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26 February 2024

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

MOU To Acquire Operation of 110MW Waste to Energy Plant in Finland

Cindrigo (LSE:CINH) is pleased to announce that it has signed a Memorandum of Understanding (the "MOU") with Amtroy OÜ (the "Seller") for the acquisition of a 50-year lease on a 110 MW Waste to Energy ("WTE") combined heat and power ("CHP") plant located in Kaipola, Finland (the "Facility"). Through the acquisition, Cindrigo is meeting its goal to expand in the renewable energy sector by expanding its operation into the Waste to Energy segment in addition to its current geothermal business.

Terms of the Memorandum of Understanding

- **Background:** The Facility consists of a 110MW WTE Plant (25 MW electricity and 85MW Steam) that was built by UPM Kymmene Corporation as an integral part of its paper mill complex in Kapiola Finland. The current owner of the entire industrial complex is Kapiola Green Port OY, a Finnish company.
- **Lease Overview:** Kaipola Green Port OY has granted Kaipola Energy OÜ ("Kaipola Energy"), which is owned by the Seller, a 50-year lease with an option for extension covering the land, buildings, and equipment essential for the full operation of the WTE Facility.
- **Status, performance:**
 - The Facility will require some maintenance and repair work at an estimated cost of up to €3 million, to commence commercial operations.
 - The Facility, at full operational capacity, based on current pricing, would generate revenues of approximately €37 million annually.
 - Commencement of commercial operations is planned for Q4 2024, with initial revenues of approximately €15 million per annum.
- **Transaction Overview:** Cindrigo has been granted a 30 day exclusivity period to acquire 100% of the shares in Kaipola Energy
- **Purchase Price:** €18.95 million for 100% of Kaipola Energy, made up of:
 - At closing, €100,000 in cash plus €15 million in Cindrigo shares, priced at €1.10 per share being 13,636,364 shares; plus
 - A deferred payment of €3.85m million in cash payable upon commencement of commercial operations; and
 - An additional earn-out payable to the Sellers of up to €3 million dependent upon EBITDA performance targets being met during the first three years following the start of commercial operations.
 - Total investment would be approximately €227,000 per MW including the estimated costs of maintenance and repair work up until the facility is fully operational.
- **Operational Commitments:** Cindrigo and the Seller have operational commitments including:
 - Cindrigo will fund the cost of maintenance and repair work required to commence commercial operations.
 - Cindrigo will pay rent on the Facility of €30,000 per month from the commencement of commercial operations, increasing to a maximum additional rent of €70,000 per month, depending on output performance.
 - The Seller will provide the Facility with biofuel meeting "green" requirements, equivalent to 3 MW per kilo.
- **Warranties:** The Seller will provide warranties regarding the Facility's condition, excluding specified renovations, ensuring transparency and confidence in the transaction.
- **Closing Conditions:** The closing of the transaction is subject to the fulfilment of the terms outlined in the MOU, including satisfactory due diligence and obtaining necessary approvals.

Commenting on the MOU, Lars Guldstrand, CEO of Cindrigo, said: *"We are excited about the opportunities presented by this transaction. The Kaipola facility is a 110 MW waste to energy combined heat and power plant that will generate early income and represent a significant asset in our portfolio. This transaction aligns with Cindrigo's long stated aim to develop a significant presence in the renewable energy sector through both geothermal and waste to energy projects and supports green domestic energy resources and production."*

****ENDS****

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Notes:

Cindrigo Group is an active clean baseload energy developer engaged in the renewable energy sector.

Cindrigo is in the process of seeking approval by the FCA of a prospectus in respect of its proposed application for re-admission to the standard segment of the Official List and to trading on the Main Market of the London Stock Exchange.