out below.

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.

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.

Dag Andresen

Independent Director

Appointed 3 November 2020

Mr. Andresen has an extensive banking background as previous Head of Nordea Bank Business Area Transaction and Finance Banking and Group Chief Audit Executive. He has since built a solid career in the energy sector, serving as a director of Cindrigo Energy Ltd from when the company was established until its dissolution. He was previously Group CFO & Deputy CEO of Vattenfall (Sweden) and Group CFO at Vestas Wind Systems A/S (Denmark).

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. 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.

Simon Fawcett

Chief Financial Officer

Appointed 1 January 2021

Mr. Fawcett has an extensive background in finance having trained as an accountant with KPMG where he received his qualification as a Qualified Chartered Accountant. Simon has held numerous positions as Financial Director, Chief Investment Officer and Chief Executive at a range of entrepreneurial companies such as Pathe Entertainment Ltd, Atlantic Screen Music, Empyre Media Capital as well as funds and corporate finance firms such as Aramid Capital Partners and City and Westminster Financial Plc.

Directors' Report

The Directors present their report with the consolidated financial statements of the Group for the year ended 31 December 2022.

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.

Due to the current circumstances in Ukraine the Group has suspended the projects in Ukraine and has concentrated its efforts in the geothermal sector. The Group signed an option agreement in November 2021 to acquire Energy Coinvest Globally Corp, a renewable energy developer with geothermal assets primarily in Iceland and Croatia. This option was exercised in early 2022 as a platform for the Group's geothermal business and continued development and pursuit of geothermal opportunities, primarily in Central Europe.

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 m² 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 deployment 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 2022 were as follows:

**Cindrigo Group
Annual Report
For the Year Ended 31 December 2022**

Director	Position	Appointed	Resigned	Ordinary Shares	Options
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	Director	03/11/2020	-	412,563	-
Jordan Oxley	Director	01/01/2021	-	-	-
Simon Fawcett	CFO	01/02/2021	-	-	-

Substantial shareholders

As at 31 December 2022, the total number of issued Ordinary Shares with voting rights in the Group was 143,402,476.

The Group 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 26 April 2023, 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:

- Danir AB – 41,672,616 shares (29.0%)
- Security Services Nominees Limited – 21,338,154 shares (14.9%)
- Christer Grundstrom beneficiary ownership through company – 11,190,302 shares (7.8%)
- HSBC Global Custody Nominees Limited – 8,390,206 shares (5.9%)
- Lars Guldstrand beneficiary ownership through company 10,392,615 shares (7.2%)

Financial instruments

Details of the use of financial instruments by the Group are contained in notes 4 and 11 of these consolidated financial statements.

Dividends

The Directors do not propose a dividend in respect of the year ended 31 December 2022.

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 April 2023 the Company secured a further £1,000k in financing from Danir AB, its major shareholder in the group for the provision of ongoing working capital and the funds have been received at the date of the issue of the financial statements. The group also is expecting an addition £500k of working

capital reimbursements by September 2023 and the has the option of exercising warrant options with current loan note holders to provide liquidity for the Group.

Additionally, the Group has issued warrant options to existing convertible loan note holders worth up to £6,000k when the Group completes its listing. The Group also has the option to reduce staff costs which are principally fees and consulting costs payable to the directors to preserve working capital.

The directors have prepared cashflow forecasts until the year ended December 2024 and consider that the company has sufficient working capital to continue its operations during such 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.

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 United Kingdom.

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.

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.

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 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 (formerly Challenger Acquisitions Limited) corporate governance practices for the year ended 31 December 2022 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 2022, the Board met on 3 occasions related to board changes, project reviews, a prospected 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.

Cindrigo Group
Annual Report
For the Year Ended 31 December 2022

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 2022, 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:

Member	Meetings held	Meetings attended	Attendance
Jorgen Andersson	3	3	100%
Lars Guldstrand	3	3	100%
Mustaq Patel	3	3	100%
Dag Andresen	3	2	66%
Jordan Oxley	3	2	66%
Simon Fawcett	3	2	66%

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.

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 23 onwards, and the Remuneration Committee from page 20 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 8 and 9 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 Directors and the Non- Executive Chairman bring a broad range of business and commercial experience to the Group. The Board considers Jordan Oxley, Jorgen Andersson and Dag Andresen 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 18. 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 23 and the remuneration committee as detailed on page 20.

Going concern

The Group's business activities, together with factors likely to affect its future operations, financial position, and liquidity position are set out in the Strategic and Operational Review and the Financial Review sections of the Annual Report. In addition, note 4 to the consolidated financial statements disclose the Group's financial risk management practices with respect to its capital structure, liquidity risk, interest rate risk, credit risk, and other related matters. The directors consider the uncertainties below, to be applicable over the medium term

In April 2023 the company secured a further £1,000k in financing from its largest shareholder in the group and the funds have been received at the date of the issue of these financial statements.

Additionally the Group has warrant options with existing convertible loan note holders worth up to £6,000k when the Group completes its listing. The Group also has the option to reduce staff costs which are principally fees and consulting costs payable to the directors to preserve working capital.

The directors have prepared cashflow forecasts until the year ended December 2024 and consider that the company has sufficient working capital to continue its operations as anticipated.

The consolidated financial statements do not include any adjustments that would be required if the going concern basis was not appropriate. Further details can be found in note 2 to the consolidated financial statements.

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. 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 every 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 2022, 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, Dag Andresen, 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 2022 and had beneficial interests in the Ordinary Shares of the Group are disclosed on page 10 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:

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

**Cindrigo Group
Annual Report
For the Year Ended 31 December 2022**

Directors' emoluments and compensation (audited)

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

Name of Director	Directors Fees	Short term employment benefits	Termination benefits	Consultancy fees	Total
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

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

Set out below are the emoluments of the Directors for the year ended 31 December 2021 (GBP):

Name of Director	Directors Fees	Short term employment benefits	Termination benefits	Consultancy fees	Total
Lars Guldstrand	15,000	-	-	120,000	135,000
Mustaq Patel	15,000	-	-	103,500	118,500
Jorgen Andersson	22,000	-	-	-	22,000
Dag Andresen	15,000	-	-	-	15,000
Jordan Oxley	15,000	-	-	-	15,000
Simon Fawcett	-	-	-	44,000	44,000

There were no accruals or payables as of 31 December 2022 in respect of outstanding fees for director services.

None of the remuneration paid was subject to performance conditions.

Other matters

The Group has a bonus scheme in place for executives no amounts have been accrued or paid under the scheme for the year ended 31 December 2022 this respect. The Group does not have any pension plans for any of the Directors and does not pay pension amounts in relation to their remuneration. The Group has not paid out any excess retirement benefits to any Directors or past Directors. The Group has not paid any excess retirement benefits to any current or past Directors.

Report from 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. Dag Andresen, 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 2022 Macalvins Limited performed non-audit services totalling £28,600 (2021: 22,880)

Total audit fees for group and company only financial statements of Cindrigo Holdings Limited and the audits of its subsidiary companies totalled £35,000 (2021: 29,000).

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 2022 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 United Kingdom.

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 2022 and of its result for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the United Kingdom;
- 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 £80,000 (parent company: £40,000), 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 £4,000 (parent company: £2,000). 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 12, 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 non-compliance;
- 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. This description forms part of our auditor's report.

**Cindrigo Group
Annual Report
For the Year Ended 31 December 2022**

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: 7 July 2023

Consolidated Statement of Comprehensive Income

The statement of comprehensive income is set out below.

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
	Note	
Administrative expenses	(1,780)	(1,811)
Other operating income	10	
Operating profit / (loss)	(1,770)	(1,811)
Amounts written off investments	-	-
Finance costs	12 (97)	(204)
Profit / (Loss) before income taxes	(1,867)	(2,016)
Income tax expense	16 -	-
Profit / (Loss) after taxation	(1,867)	(2,016)
Profit / (Loss) for the year	(1,867)	(2,016)
Share of Profit / (loss) in associate	(603)	-
Share of (Profit) / loss attributable to Non-controlling interest	3	-
Total comprehensive profit / (loss) attributable to owners of the parent	(2,467)	(2,016)
Earnings / (Loss) per share:		
Basic from continuing operations	17 (0.017)	(0.014)
Diluted from continuing operations	17 (0.017)	(0.014)

Consolidated Statement of Financial Position

The statement of financial position as at 31 December 2022 is set out below:

		As at 31 December 2022	As at 31 December 2021
	Note	£'000	£'000
Assets			
Non - current assets			
Property, plant and equipment	6	622	-
Intangible Assets	7	227	-
Current assets			
Cash and cash equivalents	9	690	1,562
Trade and other receivables	10	402	863
Investments		-	-
Total current assets		1,941	2,425
Total assets		1,941	2,425
Equity and liabilities			
Capital and reserves			
Share capital and premium account	8	12,038	11,879
Equity component of convertible instruments		3,456	3,275
Retained earnings		(16,270)	(13,818)
Non-controlling Interests		(3)	-
Total equity attributable to equity holders		(779)	1,335
Current liabilities			
Borrowings	11	2,407	889
Trade and other payables	13	313	201
Total current liabilities		2,720	1,090
Total equity and liabilities		1,941	2,425

Consolidated Statement of Changes in Equity

The statement of changes in equity is set out below:

	Share Capital and premium account £'000	Equity component of convertible instruments £'000	Retained earnings £'000	Total £'000
As at 1 January 2021	8,394	106	(10,909)	(2,409)
Profit for the year				
Total comprehensive loss for the year	-	-	(2,016)	(2,016)
Transaction with owners				
Proceeds from Issue of shares	3,485	-	-	3,485
Conversion of loan notes to equity instruments	-	3,169	-	3,169
Other movements in equity	-	-	(892)	(892)
As at 31 December 2021	11,879	3,275	(13,818)	1,335

Cindrigo Group
Annual Report
For the Year Ended 31 December 2022

	Share Capital and premium account £'000	Equity component of convertible instruments £'000	Retained earnings £'000	Non controlling interest Total £'000	Total £'000
As at 1 January 2022	11,879	3,275	(13,818)	-	1,335
Profit for the year					
Total comprehensive loss for the year			(2,467)	-	(2,467)
Transaction with owners					
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 NCI				(3)	(3)
As at 31 December 2022	12,038	3,456	(16,270)	(3)	(779)

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 2022 £'000	Year ended 31 December 2021 £'000
Cash flow from operating activities		
Loss for the period before taxation	(2,473)	(2,016)
Premium paid on convertible loan note repayment		-
Net unrealised FX effect		-
Interest	97	204
Operating cash flows before movements in working capital	(2,564)	(2,220)
(Increase)/Decrease in receivables	461	569
Decrease in accounts payable and accrued liabilities	112	(271)
Net cash used in operating activities	(1,991)	(1,922)
Fixed assets investment	(849)	-
Payback from investments	-	-
Net cash outflow from investing activities	(849)	-
Changes in borrowings/convertible instruments	1,615	-
Equity component of convertible instruments	181	-
Other movements in equity/Minority interest	172	3,485
Funding received from Cindrigo Limited	-	70
Net cash inflow from financing activities	1,968	70
Net decrease in cash and cash equivalents	(872)	1,562
Cash and cash equivalent at beginning of period	1,562	5
Cash and cash equivalent at end of period	690	1,562

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 had an investment of US\$3m in New York Wheel Investor LLC, a Group that was set up to fund the equity component for the project to build a New York Wheel which includes an approximate 630 foot high observation wheel with 36 capsules, a 68,000 square foot terminal and retail building, and a 950 space parking garage. This investment was fully impaired as a result of the termination of the project and litigation between New York Wheel Investor LLC and one of the primary contractors. One share with a nominal value of US\$1m was given to the former Starneth owners to pay the debt resulting from the second tranche of the purchase contract. The Group entered into an investment into the Dallas Wheel project. The investment was sold in 2019 for consideration of US\$300k of which US\$275k was received however no further sums have been received since. Given the uncertainty as to whether the project will ultimately proceed the fair value of the Dallas wheel investment was fully impaired as at year end.

On the 30 July 2021, the Group completed its reverse takeover of Cindrigo Limited and Cindrigo Energy Limited, which are part of a group of companies that were pursuing renewable energy projects in the Ukraine and Central Europe.

The Group entered into an agreement with Cindrigo Energy Limited in respect of achieving the acquisition of Cindrigo Energy Limited and its wholly owned subsidiary Cindrigo Limited. The Acquisition proceeded pursuant to a new Plan of Arrangement under the British Columbia Business Corporations Act. Under the arrangement the Group acquired each share in the issued share capital of Cindrigo Energy Limited in exchange for 0.875 new shares issued by the Group. As a result of the exchange the former shareholders of Cindrigo Energy Limited acquired 96.5% of the enlarged issued share capital of the Group on a fully diluted basis if all consideration loan notes had been converted.

The Acquisition constituted a reverse takeover for the Company.

The Group is proposing to make an application for its enlarged ordinary share capital to be readmitted to the standard segment of the Official List of the FCA and to trading on the Main Market of the London Stock Exchange.

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 2022 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.

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:

Name of Company	Country of incorporation	Nature of operations	% owned	Method of Consolidation
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
Energy Co-Invest Global	Canada	Holding company	100%	Full consolidation
GEG efh	Iceland	Geothermal energy	48%	Equity accounting
Kyiv Power BTS LLC	Ukraine	Holding company	99%	Full consolidation

Going concern

At 31 December 2022 the Group had net liabilities of (£779k). The consolidated financial statements have 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.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future

In April 2023 the company secured a further £1,000k in financing from a major shareholder in the group and the funds have been received at the date of the issue of the financial statements.

Additionally, the Group has warrant options with existing convertible loan note holders worth up to £6,000k when the Group completes its listing. The Group also has the option to reduce staff costs which are principally fees and consulting costs payable to the directors to preserve working capital.

The directors have prepared cashflow forecasts until the year ended December 2024 and consider that the company has sufficient working capital.

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 2022

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 January 2022 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.

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. Interest income on impaired loans is recognised using the original effective interest rate.

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.

Share based payments

Employee options

The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Social security contributions payable in connection with an option grant are considered an integral part of the grant itself and the charges are treated as cash-settled transactions.

The options are administered by Cindrigo Holdings Limited. When the options are exercised, Cindrigo Holdings Limited transfers the appropriate amount of shares to the employee. The proceeds received net of any directly attributable transaction costs are credited directly to equity.

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.
- **Fair value of the Investments**
The Group issued £14,044k of ordinary shares and convertible loan notes with a principal value of £612k convertible into up to 6,122,594 new ordinary shares at £0.10 per shares to acquire the Cindrigo Energy Limited. Given the operations of Cindrigo Energy Limited in Ukraine have been suspended indefinitely the investment has been

impaired in the company only accounts. The investment eliminated on consolidation so there is no impact on the Group's financial statements.

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

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 CCY	Liabilities in GBP	10% change
USD	284	210	21	(362)	(254)	(26)
EUR	1	-	-	-	-	-

Cindrigo Group
Annual Report
For the Year Ended 31 December 2022

CHF | - - - - - - -

During the year, £13k 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 2022 all financial assets were classified at fair value. A maturity analysis of the Group's financial assets is as follows:

	As at 31 December 2022 £'000	As at 31 December 2021 £'000
0 to 3 months	402	863
3 to 6 months	-	-
6 months +	-	-
Total	402	863

As at 31 December 2022 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:

Cindrigo Group
Annual Report
For the Year Ended 31 December 2022

	As at 31 December 2022 £'000	As at 31 December 2021 £'000
0 to 3 months	313	1,090
3 to 6 months	-	-
6 months +	2,407	-
Total	2,720	1,090

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

Land was acquired as part of new acquisition Dravacel, in June 2022, land is in Croatia and has license to construct GEFL energy site.

	LAND £'000	Total £'000
At 31 December 2021	-	-
Additions	622	622
At 31 December 2022	622	622

The land is not depreciated. The directors have considered whether the value of the land requires an impairment as at 31 December 2022, 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.

7. INTANGIBLE ASSETS

Intangible assets includes Patents and licence, this is property of Dravacel, acquired in June 2022.

	PATENTS AND LICENCES £'000	Total £'000
At 31 December 2021	-	-
Additions	227	227
At 31 December 2022	227	227

8. SHARE CAPITAL

Issued and fully paid	Number of shares	Share capital account £'000
At 31 December 2021	142,202,476	22,458
Issue of shares		
At 31 December 2022	142,202,476	22,458

9. CASH AND CASH EQUIVALENTS

	2022 £'000	2021 £'000
Cash at bank and in hand	690	1,562
Total cash and cash equivalents	690	1,562

Cindrigo Group
Annual Report
For the Year Ended 31 December 2022

10. TRADE AND OTHER RECEIVABLES

	2022 £'000	2021 £'000
Prepayments	1	6
Trade debtors	23	-
Other debtors	39	59
TCB Investors	339	-
JTC deposit	-	186
Loan note consideration due	-	612
Total trade and other receivables	402	863

On 5 August 2022 CINH lent TCB Investors OU the Vendor of ECG £340,000 for a term to 31st December 2023.

11. Borrowings

Current	2022 £'000	2021 £'000
Convertible notes	2,065	612
Other loans	342	277
	2,407	889

	Note 1 £'000	Note 2 £'000	Note 3 £'000	Note 4 £'000	Note 5 £'000	Note 6 £'000	
Balance at 31 December 2020 (liability)	1,091	808	50	-	-	-	Balance at 31 December 2020 (liability)
Balance at 31 December 2020 (equity)	106	-	-	-	-	-	Balance at 31 December 2020 (equity)
Finance Charge	97	72	4	-	-	-	Finance Charge
Conversion of loan to equity instrument	-1,000	-700	-	-	-	-	Conversion of loan to equity instrument
Conversion of loan note 3	-	-	-54	-	-	-	
Issue of Note 4	-	-	-	1,575	-	-	
Other movements	-188	-180	-	-	-	-	Release of accrued interest
Balance at 31 December 2021 (liability)	-	-	-	-	-	-	Balance at 31 December 2021 (liability)
Balance at 31 December 2021(equity)	1,000	700	-	1,575	-	-	Balance at 31 December 2021 (equity)
Issue of Note 5/6	-	-	-	-	1,443	827	Issue of note 5/6
Finance Charge	-	-	-	-	-23	-1	Finance Charge
Conversion of loan to equity instrument	-	-	-	-	-68	-113	Conversion of loan to equity instrument
Other movements	-	-	-	-	-	-	Release of accrued interest
Balance at 31 December 2022 (liability)	-	-	-	-	1352	713	Balance at 31 December 2022 (liability)
Balance at 31 December 2022 (equity)	1,000	700	-	1,575	68	113	Balance at 31 December 2022 (equity)

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

The Group issued £52,000 in unsecured convertible notes on 21 September 2020. The noteholder could convert all or part of the principal amount of its notes into ordinary shares of the Group ('Ordinary Shares') at any time at a fixed conversion price of 0.1p per Ordinary Share of £0.01 (pre-consolidation). The notes were unlisted, unsecured, transferable and could be redeemed by the Group on 19 May 2021, at the Group's option in cash or in Ordinary Shares at

0.1p per Ordinary Share. Interest accrued at 5% per annum and payable quarterly, or upon conversion, at the Group's option in cash or by issuing Ordinary Shares.

In August 2021 the loan notes converted automatically on the completion of the acquisition of Cindrigo Energy Limited and 194,931 new ordinary shares were issued in respect of such conversion.

Note 4

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

The funds were paid to the company's subsidiary company Cindrigo Limited.

Note 5

On 6th 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.

The period during which the Loan is outstanding with a longstop repayment date of 31st January 2023. The terms were negotiated as at the date of signing the financial statements.

Note 6

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.

Other loans

On October 21, 2018, the Company 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 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 Company's listing.

12. FINANCE INCOME AND COSTS

	2022	2021
	£'000	£'000
Interest Income	-	-
Bank charges	-	2
Interest on convertible loan notes	97	173
Interest on other loans	-	29
Net foreign exchange costs	-	-
Premium to settle convertible loan	-	-
Finance costs	97	204

13. TRADE AND OTHER PAYABLES

	2022	2021
	£'000	£'000
Trade payables	57	30
Other payables	149	-
Accrued expenses	107	171
Total trade and other payables	313	201

14. EMPLOYEE BENEFIT EXPENSE

	2022	2021
	£'000	£'000
Wages and salaries	-	-
Share options granted to directors, employees and key advisers	-	-
	-	-

15. DIRECTORS' EMOLUMENTS

The Directors were paid emoluments of £126k as directors' fees during the period under review (£126k in 2021). The directors billed an additional of £327k (2021: £252k) as consultancy fees, booked under administrative expenses.

All current year directors' fees were paid for by the Group's 100% subsidiary Cindrigo Limited and not recharged to the parent company.

These details and the details for the other Directors can be found within the Director's remuneration report on page 20.

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 2022.

None of the group's subsidiaries incurred any tax liabilities during the year ended 31 December 2022.

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 2021 and is as follows:

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>

31 December 2021

Loss from continued operations attributable to equity holders (£)	(2,016,000)
Weighted average number of shares of £0.01 each	<u>142,202,476</u>
Loss per share basic (£)	<u>(0.014)</u>
Weighted average number of shares for dilutive calculation	142,202,476
Loss per share diluted (£)	<u>(0.014)</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 the consultancy fees of £106k (31 December 2021: £119k) were payable to Fitzrovia Advisory Ltd, a company in which M Patel the director has a material interest. No balances were outstanding at period end (31 December 2021: £nil). Transactions are completed on an arm's length basis on normal commercial terms.

During the period the consultancy and legal fees of £nil (31 December 2021: £191k) were payable to Biogas Prom, a company who was a shareholder in Cindrigo Limited (and is now a shareholder in the parent company Cindrigo Holdings Limited). No balances were outstanding at period end (31 December 2021: £nil). Transactions are completed on an arm's length basis on normal commercial terms.

During the period the consultancy fees of £120k (31 December 2021: £120k) were payable to IMM International. Balances were due to IMM International of £9k at 31 December 2022 (31 December 2021: £nil). 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 the consultancy fees of £14k (31 December 2021: £nil) were payable to Treasury Core UAB. Balances were due to Treasury Core UAB of £9k at 31 December 2022 (31 December 2021: £nil). 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 the consultancy fees of £44k (31 December 2021: £44k) were payable to Osmosis Limited. Balances were due to Osmosis Limited of £4k at 31 December 2022 (31 December 2021: £nil). 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.

19. COMMITMENTS

The Group had not entered into any material commitments as of 31 December 2022.

20. SHARE BASED PAYMENTS

On 29 July 2015, options to acquire 615,000 Ordinary Shares (“Options 2015”) were granted to employees and consultants. On 8 September 2015, options to acquire 730,000 Ordinary Shares (“Options 2015”) were granted to the directors of the Group. These Options 2015 have a fixed exercise price of 40 pence, and are exercisable in the following tranches; 25% as from the date of grant and 25% every twelve months thereafter (and are therefore fully vested after three years). They cannot be exercised after the 5th anniversary of the grant. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

On 7 January 2016, options to acquire 160,000 Ordinary Shares (“Options 2016”) were granted to consultants. These options have a fixed exercise price of 45 pence, and are exercisable in the following tranches:

	2022		2021	
	Average exercise price in £ per share option	Options (thousands)	Average exercise price in £ per share option	Options (thousands)
0.41	0.41	-	0.41	-
Granted	0.00	-	0.00	-
Forfeited	0.00	-	0.00	-
Exercised	0.00	-	0.00	-
Expired	0.00	-	0.00	-
End of period	0.00	-	0.00	-

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows: 25% as from the date of grant and 25% every twelve months thereafter (and are therefore fully vested after three years). They cannot be exercised after the 5th anniversary of the grant. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Out of the outstanding £Nil (2021: £nil) share options £Nil (2021: £nil) were exercisable. No options were exercised in 2021 and 2022.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant-vest	Expiry date	Exercise price in £	Share options (thousands)
			2022
2016-01	2021-01	0.45	-
			-

303,000 share options granted in January 2015 expired in July 2020.

630,000 share options granted in February 2015 expired in September 2020.

The weighted average fair value of the Options 2015 determined using the Black-Scholes valuation model was 1.4 pence per option. The significant inputs to the model were share price of 38 pence at the grant date, exercise price of £0.40, volatility of 14%, dividend yield of 0% an expected option life (to expiry) of 5 years with 25% vesting each year and an annual risk free interest rate of 0.5%. The volatility measured at the standard deviation of continuously compounded share returns is based on the statistical analysis of daily share prices from listing of the Group until the grant date.

The weighted average fair value of the Options 2016 determined using the Black-Scholes valuation model was 2.49 pence per option. The significant inputs to the model were share price of 37.5 pence at the grant date, exercise price of £0.45, volatility of 14%, dividend yield of 0% an expected option life (to expiry) of 5 years with 25% vesting each year and an annual risk free interest rate of 0.5%. The volatility measured at the standard deviation of continuously compounded share returns is based on the statistical analysis of daily share prices from listing of the Group until the grant date.

21. SUBSEQUENT EVENTS

The Group has signed Framework agreement with Petrolina regarding project funding (contingent on Due Diligence) and Kaishan for full turn key EPC contract, to be finalized in specific contract for Croatia 1 (Slatina 3).

The Group's largest shareholder have also provided additional £1million for the purposes Working Capital management. The funds were received by the Group in April 2023.

None of these events impact the financial statements for the year ended 31 December 2022.

22. ULTIMATE CONTROLLING PARTY

As of 31 December 2022, no one entity owns more than 50% of the issued share capital. Therefore, the Group does not have an ultimate controlling party.

Parent Company (Cindrigo Holdings Limited) Statement of Financial Position

The parent company statement of financial position as at 31 December 2022 is set out below:

		As at 31 December 2022	As at 31 December 2021
	Note	£'000	£'000
Assets			
Current assets			
Cash and cash equivalents	7	22	27
Trade and other receivables	8	3,055	1,890
Investments	9	-	14,037
Total current assets		3,077	15,954
Total assets		3,077	15,954
Equity and liabilities			
Capital and reserves			
Share capital and premium account	6	22,493	22,493
Equity component of convertible instruments		3,456	3,275
Retained earnings		(25,163)	(10,578)
Total equity attributable to equity holders		786	15,189
Current liabilities			
Borrowings	10	2,113	620
Trade and other payables	12	178	145
Total current liabilities		2,291	765
Total equity and liabilities		3,077	15,954

The notes on pages 59 to 77 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 £548K (2021: £515k).

Cindrigo Group
Annual Report
For the Year Ended 31 December 2022

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 7 July 2023 and are signed on its behalf by:

Lars Gulstrand – CEO Cindrigo Holdings Limited

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

The statement of changes in equity is set out below:

	Share Capital and premium account £'000	Equity component of convertible instruments £'000	Retained earnings £'000	Total £'000
As at 1 January 2021	8,394	106	(10,909)	(2,409)
Profit for the year				
Total comprehensive loss for the year	-	-	(515)	(515)
Transaction with owners				
Issue of shares	14,099	-	-	14,099
Conversion of loan notes to equity instruments	-	3,169	-	3,169
Other movements in equity	-	-	848	848
As at 31 December 2021	22,493	3,275	(10,578)	15,189

Cindrigo Group
Annual Report
For the Year Ended 31 December 2022

	Share Capital account £'000	Equity component of convertible instruments £'000	Retained earnings £'000	Total £'000
As at 1 January 2022	22,493	3,275	(10,578)	15,189
Profit for the year				
Total comprehensive loss for the year	-	-	(14,585)	(14,585)
Transaction with owners	-	-	-	-
Issue of shares	-	-	-	-
Conversion of loan notes to equity instruments	-	181	-	181
Other movements in equity	-	-	-	-
	-	-	-	-
As at 31 December 2022	22,493	3,456	(25,163)	786

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.

Parent Company (Cindrigo Holdings Limited) Statement of Cash Flows

The cash flow statement is set out below:

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Cash flow from operating activities		
Loss for the period before taxation	(14,585)	(515)
Premium paid on convertible loan note repayment	-	-
Net unrealised FX effect	-	-
Interest	(62)	173
Operating cash flows before movements in working capital	(14,647)	(342)
(Increase)/Decrease in receivables	219	621
Increase in accounts payable and accrued liabilities	387	(327)
Net cash used in operating activities	(14,042)	(48)
Amounts written of investments	14,037	-
Payback from investments	-	-
Net cash outflow from investing activities	-	-
New convertible loans/repayments	-	-
Issue of convertible instruments net of issue costs	-	-
Repayment of convertible instruments issued	-	-
Funding received from Cindrigo Limited	-	70
Net cash inflow from financing activities	-	70
Net decrease in cash and cash equivalents	(5)	22
Cash and cash equivalent at beginning of period	27	5
Cash and cash equivalent at end of period	22	27

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 had an investment of 2US\$3m in New York Wheel Investor LLC, a company that was set up to fund the equity component for the project to build a New York Wheel which includes an approximate 630 foot high observation wheel with 36 capsules, a 68,000 square foot terminal and retail building, and a 950 space parking garage. This investment was fully impaired as a result of the termination of the project and litigation between New York Wheel Investor LLC and one of the primary contractors. One share with a nominal value of US\$1m was given to the former Starneth owners to pay the debt resulting from the second tranche of the purchase contract. The Company entered into an investment into the Dallas Wheel project. The investment was sold in 2019 for consideration of US\$300k of which US\$275k was received however no further sums have been received since. Given the uncertainty as to whether the project will ultimately proceed the fair value of the Dallas wheel investment was fully impaired as at year end.

On the 30 July 2021, the Company completed its reverse takeover of Cindrigo Limited and Cindrigo Energy Limited, which are part of a group of companies that were pursuing renewable energy projects in the Ukraine and Central Europe.

The Company entered into an agreement with Cindrigo Energy Limited in respect of a achieving the acquisition of Cindrigo Energy Limited and its wholly owned subsidiary Cindrigo Limited. The Acquisition proceeded pursuant to a new Plan of Arrangement under the British Columbia Business Corporations Act. Under the arrangement the Company acquired each share in the issued share capital of Cindrigo Energy Limited in exchange for 0.875 new shares issued by the Company. As a result of the exchange the former shareholders of Cindrigo Energy Limited acquired 96.5% of the enlarged issued share capital of the Company on a fully diluted basis if all consideration loan notes had been converted.

The Acquisition constituted a reverse takeover for the Company.

The Company is proposing to make application for its enlarged ordinary share capital to be readmitted to the standard segment of the Official List of the FCA and to trading on the Main Market of the London Stock Exchange.

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 2022 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

At 31 December 2022 the Company had net assets £786k. The financial statements have 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.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future

In April 2023 the company secured a further £1,000k in financing from a major shareholder in the group and the funds have been received at the date of the issue of the financial statements.

Additionally the Group has warrant options with existing convertible loan note holders worth up to £4,000k when the Group completes its listing. The Group also has the option to reduce staff costs which are principally fees and consulting costs payable to the directors to preserve working capital.

The directors have prepared cashflow forecasts until the year ended December 2024 and consider that the company has sufficient working capital.

The Directors' objectives when managing capital are to safeguard the Company'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 Company had been financed from equity and convertible notes. In the future, the capital structure of the Company is expected to consist of convertible notes and equity attributable to equity holders of the Company, comprising issued share capital and reserves.

New standards, interpretations and amendments effective from 1 January 2022

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 January 2022 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. Interest income on impaired loans is recognised using the original effective interest rate.

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.

Share based payments

Employee options

The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and

- Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Social security contributions payable in connection with an option grant are considered an integral part of the grant itself and the charges are treated as cash-settled transactions.

The options are administered by Cindrigo Holdings Limited. When the options are exercised, Cindrigo Holdings Limited transfers the appropriate amount of shares to the employee. The proceeds received net of any directly attributable transaction costs are credited directly to equity.

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.
- Fair value of the Investments
- The Group issued £14,044k of ordinary shares and convertible loan notes with a principal value of £612k convertible into up to 6,122,594 new ordinary shares at £0.10 per shares to acquire the Cindrigo Energy Limited. Given the operations of Cindrigo Energy Limited in Ukraine have been suspended indefinitely the investment has been impaired in the company only accounts. The investment eliminated on consolidation so there is no impact on the Group's financial statements.

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	Cash flow forecasting Sensitivity analysis	No hedging
	Recognised financial assets and liabilities not denominated in GBP		No hedging

Cindrigo Group
Annual Report
For the Year Ended 31 December 2022

Credit risk	Cash and equivalents, receivables, receivables	cash trade other	Aging analysis Credit ratings		Diversification of bank deposits. Follow-ups to loan investment
Liquidity risk	Borrowings and liabilities	other	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	1,429k	143k

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	1	-	-	-	-	-
EUR	1	-	-	-	-	-
CHF	-	-	-	-	-	-

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 2022 all financial assets were classified at fair value. A maturity analysis of the Company's financial assets (excluding intercompany balances) is as follows:

	As at 31 December 2022 £'000	As at 31 December 2021 £'000
0 to 3 months	340	652
3 to 6 months	-	-
6 months +	-	-
Total	340	652

As at 31 December 2022 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:

	As at 31 December 2022 £'000	As at 31 December 2021 £'000
0 to 3 months	178	765
3 to 6 months	-	-
6 months +	2,113	-
Total	2,291	765

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

Cindrigo Group
Annual Report
For the Year Ended 31 December 2022

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

6. SHARE CAPITAL

Issued and fully paid	Number of shares	Share capital account £'000
At 31 December 2021	142,202,476	22,458
Issue of shares	-	-
At 31 December 2022	142,202,479	22,458

7. CASH AND CASH EQUIVALENTS

	2022 £'000	2021 £'000
Cash at bank and in hand	22	27
Total cash and cash equivalents	22	27

8. TRADE AND OTHER RECEIVABLES

	2022 £'000	2021 £'000
Prepayments	1	6
Other receivables	339	7
Amounts due from related companies	2,715	1,265
Loan note consideration due	-	612
Total trade and other receivables	3,055	1,890

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

Fair value	Short-term Investments £'000
At 31 December 2020	-
Issue of shares to acquire the Cindrigo Group	14,037
At 31 December 2021	14,037
Impairment	(14,037)
At 31 December 2022	-

The Company holds one equity unit investment in the New York Wheel Investor LLC, which is fully written off and the Company has transferred one of the equity units to a loan note holder as part of the settlement of certain loan notes, and also an investment in the Dallas Wheel Project, which is shown under short-term investments.

In the 2018 the Company invested USD 300k into the Dallas Wheel project. This financing was in the form of a convertible loan. On 31 December 2018 the Company signed a contract to change the repayment terms for its investment in the Dallas wheel. The Company received in 2019 USD 275k however has received no further sums since. Given the uncertainty as to whether the project will ultimately proceed the fair value of the Dallas wheel investment was fully impaired as at year end.

The equity units in New York Wheel Investor LLC are not quoted, in the prior year the Directors had regard to recent transactions in equity units of the New York Wheel and therefore assessed the value as a level 3 valuation. As the project has been stopped and the probability of the project restarting is very low, the investment in the New York Wheel was written off in full.

In July 2021 the Company issued 140,449,800 new ordinary shares to acquire the Cindrigo Group and complete the reverse takeover. In accordance with IFRS this is recognised as an investment within the accounts of Cindrigo Holdings Limited.

Cindrigo Group
Annual Report
For the Year Ended 31 December 2022

10. Borrowings

Current	2022	2021
	£'000	£'000
Convertible notes	2,065	-
Deferred cash consideration	48	620
	2,113	620

	Note 1	Note 2	Note 3	Note 4	Note 5	Note 6	
	£'000	£'000	£'000	£'000	£'000	£'000	
Balance at 31 December 2020 (liability)	1,091	808	50	-	-	-	Balance at 31 December 2020 (liability)
Balance at 31 December 2020 (equity)	106	-	-	-	-	-	Balance at 31 December 2020 (equity)
Finance Charge	97	72	4	-	-	-	Finance Charge
Conversion of loan to equity instrument	-1,000	-700	-	-	-	-	Conversion of loan to equity instrument
Conversion of loan note 3	-	-	-54	-	-	-	
Issue of Note 4	-	-	-	1,575	-	-	
Other movements	-188	-180	-	-	-	-	Release of accrued interest
Balance at 31 December 2021 (liability)	-	-	-	-	-	-	Balance at 31 December 2021 (liability)
Balance at 31 December 2021(equity)	1,000	700	-	1,575	-	-	Balance at 31 December 2021 (equity)
Issue of Note 5/6	-	-	-	-	1,443	827	
Finance Charge	-	-	-	-	-23	-1	Finance Charge
Conversion of loan to equity instrument	-	-	-	-	-68	-113	Conversion of loan to equity instrument
Conversion of loan note 4	-	-	-	-	-	-	
Other movements	-	-	-	-	-	-	Release of accrued interest
Balance at 31 December 2022 (liability)	-	-	-	-	1352	713	Balance at 31 December 2022 (liability)
Balance at 31 December 2022 (equity)	1,000	700	-	1,575	68	113	Balance at 31 December 2022 (equity)

Note 1

On 29 January 2016, the Company 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 Company'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 Company 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 2022 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 Company on 13 June 2017, was drawn on 18 January 2018 and subsequently the Company 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 Company's option in cash or ordinary shares at the conversion price. The Company 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.

On the 6 January 2020 the Company allotted 19,535,676 new ordinary shares of £0.01 each to holders of the Unsecured Convertible Note, comprising 16,479,895 for the conversion of £25,000 of notes and a further 3,055,781 New Ordinary Shares for accumulated interest.

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 £700,000 which have been reclassified as an equity instrument under IFRS.

Note 3

The Company issued £52,000 in unsecured convertible notes on 21 September 2020. The noteholder could convert all or part of the principal amount of its notes into ordinary shares of the Company ('Ordinary Shares') at any time at a fixed conversion price of 0.1p per Ordinary Share of £0.01 (pre-consolidation). The notes were unlisted, unsecured, transferable and could be redeemed by the Company on 19 May 2021, at the Company's option in cash or in Ordinary Shares at 0.1p per Ordinary Share. Interest accrued at 5% per annum and payable quarterly, or upon conversion, at the Company's option in cash or by issuing Ordinary Shares.

In August 2021 the loan notes converted automatically on the completion of the acquisition of Cindrigo Energy Limited and 194,931 new ordinary shares were issued in respect of such conversion.

Note 4

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

Note 5

On 6th 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 6

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.

11. FINANCE INCOME AND COSTS

	2022	2021
	£'000	£'000
Interest Income		-
Bank charges	-	1
Interest on convertible loan notes	62	173
Interest on deferred consideration and other interest payables		
Net foreign exchange costs	-	-
Premium to settle convertible loan	-	-
Finance costs	62	174

12. TRADE AND OTHER PAYABLES

	2022	2021
	£'000	£'000
Trade payables	37	25
Other payables	99	-
Accrued expenses	42	120
Total trade and other payables	178	145

13. EMPLOYEE BENEFIT EXPENSE

	2022	2021
	£'000	£'000
Wages and salaries	-	-
Share options granted to directors, employees and key advisers	-	-
	-	-

14. DIRECTORS' EMOLUMENTS

All current year directors' fees were paid for by the Company's 100% subsidiary Cindrigo Limited and not recharged to the Company.

These details and the details for the other Directors can be found within the Director's remuneration report on page 20.

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 2022. 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 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>

31 December 2021

Loss from continued operations attributable to equity holders (£)	(515,000)
Weighted average number of shares of £2.667609 each	<u>142,202,476</u>
Loss per share basic (£)	<u>(0.003)</u>
Weighted average number of shares for dilutive calculation	142,202,476
Loss per share diluted (£)	<u>(0.003)</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 2022.

19. SHARE BASED PAYMENTS

On 29 July 2015, options to acquire 615,000 Ordinary Shares (“Options 2015”) were granted to employees and consultants. On 8 September 2015, options to acquire 730,000 Ordinary Shares (“Options 2015”) were granted to the directors of the Company. These Options 2015 have a fixed exercise price of 40 pence, and are exercisable in the following tranches; 25% as from the date of grant and 25% every twelve months thereafter (and are therefore fully vested after three years). They cannot be exercised after the 5th anniversary of the grant. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

On 7 January 2016, options to acquire 160,000 Ordinary Shares (“Options 2016”) were granted to consultants. These options have a fixed exercise price of 45 pence, and are exercisable in the following tranches:

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows: 25% as from the date of grant and 25% every twelve months thereafter (and are therefore fully vested after three years). They cannot be exercised after the 5th anniversary of the grant. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

	2022		2021	
	Average exercise price in £ per share option	Options (thousands)	Average exercise price in £ per share option	Options (thousands)
0.41	0.41	-	0.41	-
Granted	0.00	-	0.00	-
Forfeited	0.00	-	0.00	-
Exercised	0.00	-	0.00	-
Expired	0.00	-	0.00	-
End of period	0.00	-	0.00	-

Out of the outstanding £ (2021: £nil) share options £ (2021: £nil) were exercisable. No options were exercised in 2021 and 2022.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant-vest	Expiry date	Exercise price in £	Share options (thousands)
			2022
2016-01	2021-01	0.45	-
			-

303,000 share options granted in January 2015 expired in July 2020.

630,000 share options granted in February 2015 expired in September 2020.

The weighted average fair value of the Options 2015 determined using the Black-Scholes valuation model was 1.4 pence per option. The significant inputs to the model were share price of 38 pence at the grant date, exercise price of £0.40, volatility of 14%, dividend yield of 0% an expected option life (to expiry) of 5 years with 25% vesting each year and an annual risk free interest rate of 0.5%. The volatility measured at the standard deviation of continuously compounded share returns is based on the statistical analysis of daily share prices from listing of the Company until the grant date.

The weighted average fair value of the Options 2016 determined using the Black-Scholes valuation model was 2.49 pence per option. The significant inputs to the model were share price of 37.5 pence at the grant date, exercise price of £0.45, volatility of 14%, dividend yield of 0% an expected option life (to expiry) of 5 years with 25% vesting each year and an annual risk free interest rate of 0.5%. The volatility measured at the standard deviation of continuously compounded share returns is based on the statistical analysis of daily share prices from listing of the Company until the grant date.

20. SUBSEQUENT EVENTS

The Group has signed Framework agreement with Petroline regarding project funding (contingent on Due Diligence) and Kaishan for full turn key EPC contract, to be finalized in specific contract for Croatia 1 (Slatina 3).

The Group's largest shareholder have also provided additional £1million for the purposes Working Capital management. The funds were received by the Group in April 2023.

None of these events impact the financial statements for the year ended 31 December 2022.

21. ULTIMATE CONTROLLING PARTY

As of 31 December 2022, no one entity owns more than 50% of the issued share capital. Therefore, the Company does not have an ultimate controlling party.