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22 March 2024

Cindrigo Holdings Limited
('Cindrigo, the 'Company' or the ‘Group’)

Final Results

Cindrigo (LSE:CINH) announces that its audited accounts for the year ended 31 December 2023 have been approved and extracts are attached to this announcement and available in full on the Company's website at www.cindrigo.com.

****ENDS****

Extracts from the Audited Accounts for the year ended 31 December 2023 are set out below:

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CEO’s Statement

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

Background

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

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

In June 2022 the Group via its wholly owned subsidiary Cindrigo Geothermal Limited acquired a minority shareholding in an Icelandic geothermal developer and 90% of the issued share capital of EES Dravacel Energetika d.o.o.("Dravacel"), a Croatian incorporated company which holds a geothermal exploration licence in respect of 57.9 km2 in Slatina, northern Croatia ("Slatina 3"). The site in Slatina is believed to be suitable for geothermal development with an initial target of a plant generating 20MW. The Company continues to evaluate other potential projects in the power and heat sector.

Strategic and Operational Review

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

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

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

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

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

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

The Company anticipates a further 6 months extension of the exploration license from April 2024 to be granted by the Croatian Hydrocarbon Agency, which will allow mobilisation and start (spud-in) of the deep level drilling. This extension is crucial to provide enough time to complete the drilling programme and the analysis of the well data to confirm all critical determinants including geothermal flow rates with the objective to move from exploration phase to exploitation phase of the Project. The Project and the GT-1 well pad is located on a property owned by Dravacel within the 55 km2 (5,500 hectare) Slatina 3 Geothermal Licence. Initial design and layouts of the Dravacel property indicate sufficient footprint for a 20 MW power plant and potentially several times that capacity.

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

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

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

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

Board of director changes

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

Other important events

Cindrigo has entered into a Framework Agreement (the “Agreement”) with Petroline Energy LLC, an Abu Dhabi based energy company (“Petroline”) for the potential financing of up to £75 million in to Cindrigo Holding’s Limited to be used for Cindrigo’s development and construction of its geothermal projects. The process has been slow, due to the delay in the readmission to trading of the Company’s share capital.
Cindrigo has entered into a Framework Agreement with Kaishan Renewable Energy Development PTE LTD, a Singapore-registered company and member of the Kaishan Group (“Kaishan”) to develop, finance, build and operate geothermal power plants. The first project targeted under the Framework Agreement is the 20 MW project led by Cindrigo development companies on the Slatina 3 geothermal license in Croatia.

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

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

Lars Guldstrand
Chief Executive Officer
Date: 21 March 2024

Financial Review
Overview

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

Loss for the year

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

Balance Sheet

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

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

Cash flow

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

Closing cash

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

Dag Andresen
Chief Financial Officer
Date: 21 March 2024

Consolidated Statement of Comprehensive Income

The statement of comprehensive income is set out below:

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

Consolidated Statement of Financial Position

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

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

Consolidated Statement of Changes in Equity

The statement of changes in equity is set out below:

	Share capital account £'000	Equity component of convertible instruments £'000	Retained earnings £'000	Non-controlling interest Total £'000	Total £'000
As at 1 January 2022	**11,879**	**3,275**	**(13,818)**	**-**	**1,336**
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 non-controlling interests				**(3)**	**(3)**
As at 31 December 2022	**12,038**	**3,456**	**(16,270)**	**(3)**	**(779)**

Consolidated Statement of Changes in Equity

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

Share capital comprises the Ordinary Shares issued by the Group.

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

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

Consolidated Statement of Cash Flows

The cash flow statement is set out below:

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

Notes to the consolidated financial statements

1. **GENERAL INFORMATION**

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

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

2. **SIGNIFICANT ACCOUNTING POLICIES**

Basis of preparation

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

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

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

Income recognition

<u>Interest income</u>

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.

<u>Other income</u>

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

Basis of consolidation

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

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

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

The following companies are consolidated into the Group financial statements:

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
Cindrigo Geothermal (Europe) Limited	U.K	Geothermal Energy	100%	Full consolidation

The following companies are not consolidated in the current year:

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

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

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

Going concern

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

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

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

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

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

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

New standards, interpretations and amendments effective from 1 January 2023

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

Standards and interpretations issued but not yet applied

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

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

Segment Reporting

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

Foreign Currency Translation

Functional and presentation currency

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

Transactions and balances

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

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

Fair value of assets

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

Cash and cash equivalents

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

Investments and other financial assets

<u>Recognition and derecognition</u>

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.

<u>Measurement</u>

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

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

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

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

Impairment of financial assets

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

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

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

Trade and other payables

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

Borrowings

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

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

Employee benefits

Short term obligations

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

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

Related Parties

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

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

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

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

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

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

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

Contributed equity

Ordinary shares are classified as equity.

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

Earnings per share

Basic earnings per share is calculated by dividing:

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

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

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

3. CRITICAL ESTIMATES, JUDGEMENTS AND ERRORS

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

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

Significant estimates and judgements

The areas involving significant estimates or judgements are:

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

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

4. FINANCIAL RISK MANAGEMENT

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

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

Foreign exchange risk

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

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

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

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

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

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

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

Interest rate risk

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

Credit risk

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

Liquidity Risk

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

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

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

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

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

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

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

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

7. INTANGIBLE ASSETS

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

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

8. SHARE CAPITAL

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

9. CASH AND CASH EQUIVALENTS

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

10. TRADE AND OTHER RECEIVABLES

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

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

11. BORROWINGS

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

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

Balance at 31 December 2023 (liability)	-	-	-	1399	752	818	391	1067	4,427
Balance at 31 December 2023 (equity)	1,000	700	1,575	68	113	216	137	229	4,038

Note 1

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

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

Note 2

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

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

Note 3

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

Note 4

On 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 5

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

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

Note 6

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

Note 7

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

Note 8

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

Other loans

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

12. FINANCE INCOME AND COSTS

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

13. TRADE AND OTHER PAYABLES

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

14. EMPLOYEE BENEFIT EXPENSE

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

15. DIRECTORS' EMOLUMENTS

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

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

The Directors were the key management personnel of the Group.

16. TAXATION

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

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

There are no unrecognised tax losses.

17. EARNINGS PER SHARE

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

31 December 2023

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

31 December 2022

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

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

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

18. RELATED PARTY TRANSACTIONS

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

During the period, consultancy fees of £120k (31 December 2022: £120k) were payable to IMM International. At the period end, no balances were due to IMM International (31 December 2022: £9k of amount payable). IMM International and Cindrigo Holdings Limited are connected by virtue of common key management personnel, L Guldstrand transactions are completed on an arm's length basis on normal commercial terms.

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

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

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

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

19. COMMITMENTS

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

20. SHARE BASED PAYMENTS

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

21. SUBSEQUENT EVENTS

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

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

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

22. ULTIMATE CONTROLLING PARTY

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

Parent Company (Cindrigo Holdings Limited) Statement of Financial Position

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

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

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

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

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

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

Lars Guldstrand
Chief Executive Officer

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

The statement of changes in equity is set out below:

	Share Capital account £'000	Equity component of convertible instruments £'000	Retained earnings £'000	Total £'000
As at 1 January 2022	**22,493**	**3,275**	**(10,578)**	**15,190**
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**

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

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

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

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

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

1. **GENERAL INFORMATION**

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

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

2. **SIGNIFICANT ACCOUNTING POLICIES**

Basis of preparation

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

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

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

Going concern

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

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

In February 2024, the Company signed a convertible loan agreement in the sum of £10 million from TriRi Asset Management, with agreed drawdown as soon as the Licence Extension for the Project is granted.
The company has the option to reduce costs, principally consulting fees payable to senior executives, to preserve cash resources.

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

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

New standards, interpretations and amendments effective from 1 January 2023

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

Standards and interpretations issued but not yet applied

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

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

Segment Reporting

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

Foreign Currency Translation

<u>Functional and presentation currency</u>

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.

<u>Transactions and balances</u>

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

<u>Recognition and derecognition</u>

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.

<u>Measurement</u>

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

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

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

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

Impairment of financial assets

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

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

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

Income recognition

Interest income

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

Trade and other payables

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

Borrowings

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

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

Employee benefits

Short term obligations

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

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

Related Parties

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

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

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

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

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

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

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

Contributed equity

Ordinary shares are classified as equity.

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

Earnings per share

Basic earnings per share is calculated by dividing:

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

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

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

3. CRITICAL ESTIMATES, JUDGEMENTS AND ERRORS

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

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

Significant estimates and judgements

The areas involving significant estimates or judgements are:

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

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

4. FINANCIAL RISK MANAGEMENT

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

Risk	Exposure arising from	Measurement	Management

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

Foreign exchange risk

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

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

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

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

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

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

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

Interest rate risk

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

Credit risk

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

Liquidity Risk

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

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

	As at 31 December 2023 £'000	**As at 31 December 2022 £'000**
0 to 3 months	95	340
3 to 6 months	-	-
6 months +	-	-
Total	95	340

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

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

5. BUSINESS SEGMENTS

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

6. SHARE CAPITAL

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

7. CASH AND CASH EQUIVALENTS

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

8. TRADE AND OTHER RECEIVABLES

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

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

9. INVESTMENTS

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

10. BORROWINGS

	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Current		

Convertible notes	4,427	2,065
Deferred cash consideration	-	48
Total	4,427	2,113

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

Note 1

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

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

Note 2

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

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

Note 3

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

Note 4

On 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 5

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

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

Note 6

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

Note 7

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

Note 8

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

11. FINANCE INCOME AND COSTS

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

12. TRADE AND OTHER PAYABLES

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

13. EMPLOYEE BENEFIT EXPENSE

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

14. DIRECTORS' EMOLUMENTS

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

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

The Directors were the key management personnel of the Company.

15. TAXATION

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

16. EARNINGS PER SHARE

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

31 December 2023

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

31 December 2022

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

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

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

17. RELATED PARTY TRANSACTIONS

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

18. COMMITMENTS

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

19. SHARE BASED PAYMENTS

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

20. SUBSEQUENT EVENTS

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

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

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

21. ULTIMATE CONTROLLING PARTY

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