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22 July 2025

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

2024 Financial Results and Operational Update

The Company, an independent developer and power producer of clean baseload energy, announces that its audited accounts for the year ended 31 December 2024 have been approved by the Board of Directors of the Company. The accounts are set out below, and the full report will also be available on the Company's website at www.cindrigo.com.

Cindrigo is pleased to also provide an **Operational and Corporate Update**.

The Company's proposed application for admission of its Ordinary Shares to trading on the Main Market of the London Stock Exchange's Equity Shares (Commercial Companies) sector (the "Listing") has experienced some delay but is now making significant progress. The Company believes the preparation of its application is in the final stages and will provide a further update once timing is confirmed.

As part of the Listing process, the Company recently invited shareholders to voluntarily commit to a three-month lock-in of their shares to help support a stable and successful market debut. We are encouraged by the initial feedback and expressions of support received. However, to finalise our plans with confidence and ensure the strongest possible start to trading, we urge all shareholders who have not yet responded to the invitation to do so as soon as possible.

To illustrate the importance of the lock-in to the listing process subject to receiving a satisfactory level of acceptances, the Company intends to thank participating shareholders by the issue a 'loyalty' warrant to participating shareholders. This lock-in should reduce the risk of short-term selling at and during the period immediately after Listing, which could create market volatility and undermine the Company's valuation and market perception at a critical early stage. A strong level of shareholder commitment at this stage will send a clear signal of long-term confidence in the Company and help ensure greater stability and credibility as the shares begin trading.

In preparation for the Listing, the Company has appointed Jack Clipsham as an Independent Non-Executive Director. Jack brings over 35 years of corporate finance experience and has advised on more than 40 IPOs, often playing a key role in preparing companies for listing. His background spans senior roles at BDO, Mazars (as Head of Corporate Finance AsiaPac), and Kreston Reeves. He is currently a Senior Consultant to K3 Advantage and brings valuable public company experience to the Board.

The Company continues to progress its expansion into renewable energy. Applications have been made to the relevant authorities for extensions of the term of the licences relating to its three geothermal energy projects in the Upper Rhine Valley, Germany. Two of these projects have already secured support under the German Government's Bundesförderung für effiziente Wärmenetze (Federal Funding for Efficient Heat Networks - "BEW"), covering 50% of preparatory costs up to EUR 1 million per project. An application for BEW support in respect of the third project has also been submitted.

The Company's Kaipola Energy plant in Finland (the "Plant") has been fully upgraded and refurbished. It is ready to commence full Combined Heat and Power ("CHP") production once the Plant's primary industrial heat off-taker's new pellet production facility becomes operational, which is expected during the second half of 2025.

Cindrigo will update shareholders on further developments as they occur.

Consolidated financial Statements

For the Year Ended 31 December 2024

Consolidated Statement of Comprehensive Income

	Notes	Year ended 31 December 2024 £'000	Year ended 31 December 2023 (Restated) £'000
Revenue	8	85	-
Other income	9	-	226
Costs of material		(5)	
Administrative expenses	10	(3,280)	(1,651)
Depreciation, amortisation and impairment		(93)	-
Impairment of financial assets	11	(5,488)	(2,057)
Operating loss		**(8,781)**	**(3,482)**
Finance costs	22	(2,676)	(280)
Loss before income taxes		**(11,457)**	**(3,762)**
Income tax expense	26	(3)	-
Loss for the year from continuing operations		**(11,460)**	**(3,762)**
Share of loss attributable to non-controlling interest		473	15
Loss for the year		**(10,987)**	**(3,747)**
Loss per share:			
Basic from continuing operations	27	(0.051)	(0.026)
Diluted from continuing operations	27	(0.029)	-
OTHER COMPREHENSIVE INCOME:			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		(9)	-
Total comprehensive loss for the year		**(10,996)**	**(3,747)**

Consolidated Statement of Financial Position

	Notes	As at 31 December 2024 £'000	As at 31 December 2023 (Restated) £'000	As at 1 January 2023 (Restated) £'000
Assets				
Non - current assets				
Property, plant and equipment	13	688	2,144	622
Right-of-use assets	14	4,378	-	-
Goodwill	15	15,533	-	227
Total non-current assets		**20,599**	**2,144**	**849**
Current assets				
Cash and cash equivalents	17	375	172	690
Inventories	18	163	-	-
Trade and other receivables	19	413	1,041	402
Total current assets		**951**	**1,213**	**1,092**
Total assets		**21,550**	**3,357**	**1,941**
Equity and liabilities				
Capital and reserves				
Share Capital	16	38,360	22,583	22,581
Shares Subscription Reserve	16a	1,356	15	15
Equity Component of Convertible Instruments	20	3,700	2,381	2,029
Share Option Reserve	24	674	-	-
Retained deficit		(41,136)	(29,928)	(27,380)
Foreign currency translation reserve (FCTR)		(9)	-	-
Non-controlling Interests		1,532	36	51
Total equity attributable to equity holders		**4,477**	**(4,913)**	**(2,704)**
Non - current liabilities				
Borrowings	20	10,590	-	-
Lease labilities	14	4,551	-	-
		15,141	**-**	**-**
Current liabilities				
Lease labilities	14	14	-	-
Borrowings	20	390	7,667	4,432
Trade and other payables	23	1,525	603	213
Tax liabilities	26	3	-	-
		1,932	**8,270**	**4,645**
Total liabilities		**17,073**	**8,270**	**4,645**
Total equity and liabilities		**21,550**	**3,357**	**1,941**

Consolidated Statement of Changes in Equity

	Notes	Share capital account	Shares on reserve	Equity component of convertible instruments	Share option reserve	Retained deficit	FCTR	Non-controlling interest	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 January 2024		22,583	15	2,381	-	(29,928)	-	36	(4,913)
Loss for the year						(10,987)		(473)	(11,460)
Open offer share capital raise		15,777	1,341						17,118
Share-based payment charge for the year					674				674
Equity Interest transferred to lender (10% of Subsidiary)								1,553	1,553
Liquidation of subsidiary	7							416	470
F/X difference on currency translation							(9)		(9)
Equity component of convertible notes				1,098					1,098
Restructuring of loan notes				221		(221)			-
Balance at 31 December 2024		**38,360**	**1,356**	**3,700**	**674**	**(41,136)**	**(9)**	**1,532**	**4,477**
As at 1 January 2023		**12,038**	**-**	**3,456**	**-**	**(16,270)**	**-**	**(3)**	**(779)**
<u>**Prior period error**</u>									
Reserve correction	5	10,543	15			(10,612)		54	-
Equity component of convertible notes	5			(1,427)		(598)			(2,025)
Creditor balance corrections	5					100			100
Restated balance as at 1 January 2023		**22,581**	**15**	**2,029**	**-**	**(27,380)**	**-**	**51**	**(2,704)**
Loss for the year						(3,747)		(15)	(3,762)
Liquidation of subsidiary		(13)				1,151			1,138

F/X difference on currency translation	15				48			63
Equity component of convertible notes			352					352
Restated balance at 31 December 2023	**22,583**	**15**	**2,381**	**-**	**(29,928)**	**-**	**36**	**(4,913)**

Consolidated Statement of Cash Flows

	Notes	Year ended 31 December 2024	Year ended 31 December 2023 (Restated)
		£'000	£'000
Cash flow from operating activities			
Loss for the period before taxation		(11,457)	(3,747)
Non-cash adjustments	28	9,656	2,320
Operating cash flows before movements in working capital		**(1,801)**	**(1,427)**
Increase in inventories		(163)	-
Increase/(decrease) in receivables		630	(639)
(Decrease)/increase in accounts payable and accrued liabilities		(39)	49
Net cash used in operating activities		**(1,373)**	**(2,017)**
Cash flow from investing activities			
Purchase of property, plant and equipment	13	(3,622)	(1,305)
Acquisition of subsidiary	6c	(1,117)	-
Net cash outflow from investing activities		**(4,739)**	**(1,305)**
Cash flow from financing activities			
Proceeds from issue of shares (net of placing fees)	16	2,368	-
Proceeds from borrowings / convertible instruments	21	4,012	2,804
Loan repayments	21	(65)	-
Net cash inflow from financing activities		**6,315**	**2,804**
Net increase/(decrease) in cash and cash equivalents		**203**	**(518)**
Cash and cash equivalent at beginning of period		172	690
Cash and cash equivalent at end of period		**375**	**172**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Cindrigo Holdings Limited (the "Company" or "Cindrigo") and its subsidiaries (together the "Group") are engaged in the development and operation of renewable energy projects, focusing on waste- to-energy ("WtE") and geothermal heat and power generation.

The Group'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 was incorporated on 24 November 2014, under Section II of the Companies (Guernsey) Law, 2008, as a company limited by shares. It is registered in Guernsey under company number 59383.

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards ("IFRS") as adopted by the European Union ("EU"). The Group's consolidated financial statements have been prepared on an accrual basis and under the historical cost convention. They have been prepared under the assumption the Group operates on a going concern basis, which assumes the Group will be able to discharge its liabilities as they fall due.

The preparation of the consolidated financial statements in accordance with IFRS as adopted by the EU requires management to make certain critical accounting estimates and to apply judgement in selecting and applying the Group's accounting policies. Areas involving a higher degree of judgement or complexity, as well as areas where assumptions and estimates have a significant impact on 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.

2.2 Income recognition

Revenue

Revenue represents the fair value of the consideration received or receivable for the sale of energy, including electricity and heat, in the ordinary course of the Group's activities.

The Group identifies its performance obligations as the delivery of energy (electricity and heat) to customers. Each contract with a customer comprises a single performance obligation, as the customer simultaneously receives and consumes the benefits of the energy supplied.

The transaction price is determined based on the agreed contractual price for the energy delivered. This price reflects the volume of energy supplied during the reporting period, adjusted for any variable consideration where applicable.

Since each contract contains a single performance obligation—the delivery of energy—the entire transaction price is allocated to this performance obligation.

Revenue from the sale of energy is recognised over time, on the basis that the customer simultaneously receives and consumes the benefits as the Group performs by delivering energy. Revenue is recognised based on the volume of energy delivered during the reporting period and the agreed price per unit.

Interest income

Interest income is recognised in accordance with the terms of the intercompany loan agreement. The effective interest method is applied only where relevant, such as in cases involving discounts, premiums, or fees. If a receivable becomes impaired, the Group reduces the carrying amount to its recoverable value — estimated based on future cash flows discounted at the original effective interest rate — and continues to recognise interest income on the unwinding of the discount where applicable.

Other income

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.

2.3 Basis of consolidation

The Group's financial statements consolidate those of the parent company and all of its subsidiaries at 31 December 2024. All subsidiaries have a reporting date of 31 December.

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

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

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 ("CL")	U.K.	Cost Centre	100%	Full consolidation
Cindrigo Geothermal Limited ("CGL")	U.K	Holding Company	100%	Full consolidation
Dravacel Energetika doo (Dravacel")	Croatia	Geothermal	90%	Deconsolidated effective 20 November 2024 due to loss of control**
Kaipolan Energia Oy ("Kaipola")	Finland	Waste to Energy Plant	90%	Full consolidation

During the current year, one additional subsidiary, Cindrigo Geothermal (Europe) Ltd, which was dormant, was not consolidated. The entity was liquidated during the year.

****Loss of Control – Dravacel**

Dravacel's principal project was the Slatina 3 Project, which was suspended during the year due to licensing issues. Specifically, the extension for the exploration license was denied, preventing the project from progressing further. As a result, Dravacel was placed into liquidation, and the Group lost control of Dravacel on 20 November 2024.
In accordance with IFRS 10 *Consolidated Financial Statements*, the Group has derecognised the assets, liabilities, and non-controlling interests associated with Dravacel as of the loss of control date. Any resulting gain or loss from the derecognition has been recognised in the consolidated statement of comprehensive income.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained and are deconsolidated from the date that control ceases.

The Group applies the acquisition method for business combinations. Intercompany transactions, balances, and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless they provide evidence of impairment.

Each subsidiary maintains its own accounting policies. Where necessary and material, adjustments are made to align the accounting policies of subsidiaries with those of the Group for consolidation purposes.

2.4 Going concern

The financial information has been prepared on the assumption that the Group will continue as a going concern. Under this assumption, the Group is considered to be operating for the foreseeable future, with no intention or requirement to liquidate, cease trading, or seek protection from creditors under any applicable laws or regulations.

In evaluating the appropriateness of the going concern assumption, the Directors have considered all relevant information available for the foreseeable future, and in particular for the period of at least twelve months from the date of approval of this financial information.

To preserve cash resources, the Group retains the flexibility to reduce certain costs, principally consulting fees payable to senior executives.

The Directors have prepared detailed cash flow forecasts through to June 2026. Based on these forecasts and taking into account the Group's current financial position, the Directors are confident that the Group has sufficient working capital to continue operating as a going concern for the forecast period.
Subsequent to the year end, the Group received an additional £2.5 million in funding from Danir to further support its cash flow and working capital requirements.

The Directors' objective in managing capital is 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 has been financed through a combination of equity and convertible notes. Going forward, 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.

2.5 New or revised Standards or Interpretations

New standards, interpretations and amendments effective from 1 January 2024

The Group has applied the following new accounting standards and amendments effective from 1 January 2024. These changes did not have a significant impact on the consolidated financial statements for the reporting period.

<u>Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants</u> <u>(Amendments to IAS 1)</u>
These amendments clarify the requirements for classifying liabilities as current or non-current. Key clarifications include:

- The right to defer settlement must exist at the end of the reporting period.
- Classification is based on the existence of the right, not the likelihood of exercising it.
- The presence of an embedded derivative in a convertible liability affects classification only if the derivative is itself an equity instrument.

The amendments also introduce disclosure requirements where non-current classification depends on future covenant compliance within 12 months.

Impact: No effect on the Group's consolidated financial statements.

<u>Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)</u>

These amendments clarify the measurement of lease liabilities in a sale and leaseback transaction. Specifically, they require that any gain or loss related to the retained right-of-use asset is not recognised.
Impact: No effect on the Group's consolidated financial statements.

<u>Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)</u>

These amendments require enhanced disclosures for supplier finance arrangements to improve transparency around their effects on liabilities, cash flows, and liquidity risk. Disclosures include:

- Terms and conditions of the arrangements
- Quantitative information on related liabilities at the beginning and end of the period
- Non-cash changes in the carrying amounts of those liabilities

Impact: The Group currently has no such arrangements in place; therefore, the amendments had no impact on the consolidated financial statements.

2.6 Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Group

At the date of authorisation of these consolidated financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB or IFRIC. None of these Standards or amendments to existing Standards have been adopted early by the Group and no Interpretations have been issued that are applicable and need to be taken into consideration by the Group at either reporting date.

The directors anticipate that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

Other than IFRS 18 'Presentation and Disclosure in Financial Statements', the new Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's consolidated financial statements.

IFRS 18 sets out the requirements for the presentation and disclosure of information in the financial statements. The standard is effective from 1 January 2027, subject to local endorsement requirements.

IFRS 18 requires a statement of financial position at the beginning of the preceding period where there has been a retrospective adjustment to the accounts or reclassification of items.

Entities may use other names for the main statements, and the totals, subtotals and line items within, as long as they are labelled in a way that faithfully represents the characteristics of the items.

The statement of profit or loss and other comprehensive income, as the name suggests, presents profit and loss for the period as well as other comprehensive income. Other comprehensive income includes income and expenses not recognised in profit or loss such as revaluation surpluses. The statement of profit or loss and other comprehensive income may be presented either as one statement or a separate statement of profit or loss and statement showing other comprehensive income.

IFRS 18 includes requirements on the grouping of information in the financial statements, and guidance to determine if information should be included in the primary financial statements or disclosed in the notes.

Entities who use management-defined performance measures, as termed within the standard, must make specified disclosures in the notes. Subtotals of income and expenses used in public communications to communicate management's view of financial performance, such as adjusted operating profit, will be in scope of this requirement.

2.7 Segment Reporting

The Chief Operating Decision Maker ("CODM"), which is the Board, is of the opinion that the Group is engaged in a single segment of business, through it identification, acquisition, development, and operation of energy-related projects. The financial information used by the CODM to manage the Group presents the business as a single segment.

Segment information is measured on the same basis as that used in the preparation of the Group's Consolidated Financial Statements.

The Group receives revenues from external customers solely through its Finnish subsidiary, Kaipola, which is held through a United Kingdom subsidiary. Other than Kaipola, none of the Group's subsidiaries received revenue from external parties during the reporting period. At the year end, the Group held no non-current assets in any geographical area outside of Guernsey, the United Kingdom, and Finland.

2.8 Foreign Currency Translation

Functional and presentation currency

The consolidated financial statements are presented in in Pounds Sterling ("GBP"), which is also the functional currency of the parent company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective Group entity using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currencies at the period-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at the period-end. They are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value, which are translated using the exchange rates at the date when the fair value was determined.

Foreign operations

For the purposes of consolidation, the assets and liabilities of Group entities with a functional currency other than GBP are translated into GBP at the exchange rate prevailing at the reporting date. Income and expenses are translated at the average exchange rate for the reporting period, unless exchange rates fluctuate significantly, in which case the rate at the date of the transaction is used.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated into GBP at the closing exchange rate at the reporting date.

Exchange differences arising from the translation of foreign operations are recognised in other comprehensive income and accumulated in the foreign currency translation reserve (FCTR) within equity. On disposal of a foreign operation, the cumulative amount of such exchange differences recognised in equity relating to that operation is reclassified to profit or loss and recognised as part of the gain or loss on disposal.

2.9 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include 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.

2.10 Inventories

Inventories are initially measured at cost, which includes all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition.

Subsequently, inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as appropriate allocations of production overheads, based on normal operating capacity. The cost of ordinarily interchangeable items is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less any directly attributable selling expenses.

2.11 Trade and Other Receivables

Trade and Other Receivables are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue. The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses.

These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

2.12 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade and other receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into one of the following categories:

- amortised cost
- fair value through profit or loss (FVTPL), or
- fair value through other comprehensive income (FVOCI).

In the periods presented the Group only holds financial assets measured at amortised cost. The classification is determined by both:

- the Group's business model for managing the financial asset, and
- the contractual cash flow characteristics of the financial asset. All revenue and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

All revenue and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

<u>Subsequent measurement of financial assets</u>

- ***Financial assets at amortised cost***

Financial assets are measured at amortised cost if the assets meet the following conditions:

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

<u>Impairment of financial assets</u>

IFRS 9's impairment requirements apply to financial assets measured at amortised cost, including loans, trade receivables and contract assets recognised under IFRS 15. The Group applies the expected credit loss (ECL) model, which uses forward-looking information to recognise credit losses on these financial assets.

In assessing ECL's, applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

‘12-month expected credit losses’ are recognised for the first category (i.e. Stage 1) while ‘lifetime expected credit losses’ are recognised for the second category (i.e. Stage 2).

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

The Group’s financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument’s fair value that are reported in profit or loss are included within finance costs or finance income.

2.13 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The depreciation methods and useful lives applied vary by subsidiary, depending on the nature of operations and asset usage. Each subsidiary follows its own approved accounting policies for depreciation, which are not overridden by the holding company unless required for consolidation purposes under IFRS as adopted by EU.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value. The depreciation periods and rates for the principal categories of assets are as follows:

- **Construction-related assets** (e.g. assets under construction, development and upgrade costs): straight-line basis over up to 10 years

- **Tangible assets** (e.g. plant, machinery, furniture and movables): written down value method at 25%, with useful lives of up to 15 year

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

2.14 Business Combinations

The acquisition method is used for all business combinations. The consideration transferred for the acquisition includes the fair values of:

- Assets transferred,
- Liabilities incurred,
- Equity interests issued by the Group,
- Contingent consideration arrangements, and
- Pre-existing equity interests in the subsidiary.

Identifiable assets and liabilities acquired are generally measured at fair value at the acquisition date. Non-controlling interests in the acquired entity are recognised either at fair value or the proportionate share of net identifiable assets, depending on the acquisition.

Acquisition-related costs are expensed as incurred.

The excess of consideration transferred and the fair value of any non-controlling interest over the fair value of net identifiable assets acquired is recognised as goodwill. If this excess is negative, the difference is recognised as a bargain purchase in profit or loss.

Deferred cash consideration is discounted to its present value using the Group's incremental borrowing rate.

Contingent consideration is classified as either equity or a financial liability, with changes in fair value recognised in profit or loss.

2.15 Goodwill

Goodwill is measured as described under "Business Combinations" in this document. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

2.16 Impairment of Assets

Goodwill and indefinite life intangible assets are tested annually for impairment, or more frequently if events suggest potential impairment. Other assets are tested for impairment when events or changes in circumstances indicate that their carrying amount may not be recoverable.

An impairment loss is recognised when the asset's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal or value in use. Impaired assets (other than goodwill) are reviewed for possible reversal of impairment at each reporting date.

2.17 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.

2.18 Leases

The Group accounts for leases in accordance with IFRS 16 Leases. At the commencement date, the Group recognises a right-of-use asset and a corresponding lease liability for all lease agreements, except for short-term leases (with a lease term of 12 months or less) and leases of low-value assets.

The lease liability is initially measured at the present value of future lease payments, discounted using the Group's incremental borrowing rate or the interest rate implicit in the lease, if readily determinable. The right-of-use asset is initially measured at cost, comprising the initial amount of the lease liability, lease payments made before commencement, and any initial direct costs.

The lease term for the leased asset is 50 years. Accordingly, the right-of-use asset is amortised on a straight-line basis over the 50-year lease term, which reflects the estimated useful life of the asset.

Payments for short-term leases, low-value asset leases, and leases of assets still under construction are recognised on a straight-line basis as an expense in the income statement. These leases are disclosed separately as off-balance sheet commitments in the financial statement notes.

2.19 Borrowings

Borrowings are initially recognised at fair value, net of directly attributable transaction costs. Subsequent measurement depends on the nature of the borrowing instrument:

Non-convertible loans are subsequently measured at amortised cost using the effective interest method**.** Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the loan. Fees paid on the establishment of loan facilities are capitalised as part of the loan to the extent that it is probable that some or all of the facility will be drawn down. Where there is no evidence of probable drawdown, such fees are recognised as prepaid costs and amortised over the term of the facility.

Convertible loans are assessed to determine whether they include an embedded derivative or qualify for split accounting. Where the conversion terms are variable and do not meet the "fixed- for-fixed" criterion, the entire instrument is classified as a financial liability at fair value through profit or loss (FVTPL), with changes in fair value recognised in profit or loss. Where the conversion option meets the fixed-for-fixed requirement, the instrument is split into a liability component (measured at amortised cost) and an equity component (representing the conversion feature), with the liability portion determined using a market interest rate for a comparable non-convertible loan.

2.20 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 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

The fair value of equity-settled share options granted to key management personnel is recognised as a share-based payment expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options at the grant date and is calculated as follows:

- **Includes**: any market performance conditions (e.g., the entity's share price);
- **Excludes**: the impact of service and non-market performance vesting conditions (e.g., profitability, sales targets, or continued employment); and
- **Includes**: the impact of any non-vesting conditions (e.g., employee savings or shareholding requirements).

The expense is recognised over the vesting period, being the period during which all vesting conditions are expected to be satisfied. At each reporting date, the Group reviews and updates its estimate of the number of options expected to vest, based on service and non-market performance conditions. Any adjustment to original estimates is recognised in profit or loss, with a corresponding impact on equity.

The options are administered by the Board, which transfers the relevant number of shares upon exercise. Proceeds received on exercise, net of any directly attributable transaction costs, are credited directly to equity.

2.21 Related Parties

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

(i) the party has the ability, directly or indirectly, through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
(ii) the Group and the party are subject to common control;
(iii) the party is an associate of the Group or a joint venture in which the Group is a venture;
(iv) the party is a member of key management personnel of the Group or the Group'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 Group or its parent.

2.22 Equity and reserves

Share capital represents the total amount received by the Company in consideration for shares issued. This includes amounts received on the issuance of both ordinary and preference shares, net of any transaction costs directly attributable to the equity issuance.

Other components of equity include the following:

- **Equity component of convertible instruments** (such as convertible loan notes) are recognised separately within equity when the instrument includes a conversion option that meets the definition of equity. The equity component is measured at the residual amount after deducting the fair value of the liability component from the fair value of the compound instrument as a whole at initial recognition. The equity component is not subsequently remeasured. On conversion, the related equity component is transferred to share capital and share premium, as applicable. If the instrument expires or is settled without conversion, the equity component remains in equity.

- **Foreign Currency Translation reserve** comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities into GBP.

- **Share option reserve** represents the cumulative fair value of equity-settled share-based payments granted to employees and others providing similar services. The reserve is increased by charges for the fair value of options over the vesting period and is transferred to retained earnings when the options are exercised or lapse.

3. CRITICAL ESTIMATES, JUDGEMENTS AND ERRORS

When preparing the Group's consolidated financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, revenue and expenses.

The following are the judgements made by management in applying the accounting policies of the Group that have the most significant effect on these consolidated financial statements.

Significant management judgements

The following are the judgements made by management in applying the accounting policies of the Group that have the most significant effect on these consolidated financial statements.

Capitalisation of plant development cost

The Group applies judgement in determining whether costs incurred in the development or repair of plant assets meet the criteria for capitalisation as per applicable accounting standards. In the case of one plant, significant repair and upgrade activities were undertaken which were assessed to enhance the asset's future economic benefits beyond its originally assessed performance. Accordingly, these costs were capitalised as part of the plant’s carrying value. Management continues to assess whether the capitalisation criteria remain valid and monitors for any indicators of impairment.

Assessment of Deferred Tax Asset Recognition

The Group has assessed the recoverability of deferred tax assets arising from deductible temporary differences and tax loss carry-forwards. Recognition of such assets requires an evaluation of the likelihood that future taxable profits will be available against which these amounts can be utilised. The assessment also considers any legal, regulatory or economic uncertainties within the relevant tax jurisdictions.

As a result of this evaluation and given the current loss-making position and uncertainty over future taxable profits, no deferred tax assets have been recognised in the financial statements.

Significant estimates

Impairment of goodwill

The Group assesses goodwill for impairment at least annually, and whenever indicators of impairment arise. This process requires significant management judgement, estimating future cash flows, and determining discount rates.

For the current reporting period, the Group engaged an independent external party to perform a valuation of the plant assets. Based on this valuation, the recoverable amounts of the relevant amount of plant exceeded their carrying amounts, indicating that no impairment of goodwill was required.

Management has reviewed and concurred with the assumptions and methodology used in the external valuation. However, this assessment remains subject to estimation uncertainty, and any changes in key assumptions may affect future impairment conclusions.

Useful lives and residual values of depreciable assets

Management reviews its estimate of the useful lives and residual values of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and environmental regulations that can make polluting assets to be depreciated more quickly.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Leases – determination of the appropriate discount rate to measure lease liabilities

The Group enters into leases with third party and as a consequence the rate implicit in the relevant lease is not readily determinable. Therefore, the Group uses its incremental borrowing rate as the discount rate for determining its lease liabilities at the lease commencement date. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over similar terms which requires estimations when no observable rates are available. The Group consults with its main bankers to determine what interest rate they would expect to charge the Group to borrow money to purchase a similar asset to that which is being leased.

These rates are, where necessary, then adjusted to reflect the credit worthiness of the entity entering into the lease and the specific condition of the underlying leased asset. The estimated incremental borrowing rate is higher than the parent company for leases entered into by its subsidiary undertakings.

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**
Foreign exchange risk	Future commercial cash flows not denominated in GBP Recognised financial assets and liabilities not denominated in GBP	Cash flow forecasting Sensitivity analysis	No hedging
Credit risk	Cash and cash equivalents, trade receivables, other receivables	Aging analysis Credit ratings	Diversification of bank deposits. Monitoring credit ratings Regular follow-ups receivables
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

Foreign exchange risk

Most of the Group's transactions are carried out in GBP. Exposures to currency exchange rates arise from the Group's borrowings, some loans are denominated in Euro (EUR) and there is one other loan which is denominated in SEK.

The Group mitigates its euro-currency exposure by maintaining a dedicated euro bank account for seamless transfers and engaging a designated agent to convert funds at competitive rates; it also executes early transfers of forecast euro inflows to match project outflows, closely monitors its net open euro position.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to key management translated into GBP at the closing rate:

	Short-term exposure		Long-term exposure
	EUR	**SEK**	**EUR**
31 December 2024			
Financial assets	-	-	4,011
Financial liabilities	-	72	5,532
31 December 2023 (restated)			
Financial assets	-	-	2,865
Financial liabilities	1,727	-	2,015

The following table illustrates the impact of changes in foreign exchange rates on the Group's financial assets and liabilities, assuming all other variables remain constant. A +/- 7% change is considered for the SEK/GBP exchange rate, reflecting the average annual volatility observed in 2024. For the EUR/GBP exchange rate, a +/- 5% change is applied, consistent with the volatility observed in 2024. These percentages have been determined based on the average market fluctuations in exchange rates over the full year ended 31 December 2024. The sensitivity analysis is based on the Group's foreign currency financial instruments held at the reporting date.

If the GBP had strengthened against the EUR by 5% (2023: 10%) and SEK by 7% (2023: NA).

	Profit for the year		Equity	Total
	EUR	**SEK**	**EUR**	
31 December 2024	67	5	9	81
31 December 2023	173	-	(85)	88

If the GBP had weakened against the EUR by 5% (2023: 10%) and SEK by 7% (2023: NA).

	Profit for the year		Equity	Total
	EUR	**SEK**	**EUR**	
31 December 2024	(67)	(5)	(9)	(81)
31 December 2023	(173)	-	85	(88)

During the year, group has recorded (£17k) [2023 - (£21k)] foreign-exchange related gains were recognised in profit or loss.

Interest rate risk

The Group's fixed-rate borrowings, including compound financial instruments such as interest-free convertible loans, are carried at amortised cost. While market interest rates are used in the initial measurement of such instruments to allocate between liability and equity components, they do not give rise to ongoing interest rate risk. This is because the carrying amounts and future cash flows of these instruments are not remeasured based on changes in market interest rates. Accordingly, the Group is not exposed to interest rate risk as defined under IFRS 7.

Credit risk

The credit risk is managed on a group basis based on the Group's credit risk management policies and procedures.

The Group's exposure to credit risk is primarily limited to its cash balances held in bank accounts and trade receivables. To mitigate this risk, the Group holds the majority of its cash and cash equivalents with reputable banks with strong credit profiles. Group's main cash resources are held with banks with an external rating of B.

Trade receivables relate to a single customer, which concentrates credit risk but is monitored regularly to ensure recoverability.

As at the reporting date, the Group's maximum credit risk exposure corresponds to the carrying amount of cash and cash equivalents and trade receivables on the balance sheet. This represents the maximum amount that could be at risk should any counterparty fail to meet its obligations.

Liquidity Risk

Liquidity risk is that the Group might be unable to meet its obligations.

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 2024 all financial assets were classified at amortised cost. A maturity analysis of the Group's financial assets is as follows:

	As at 31 December 2024 £'000	As at 31 December 2023 £'000	As at 31 December 2022 £'000
0 to 3 months	413	1,041	402
3 to 6 months	-	-	-
6 months +	-	-	-
Total	413	1,041	402

As at 31 December 2024, all financial liabilities were classified at amortised cost. A maturity analysis of the Group's non-derivative financial liabilities has contractual maturities (including interest payments where applicable) as summarised below:

	As at 31 December 2024 £'000	As at 31 December 2023 (Restated) £'000	As at 31 December 2022 (Restated) £'000
0 to 3 months	496	603	213
3 to 6 months	1,111	-	-
6 months +	15,466	7,667	4,432
Total	17,073	8,270	4,645

5. RESTATEMENT OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

During the year management identified the following matters which were incorrectly accounted for or presented in the prior periods:

a. Convertible loan notes – Adjustments:

During the year, the Group undertook a detailed review of historical convertible loan agreements and related financing instruments. This review identified several classification and measurement errors in prior periods.

In July 2021, the Group issued Series 1 and 2 convertible loan notes, including one for £1,000k and another for £700k. These were initially recorded entirely as equity upon issuance. However, it was subsequently identified that the terms granted the lender an option to receive repayment in either cash or shares. Accordingly, these instruments should have been accounted for as compound financial instruments, with a split between a liability component and an equity component. In the same month, the Group also issued Series 3 convertible loan notes amounting to £612k. These were similarly misclassified in full as equity. Following a reassessment, it was confirmed that the lender retained an option for cash repayment, thereby requiring the notes to be split between liability and equity under IAS 32. These misclassifications have now been corrected.

In October 2021, a further convertible loan of £1,575k (including the arrangement fees of £75k) was issued and similarly recognised in full as equity upon conversion. This too has been corrected in line with other and recording as compound instrument.

In December 2022, the terms of a £1.443 million loan were revised. These revised terms were not previously incorporated in the financial statements. The restated figures now appropriately reflect the financial impact of the revised agreement, in accordance with IFRS 9.

Also in December 2022, the Group received funding of £750K, which had originally been classified as a compound financial instrument. However, upon further assessment, it was concluded that the instrument lacked any equity conversion features and therefore meets the definition of a pure financial liability under IAS 32. The full amount has been reclassified as a liability. Additionally, the loan was overstated by 77k due to an error during the intercompany transfer process. Although the loan agreements were executed at the holding company level, the amount was received by the CL, the loan was incorrectly recorded in the Company's books, resulting in a mismatch.

Lastly, further adjustments were made to reflect interest accrued on these instruments in accordance with their contractual terms. In prior periods, interest expenses were not consistently accounted for. The restated financial statements now reflect the appropriate accrual of interest using the effective interest rate method.

b. Adjustments to Reserves:

The adjustment reflects the correction of following figures totalling to total £10,597k.

An amount of £10k, originally recognised in 2019 as part of Other Reserves, was incorrectly reclassified to Share Capital in a subsequent period following a change in auditors. This has now been corrected, and the amount has been reclassified back to reserves to reflect its original treatment.

In August 2020, the Company agreed to settle advisory fees amounting to (£15k) by issuing 759,442, please refer to Note 5(e) for further details.

In September 2020, the Company allotted 100,000,000 new ordinary shares of £0.01 each to holders of the Unsecured Convertible Note issued 8 June 2017 for the conversion of (£100k) of the principal value of the Notes. At the time of issuance, the nominal (face) value of the shares was not correctly recorded in the financial statements. To rectify this, the adjustment has now been processed through equity by recognising the correct nominal value within share capital, with a corresponding adjustment to reserves.

Cindrigo Energy limited (CEL), a wholly owned subsidiary acquired in July 2021, was dissolved after its investment had already been written off in the parent company's individual accounts. However, consolidation entries relating to CEL were incorrectly continued post-dissolution. A correction of (£14,037k) has been made to eliminate these residual entries, with the net effect adjusted through Retained Earnings.

Furthermore, CEL's former subsidiary, CL, became a direct subsidiary of the holding company following CEL's dissolution. As no new investment was recognised (due to no recoverable value), CL's share capital and reserves amounting to £3,422k were correctly eliminated against Retained Earnings, in accordance with IFRS guidance on common control transactions.

Dravacel was acquired in June 2022, with 90% of shares transferred for a nominal value, and
€500k committed as working capital. This was recorded as an investment in the parent company. However, the acquisition was not fully accounted for under IFRS 3 in prior consolidations. A correction has now been made to eliminate Dravacel's share capital of £612k against Retained Earnings. Additionally, a Share Premium of (£450k), adjustments to correct this made in the 2023 financial statements but relating to the June 2022 acquisition. The correction has therefore been reflected retrospectively.

c. Receipt of Funds Relating to Open Offer Pre-CEL Acquisition

A sum of £100k was received in connection with an open offer undertaken by CEL, £50k on 18 January 2022 and £50K on 1 February 2022, which utilized CL's bank account as CEL did not have its own. These funds were initially recorded under other creditors. However, following CEL's dissolution, the funds were left unaccounted for, as they remained in the creditor balance. The reclassification ensures that the funds are accurately presented in the group's accounts.

d. ECG Loan Liability Recognition

A loan liability related to ECG was assumed by the Group upon its acquisition in March 2022. However, as a step in the company reorganization, the Group decided to dispose of ECG. The loan liability was agreed to be paid by the Company. At the time of transfer, the liability was not recorded in the Company's books due to an oversight. This omission has now been rectified via restatement of prior year accounts.

e. Advisory Fees Settled by Share

In August 2020, **t**he Company agreed to settle advisory services amounting to £15k by issuing 759,442 ordinary shares for the services that is provide in relation to acquisition of CEL via share exchange. As at the reporting date, the shares had not yet been issued; however, a binding agreement was in place. Accordingly, the Company has recognised the amount within equity under "Shares to be issued reserve", with a corresponding charge to administrative expenses**.**

f. Cumulative Opening Adjustments (from Box 1)

This reflects the total net effect of all prior period adjustments identified in Box 1. These represent corrections of past errors that have been applied retrospectively to opening balances in accordance with applicable accounting standards (e.g., IAS 8 under IFRS).

The errors have been corrected by restating each of the affected financial statement line items for the prior periods as follows:

Box 1: Statement of financial position (extract) as at 1 January 2023

	31 December 2022	a. Correction of Convertible Loan Notes	b. Correction of Reserves	c. Receipt of Funds Related to Open Offer Prior to CEL Acquisition	e. Advisory Fees Settled by Share	Restated 1 January 2023
Equity						
Share Capital account	12,038		10,543			22,581
Equity component of convertible instruments	3,456	(1,427)				2,029
Accumulated deficit	(16,270)	(598)	(10,597)	100	(15)	(27,380)
Shares to be issued reserve					15	15
Non-controlling Interest	(3)		54			51
Total (A)	**(779)**	**(2,025)**	**-**	**100**		**(2,704)**
Liabilities						
Borrowings	2,407	2,025				4,432
Trade and other payables	313			(100)		213
Total (B)	**2,720**	**2,025**	**-**	**(100)**		**4,645**
Total equity and liabilities (A+B)	**1,941**	**-**	**-**	**-**		**1,941**

Box 2: Statement of financial position (extract) as at 31 December 2023

	31 December 2023	a. Correction of Convertible Loan Notes	b. Correction of Reserves	d. Correction of Other Loans	f. Cumulative Opening Adjustments (from Box 1)	Restated 1 January 2023
Equity						
Share Capital account	12,490		(450)		10,543	22,583
Equity component of convertible instruments	4,038	(230)			(1,427)	2,381
Accumulated deficit	(18,597)	(162)	450	(509)	(11,110)	(29,928)
Shares to be issued reserve					15	15
Non-controlling Interest	(18)				54	36

Total (A)	**(2,087)**	**(392)**	**-**	**(509)**	**(1,925)**	**(4,913)**
Liabilities						
Borrowings	4,741	392		509	2,025	7,667
Trade and other payables	703				(100)	603
Total (B)	**5,444**	**392**	**-**	**509**	**1,925**	**8,270**
Total equity and liabilities (A+B)	**3,357**	**-**	**-**	**-**	**-**	**3,357**

6. BUSINESS COMBINATION

On 9 April 2024, the Group acquired a 100% interest in Kaipola, a Finnish company that holds a 50-year lease over a waste-to-energy ("WtE") plant. To finance this acquisition, the Group secured a loan facility from Danir, with 10% of the Group's interest in Kaipola transferred as an arrangement fee for the financing, immediately upon acquisition. The acquisition was part of the Group's strategy to expand its portfolio of WtE projects.

a. The details of the business combination

	Amount in €'000	Exchange rate	Amount in £'000
Consideration paid			
- Shares	15,000	1.1739	12,777
- Cash (paid in 45 days after Completion)	100	1.1800	85
- Deferred cash payment on commencement of operations	3,850	1.1739	3,280
- Reduction (As per updated agreement due to early payment)	(733)	1.1976	(612)
Total consideration paid (A)	**18,217**	-	**15,530**
Add: Fair value of identifiable net liabilities (B)			
- Other creditors (Tax payments)	4	1.1739	3
Add: Non-controlling interest at acquisition (C)			
- Non-controlling interest (10%)	-	1.1739	-
Goodwill on acquisition (A-B-C) (Note 15)	**18,221**		**15, 533**

Goodwill is primarily attributable to growth expectations, expected future profitability and the substantial skill and expertise of Kaipola's workforce. It also reflects the strategic benefit of expanding the Group's presence in the Nordic region and strengthening its position in the waste- to-energy (WTE) sector. Goodwill has been allocated to the CGU and is not expected to be deductible for tax purposes.

Identifiable net assets

The fair value of the identifiable net assets acquired amounted to net liabilities of €3k. Under Finnish GAAP, the acquired company's lease arrangement was not recognised on the balance sheet but was disclosed in the notes. In applying IFRS 3 and IFRS 16 for the Group's consolidated financial statements, a right-of-use (ROU) asset and corresponding lease liability were recognised as part of the acquisition accounting. The lease agreement commenced on 1 March 2024, with lease payments beginning on 1 September 2024. As the ROU asset and lease liability were initially recognised at equivalent amounts, their inclusion had no net impact on the fair value of the identifiable net assets acquired.

b. Consideration transferred

The acquisition cost of Kaipola was settled in shares valued at €15,000k and cash amounting to €100k. Deferred cash payment amounting to €3,850k, a portion of the deferred amount was subsequently settled early, entitling the Group to a reduction in the total payable under the agreed early payment terms. An early payment reduction/ discount of €733k was applied. The remaining balance payable in relation to the acquisition as at year-end was €1,147k. The following table outlines the details:

Deferred consideration fixed at the time of	Amount in €'000	Exchange rate	Amount in £'000
acquisition (A)	3,850	1.1739	3,280
Less : Early payments made			
- October 2024	950	1.2185	782
- November 2024	300	1.1997	250
Total Early cash payment paid (B)	1,250		1,032
Less : Early payment reduction (C)	733	1.1976	612
Less : Settled through share issue (D)	720	1.2000	600
Deferred consideration payable at the year end (A-B-C)	**1,147**		**1,036**

Acquisition-related costs amounting to €26k are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of profit or loss, as part of other expenses.

c. Cash paid for Kaipola acquisition

	Note	Amount in €'000	Amount in £'000
Consideration paid at the time of acquisition	6a	**1,036**	85
Deferred consideration – part payment	6b	1,250	1,032
		1,350	1,117

7. DECONSOLIDATION OF SUBSIDIARY

In November 2024, the Company lost control over its 90% subsidiary, Dravacel, and as a result, no longer had the power to govern its financial and operating policies. Accordingly, the Company derecognised the related assets, liabilities, and non-controlling interests of Dravacel from the consolidated financial statements.

a. Consideration received

The Company did not receive any consideration in the deconsolidation of Dravacel.

b. Analysis of assets and liabilities over which the Company lost control

	November 2024 Amount (£)
Current assets	
Deposits	110,828
PL Advances	216,585
VAT receivables	438,092
Other receivables	4,603
Noncurrent assets	
Land	612,188
Asset under construction	20,303
Current liabilities	
Suppliers balances	1,282,938
Other payables	37,572
Intercompany payables	3,790,094
Capital contribution by Parent	
Capital contribution	450,104
Net liabilities	**(4,158,109)**

c. Gain on deconsolidation of subsidiary

	Amount £
Fair value of consideration received	-
Less :	
Net liabilities deconsolidated	(4,158,109)
Non-controlling interest	415,811
Write-off of historical capital contribution	450,104
Previous year F/X difference	28,753

Gain on deconsolidation	**3,263,441**

Gain on deconsolidation of subsidiary was included in other gains and losses for the year ended.

d. Reconciliation of Gain on Deconsolidation to Net Loss Recognised

In the interim financial statements, an impairment of £4,447k was recognised to fully write off the asset under construction of the subsidiary prior to its deconsolidation.

However, for the purposes of the full-year financial statements, the write-off is considered part of the overall disposal transaction, as the asset would have otherwise been derecognised on deconsolidation.

As a result, the net economic impact of the disposal is a net loss:

	Amount **£**
Gain on deconsolidation of subsidiary (Note 7c)	(3,263,441)
Asset impairment – asset under construction	4,447,493
Net loss recognised on deconsolidation of Dravacel	**1,184,052**

8. REVENUE

	31 December **2024** **£'000**	**31 December** **2023** **£'000**
Sale of energy, Heat	85	-
Total	85	-

The Group's current revenue-generating plant is Kaipola. The revenue recognised during the period relates to the sale of energy from this facility.

9. OTHER INCOME

	31 December **2024** **£'000**	**31 December** **2023** **£'000**
Other income	-	226
Total	-	226

Other income includes amount recovered from Biogasprom AB. In 2019, to facilitate the payment of the purchase price and complete the acquisition of Alternatyva Ultra LLC, the Group had made payments of €1,440k with Biogasprom AB and funds were transferred to Latvian bank account of ABL Trade Ltd. ("ABL"). Since ABL was in liquidation process of being wound up and as amount recoverable was undeterminable, the Group had fully written of the amount in 2019 and 2020 accounts.

10. ADMINISTRATIVE EXPENSES

	31 December 2024 £'000	31 December 2023 £'000
Consulting fees	889	826
Consultant bonus	775	-
Share option expense	674	-
Legal and professional fees	352	286
IR, Communication and Marketing	103	-
Travelling	140	172
Foreign exchange (gain)/loss	(17)	21
Audit, Accountancy and related services	118	113
Other administrative costs	90	91
Directors' fees	65	84
Wages and social security	29	58
Loss on parent's settlement of ex-subsidiary debt	62	-
Total	3,280	1,651

Consulting Fees

The increase in consulting fees in 2024 is mainly attributable to the appointment of a new Financial Controller and a £5k mid-year increase in the consultancy fees relating to the provisions of the services of the CEO.

Consultant Bonus

The consultant bonus relates to payments made to key personnel, which were settled through the issuance of shares. A substantial portion of this bonus was allocated to Jörgen Andersson (Non- Executive Chairman), in lieu of £230k, and to Lars Guldstrand via his company, IMM, in lieu of
£450k.

Share Option Expense

The Company operates a share-based payment scheme for senior management and key consultants. In accordance with IFRS 2 – *Share-based Payment*, a corresponding expense was recognised in the profit and loss account during the year. Under the scheme, share options were granted to key consultants, with gradual vesting period until 1 January 2027.

Legal and professional

The increase in legal and professional fees in 2024 is primarily due to higher costs associated with the preparation and review of the prospectus.

Investor Relations, Communication and Marketing

The costs under this category is primarily driven by enhanced investor relations activities and marketing efforts undertaken in preparation for the Company's anticipated listing on the LSE.

11. IMPAIRMENT LOSSES

	Note	31 December 2024 £'000	31 December 2023 £'000 (Restated)
Intercompany loans with Dravacel written off		4,329	-
Impairment loss on Dravacel Investment	7d	1,184	-
Intercompany loans write off		(25)	77
Intercompany loans with ECG written off		-	1,476
Loans assumed by Parent on ECG dissolution		-	504
Total		5,488	2,057

Dravacel, principal project, the Slatina 3 Project, was suspended during the year due to licensing issues, specifically the denial of an extension for the exploration license, which prevented further development. As a result, Dravacel was placed into liquidation, and the Group lost control of Dravacel d.o.o. on 20 November 2024.

During the year, an impairment charge of £1,184k was recorded. In addition, intercompany balances amounting to £4,329k were fully written off, representing the total amount due from the liquidated subsidiary.

As such, the financial information presented in these financial statements represents the Group's only operating segment. No further segmental information has been presented.

12. BUSINESS SEGMENTS

In accordance with IFRS 8 – *Operating Segments*, the Group has determined that the Board of Directors collectively acts as the Chief Operating Decision Maker ("CODM"). The CODM is responsible for allocating resources and assessing performance of the Group.

The Directors consider that the Group has one reportable segment, which is the identification, acquisition, development, and operation of energy-related projects. This is the sole focus of the Group's internal reporting to the CODM, who make strategic decisions based on this consolidated information.

As such, the financial information presented in these financial statements represents the Group's only operating segment. No further segmental information has been presented.

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Assets under construction	Machinery and equipment	Furniture and other movables	Development/ Upgrade cost	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Gross carrying amount						
As at 1 January 2024	612	1,532	-	-	-	2,144
Additions		2,915	73	2	632	3,622
Disposal liquidation of subsidiary	(612)					(612)
At 31 December 2024	-	**4,447**	**73**	**2**	**632**	**5,154**
Depreciation and Impairment						
As at 1 January 2024	-	-	-	-	-	-
Depreciation			(19)			(19)
Impairment		(4,447)				(4,447)
At 31 December 2024	-	**(4,447)**	**(19)**	**2**	**-**	**(4,466)**
Carrying amount 31 December 2024	**-**	**-**	**54**	**2**	**632**	**688**

	Land	Assets under construction	Total
	£'000	£'000	£'000
Gross carrying amount			
As at 1 January 2023	622	-	622
Additions		1,305	1,305
Reclassification from intangible		227	227
F/X on translation	(10)		(10)
At 31 December 2023	**612**	**1,532**	**2,144**
Depreciation and Impairment	-	-	-
Carrying amount 31 December 2023	**612**	**1,532**	**2,144**

The Group acquired **land** in Croatia as part of the acquisition of Dravacel in June 2022. The land benefitted from a license for the construction of a GEFL energy site and was linked to Dravacel's principal development, the Slatina 3 Project. During the year, the Slatina 3 Project was suspended due to licensing issues. Specifically, an application for the extension of the exploration license was denied by the relevant authorities, which prevented the project from advancing further. As a result of this regulatory setback, Dravacel was placed into liquidation, and the Group lost control of the entity on 20 November 2024.

Assets under construction related entirely to the development costs of the Slatina 3 project held through Dravacel. During the current year, due to the suspension of the project and as a result Dravacel being placed into liquidation, and the Group losing control of Dravacel on 20 November 2024, the carrying value of these assets were derecognised.

Machinery and equipment and Furniture and other movables are assets held by the newly acquired subsidiary, Kaipola. During the year, the Group incurred additional costs relating to plant improvements and enhancements to operational infrastructure.

Development/Upgrade Costs represent capitalised expenditures incurred in connection with plant improvements and infrastructure enhancements at the Kaipola facility. These investments are intended to modernise operations, improve production efficiency, and support the Group's long-term strategic objective.

14. LEASES

Right-of-use asset

	Amount £'000
Gross carrying amount	
As at 1 January 2024	-
Additions	4,452
Disposal	-
At 31 December 2024	**4,452**
DEPRECIATION	
As at 1 January 2024	-
Depreciation	(74)
At 31 December 2024	**(74)**
Carrying amount 31 December 2024	**4,378**

Lease liability

Lease liability is presented in the consolidated statement of financial position as follows:

	Amount £'000
As at 1 January 2024	-
Add : Lease additions (PV of future payments)	4,452
Add : Accretion of interest	113
Less : Lease payment(O/s creditors)	(100)
Add : Pre-operation lease payment capitalised	100
At 31 December 2024	4,565
Current	14
Non-current	4,551

Kaipola entered a 50 year lease (the "Lease") of the plant prior to its acquisition by CL in April 2024. The lease is reflected in the consolidated statement of financial position as a right-of-use asset and a lease liability. Under the

Lease, a fixed rent of €30k per month is payable up to 50% of the Plant's output, with a potential additional variable rent of up to €70k per month depending on performance above 50% output. For the calculation of the right-of-use asset and lease liability, only the fixed €30 monthly rent has been considered, and not the variable portion, as it is contingent upon future output levels. Variable lease payments are expensed in the period they are incurred. Lease rental payments commence on 1 September 2024.

Total cash outflow for the Lease for the year ended 31 December 2024 is NIL, all rental payments totaling £100k (€120k), are included in payables at the year end.

The lease agreements restrict the Group's ability to transfer, sublease, or grant rights to third parties over the leased assets or premises. Leases are generally non-cancellable, or may only be terminated upon payment of a substantial termination fee. Kaipola holds a pre-emption right against third parties if the Lessor decides to sell all or part of the properties. In such cases, the transfer price shall be based on a bank-verified binding offer made by a third party for the purchase of the leased property or a portion thereof. Any pre-emption transaction will be conducted under the same terms and conditions as the binding offer from the third party.

15. GOODWILL

GROSS CARRYING AMOUNT	Goodwill £'000
As at 1 January 2024	-
Additions	15,533
Disposal	-
At 31 December 2024	15, 533

Impairment testing

The Group tests cash-generating units (CGUs) to which goodwill has been allocated for impairment annually, or more frequently if there is an indication of impairment. Goodwill is allocated to the Kaipola CGU (the "Plant"), which is expected to benefit from the synergies of the business combination in which the goodwill was recognised.

The recoverable amount of a CGU is the higher of its fair value less costs of disposal (FVLCD) and value-in-use (VIU). The recoverable amount of the Kaipola CGU as at 31 December 2024 was determined using both valuation approaches.

Fair value less cost of disposal (FVLCD) was determined based on an independent valuation performed by a leading international valuation firm. The valuation reflects the estimated market value of the plant's underlying assets and operations, net of estimated disposal costs.

Value-in-use (VIU) was calculated using a discounted cash flow model based on a long-term forecast approved by management. The model includes detailed cash flow projections for the initial 50-year operational forecast, reflecting the expected life of the CGU, and incorporates assumptions regarding revenue growth, margins, and capital expenditure. Cash flows beyond this period were not extrapolated given the finite life of the project. The forecasted cash flows were discounted using a rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

- Forecast period: 50 years
- Discount rate: 0%
- Terminal value: Not applied (finite life)
- Growth rate: Forecast covers full life

Calculation of the value-in-use is determined by covering a fifty-year forecast approved by the management, followed by an expected cash flows for the remaining useful lives using a discounted cash flow method. The present value of the expected cash flows of cash generating unit is determined by applying a suitable discount rate reflecting current market assessments of the time value of money.

The recoverable amount of the Kaipola CGU as at 31 December 2024 was £272,326k, which exceeds the carrying value of £15,533k. As a result, no impairment loss has been recognised.

16. SHARE CAPITAL

Issued and fully paid	Number of shares	Share capital account
At 31 December 2022	142,041,530	**£'000**
		12,038
Add : Adjustment (Note 5(b) to FS)	-	10,543
At 1 January 2023(Restated)	142,041,530	22,581
Add : Adjustment	-	2
At 31 December 2023	142,041,530	22,583
Shares issued and fully paid during the year	13,636,364	12,778
- Share issue, Kaipola acquisition		
- Share issue, open offer	59,271,431	3,556
	72,907,795	16,334
Transaction costs related to share issues		
- Placing fees		(557)
At 31 December 2024	214,949,325	38,360

During the year, the Group issued a total of 72,907,795 ordinary shares, increasing share capital by £16,334k, as detailed below:

- On 24 May 2024, 13,636,364 shares were issued and registered in connection with the acquisition of Kaipola, at an issue price of €1.10 (£0.937) per share.

- In addition, 59,271,431 shares were issued under an open offer to existing shareholders, which remained open from 3 October to 15 November 2024, at an issue price of £0.06 per share.

a. SHARES SUBSCRIPTION RESERVE

As at 31 December 2024, the Group had received cash of £1,341k in respect of share subscriptions. The corresponding 22,356,651 ordinary shares were issued subsequent to the year-end.

The amount received was recorded within the Share Subscription Reserve as at the reporting date, pending the formal issuance of the shares. Upon issuance after the year-end, the reserve will be transferred to Share Capital.

17. CASH AND CASH EQUIVALENTS

	As at 31 December 2024 £'000	As at 31 December 2023 £'000	As at 31 December 2022 £'000

Cash at bank and in hand	375	172	690
Total	375	172	690

Cash and cash equivalents comprise cash at bank and in hand, held by the Group. As at the reporting date, all cash and cash equivalents are available for use by the Group without restriction. There are no balances that are pledged, held in escrow, or otherwise subject to restriction.

18. INVENTORIES

	As at 31 December 2024 £'000	**As at 31 December 2023 £'000**	**As at 31 December 2022 £'000**
Cash at bank and in hand	375	172	690
Total	375	172	690

	As at 31 December 2024 £'000	**As at 31 December 2023 £'000**	**As at 31 December 2022 £'000**
Raw materials and consumables	163	-	-
Total	163	-	-

For the year ended 31 December 2024, Inventories were recognised in profit or loss as part of cost of sales. The Group has not recorded any write-down of inventories to net realisable value during the reporting period.

19. TRADE AND OTHER RECEIVABLES

	As at 31 December 2024 £'000	**As at 31 December 2023 £'000**	**As at 31 December 2022 £'000**
Prepayments and accrued income	32	622	1
Trade debtors	105	22	23
Other debtors	276	397	378
Total	413	1,041	402

All trade and other receivables ae classified as current. The net carrying amounts of these receivables are considered to be a reasonable approximation of their fair value due to their short- term nature. As at 31 December 2024, the Group has not recognised any impairment losses on trade receivables. The Group continues to monitor credit risk and applies the simplified approach under IFRS 9 Financial Instruments to measure expected credit losses, using a lifetime expected credit loss model.

20. BORROWINGS

	As at 31 December 2024	As at 31 December 2023 (Restated)	As at 31 December 2022 (Restated)
	£'000	£'000	£'000
Current			
Loan notes	-	6,843	4,139
Other loans	390	824	293
Total	390	7,667	4,432
Non-current			
Loan notes	10,590	-	-
Other loans	-	-	-
Total	10,590	-	-

20.1 Details of Loan notes are as follows:

The table below summarises movements for each individual loan note (referred to as Note 1, Note 2, etc.). These references correspond to separate loan arrangements. General terms and specific details relating to each loan note are provided in the accompanying notes below the table.

Borrowings (Debt components)

Note	1	2	3	4	5	6	7	8	9	10	11	12	13	14 (Loan A)	14 (Loan B)	Total
Balance at 31 December 2022	-	-	-	-	1,398	715	-	-	-	-	-	-	-	-	-	2,113
Correction of Error (Note 5 to FS)	658	461	403	976	(509)	37	-	-	-	-	-	-	-	-	-	2,026
Adjusted Opening Balance (01 Jan 2023)	**658**	**461**	**403**	**976**	**889**	**752**	-	-	-	-	-	-	-	-	-	**4,139**
New Notes Issued	-	-	-	-	-	-	1,000	515	420	869	-	-	-	-	-	2,804
Equity Component of Convertible Loan	-	-	-	-	-	-	(177)		(57)	(118)	-	-	-	-	-	(352)
Finance Charge	33	23	20	49	44	38	26	12	4	3	-	-	-	-	-	252
Balance as at 31 December 2023	**691**	**484**	**423**	**1,025**	**933**	**790**	**849**	**527**	**367**	**754**	-	-	-	-	-	**6,843**
Issue of Note	-	-	-	-	-	-	-	-	-	-	2,757	1,255	-	-	-	4,012
Equity Component of Convertible Loan	-	-	-	-	-	-	-	-	-	-	-	-	(1,564)	-	(107)	(1,671)
Finance Charge	34	24	21	51	47	28	32	31	14	28	197	57	61	10	23	658
FX gain/loss	-	-	-	-	-	-	-	-	-	-	(7)	(5)	-	(38)	-	(50)
Fair Value Gain/Loss on derecognition	-	-	-	-	-	(2)	692	(12)	40	86	10	(16)		-	-	798
Restructuring of Loan Notes (Note 13)	-	-	-	-	-	(816)		(546)	-	-	(2,885)	(1,291)	5,538	-	-	0
Restructuring of Loan Notes (Note 14)	-	-	-	-	-	-	(1,573)	-	(421)	(868)	(72)			1,361	1,573	0
Balance as at 31 December 2024	**725**	**508**	**444**	**1,076**	**980**	-	-	-	-	-	-	-	**4,035**	**1,333**	**1,489**	**10,590**

Borrowings (Equity component)

Balance at 31 December 2022	1,000	700		1,575	68	113	-	-	-	-	-	-	-	-	-	3,456
Correction of error (refer to note 5)	(614)	(430)	237	(996)	489	(113)	-	-	-	-	-	-	-	-	-	(1,427)
Balance as at 1 January 2023	**386**	**270**	**237**	**579**	**557**	-	-	-	-	-	-	-	-	-	-	**2,029**

Equity Component of Convertible Loan	-	-	-	-	-	-	177	-	57	118	-	-	-	-	-	352
Balance as at 31 December 2023	**386**	**270**	**237**	**579**	**557**	**-**	**177**	**-**	**57**	**118**	**-**	**-**	**-**	**-**	**-**	**2,381**
Equity Component of Convertible Loan	-	-	-	-	-	-	-	-	-	-	-	-	1,564	-	107	1,671
Equity Component of Convertible Loan	-	-	-	-	-	-	-	-	-	-	-	-	1,564	-	107	1,671
Balance moved to retained earnings due to loan restructuring	-	-	-	(177)	-	(57)	(118)	-	-	-	-	-	(352)	-	-	-
Balance as at 31 December 2024	**386**	**270**	**237**	**579**	**557**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,608**	**0**	**107**	**3,700**

Note 1

On 29 January 2016, the Group issued further £1,000k 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 £400k of the £1,000 funding facility announced by the Group on 13 June 2017, was drawn on 18 January 2018 and subsequently the Group issued convertible note for £400k. 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 30 day 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 £700k which have been reclassified as an equity instrument under IFRS.

Note 3

On 30 July 2021, the Company completed the Reverse Takeover of CEL. On Completion of the RTO, Danir were entitled to 47,361,313 new ordinary shares but if these shares had been issued, Danir would have been obliged to make an offer under Rule 9 of the City Code on Takeovers and Mergers. To avoid this consequence, Danir received 41,238,718 new shares together with 6,122,595 zero coupon convertible loan notes. Series 3 unlisted, unsecured, zero-coupon, convertible and transferable loan notes 2031. Loan note has option to convert into shares at a fixed price of 10 pence per share.

Note 4

On 22 October 2021, the Group created up to £1,575k Series 4 unlisted, unsecured, zero-coupon, convertible and transferable loan notes 2031. Loan note has option to convert into share at a fixed price of 10 pence per share.

This loan, which was previously recorded entirely as equity, has been reassessed. It was concluded that the lender retained the right either to demand repayment or to convert the loan into equity. Accordingly, the loan has been restated in the prior year comparatives to reflect its correct treatment as a combined instrument.

Note 5

On 2 September 2022, the Group received a short-term loan from Danir of SEK 18,000k to bridge working capital needs in anticipation of a major subscription for shares, which ultimately did not proceed.

Following this, on 9 December 2022, the loan was renegotiated under revised terms, whereby the original loan and related arrangement fee of SEK 21,500k (£1,711k), a breaking fee of SEK 17,500k (£1,393k), and a new arrangement fee of SEK 8,750k (£696k) were consolidated into a total liability of approximately £3,801k. This amount was satisfied by the issue of loan notes convertible into 25,339,333 new ordinary shares at a conversion price of 15 pence per share. This loan is for the term of 10 year.

Note 6

Danir agreed to lend CINH £750k, on 9 December 2022 Danir subscribed for £750k of convertible loan notes. The loan notes are convertible at a 25% discount to the 30-day volume weighted average price (VWAP) of the Company's shares, subject to a minimum conversion price of £1.25 per share. Based on these terms, Danir is entitled to 600k new ordinary shares upon conversion.

The loan previously issued to Danir was initially recorded as a compound financial instrument, with the liability and equity components separated. Following further analysis, it was determined that, as the loan notes do not have a fixed conversion price for subscribing to shares, the conversion feature constitutes an embedded derivative. Accordingly, the convertible loan has been reclassified as a derivative financial liability. The financial statements for the year ended 31 December 2023 have been restated to reflect this change in accounting treatment in accordance with IFRS 9.

Further, on 3 October 2024, all outstanding loans, including this convertible loan, were restructured and consolidated under new loan terms. Details of the revised terms are set out in Note 13.

Note 7

On 26 April 2023, Danir lent CINH the sum of £1,000k through the subscription for £1,574k unlisted, unsecured 12% convertible loan notes. The loan notes are dated 14 May 2023, are interest-free, and are repayable after 48 months from the date of issue.

Initially, the loan notes included an option to convert into ordinary shares at a fixed price of 70 pence per share.

Subsequently, on 3 October 2024, the terms of this loan were restructured and consolidated with other existing facilities under a new loan agreement. Further details of the restructuring are provided in Note 14.

Note 8

On 15 September 2023, Danir lent CINH the further sum of £515k. The loan attracts interest at 8% per annum, rolled up and paid on maturity. This loan was repayable with 2 months.

Subsequently, on 3 October 2024, the terms of this loan were restructured and consolidated with other existing facilities under new loan agreements. Further details of the restructuring are provided in Note 13.

Note 9

In October 2023, a €500k interest-free loan with a 3-year term, repayable at the discretion of the borrower based on available free cash flow was received from Danir. Danir was entiled to a 10% interest in CGL which owns 90% of the Slatina 3 project. Loan is interest free.

Subsequently, on 3 October 2024, the terms of this loan were restructured and consolidated with other existing facilities under new loan agreements. Further details of the restructuring are provided in Note 14.

Note 10

In November 2024, a €1,000k interest-free loan with a 3-year term, repayable at the discretion of the borrower based on available free cash flow was received from Danir. Danir receives an additional 10% interest in the Slatina 3 Project through Cindrigo Geothermal (Slatina) Limited. However, the corresponding shares have never been issued.

Subsequently, on 3 October 2024, the terms of this loan were restructured and consolidated with other existing facilities under new loan agreements. Further details of the restructuring are provided in Note 14.

Note 11

Loan received from Danir in January 2024, a €3,300k loan with interest payable at 10% per annum, compounded and repaid with principal over 3 years. Repayment is contingent on available free cash flow. Danir's shareholding in Cindrigo Geothermal (Slatina) Limited is structured to be 49.1%. However, the corresponding shares have never been issued.

Subsequently, on 3 October 2024, the terms of this loan were restructured and consolidated with other existing facilities under new loan agreements. Further details of the restructuring are provided in Note 13.

Note 12

In April 2024, primarily for Kaipola repair works, a €1,500k loan with interest payable at 10% per annum, compounded and repaid with principal over 3 years was received from Danir. Repayment is contingent on available free cash flow, and Danir receives a 10% of Kaipola as arrangement fees for this loan.

Subsequently, on 3 October 2024, the terms of this loan were restructured and consolidated with other existing facilities under new loan agreements. Further details of the restructuring are provided in Note 13.

Note 13

On 3 October 2024, the loan facility was restructured and a new loan totalling £5,538k was agreed and issued under a new loan note instrument, with a conversion price of £0.06 per share. This new instrument consolidates the loans previously detailed in Notes 6, 8, 11, and 12, together with accrued interest of £273k added to the principal amount. The new loan notes carry an interest rate of 3% per annum and are due by 16 May 2035.

Note 14

On 3 October 2024, the Group restructured its existing loan arrangements into a consolidated facility comprising two components: New Loan A of €1,584k and New Loan B of £1,574k. This new facility replaced the loans previously disclosed in Notes 7, 9, and 10, and includes €86,700 of accrued interest capitalised into the principal amount of Loan A. Both loans carry an interest rate of 3% per annum and are repayable by 31 December 2026. Loan B includes a conversion feature, giving the lender the right to convert the outstanding balance into ordinary shares of the Company at a fixed conversion price of £0.70 per share.

Other loans

On 21 October 2018, Cindrigo Inc borrowed USD 296k 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. As at 31 December 2024, the outstanding balance was £318k (2023 - £315k)

There are two additional loans originally held by ECG, the liabilities of which were assumed by the Company. As at 31 December 2024, the outstanding balance was £72k (2023 - £509k).

21. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	Long-term borrowings £'000	Short-term borrowings £'000	Lease liabilities £'000	Total £'000
1 January 2024	-	7,667	-	7,667
Cash-flows:				
- Repayment		(65)		(65)
- Proceeds		4,012		4,012
Non-cash:				
- Restructuring of Loan Notes	8,472	(8,472)	-	-
- Reclassification (prior year corrections)	3,733	(3,733)	-	-
- Liability created	-	-	4,452	4,452
- Equity Component of Convertible Loan	(1,671)	-		(1,671)
- Settled by issue of shares	-	(497)		(497)
- Fair Value Gain/Loss	-	859		859
- Finance Charge accrued	94	629	113	836
- FX gain/loss	(38)	(10)		(48)
31 December 2024	**10,590**	**390**	**4,565**	**15,545**

	Short-term borrowings £'000
1 January 2023 (Restated)	4,433
Cash-flows:	
- Proceeds	2,804
Non-cash:	
- Liabilities Assumed on Disposal of Subsidiary	504
- Equity Component of Convertible Loan	(352)
- Finance Charge accrued	279
- FX gain/loss	(1)
31 December 2023	7,667

22. FINANCE INCOME AND COSTS

Finance costs for the reporting periods consist of the following:

	31 December 2024 £'000	31 December 2023 (Restated) £'000
Interest on convertible loan notes	658	252
Interest on other loans	65	28
Interest Expense on Lease arrangements	112	-
Total interest expense	835	280
Loan Arrangement Fees	1,553	-
Fair Value Loss on Loan Restructuring	288	-
Total finance cost	2,676	280

23. TRADE AND OTHER PAYABLES

	As at 31 December 2024 £'000	As at 31 December 2023 (Restated) £'000	As at 31 December 2022 (Restated) £'000
Trade payables	395	457	57
Accrued expenses	88	122	107
Other payables	1,042	24	49
Total	1,525	603	213

All amounts are short-term. The carrying values of trade and other payables are considered to be a reasonable approximation of fair value.

The increase in other payables primarily relates to the deferred consideration payable for the Kaipola acquisition, with an outstanding balance of £1,035k as at 31 December 2024 (2023: nil).

24. SHARE BASED PAYMENT

As at 31 December 2024, the Group operated a share-based payment scheme for senior management and key consultants engaged by the Group. Under this programme, options have been granted to key consultants, with a maximum term ending on 1 January 2027.

Upon vesting, each option entitles the holder to acquire one ordinary share at an exercise price of £0.05.

The scheme is accounted for as an equity-settled share-based payment in accordance with IFRS

2. The fair value of the services received is measured by reference to the fair value of the options granted, and is recognised over the vesting period through equity, with a corresponding charge to the statement of comprehensive income.

Share options and weighted average exercise prices are as follows for the reporting:

	Number of shares	Weighted average exercise price per share
Outstanding at 1 January 2024	-	-
Granted	18,075,000	0.05
Forfeited	-	-
Exercised	-	-
Outstanding at 31 December 2024	18,075,000	0.05
Exercisable at 31 December 2024	6,875,000	0.05

The fair value of the options granted was determined based on the price offered in the Group's open offer to all existing shareholders, which was open from 3 October 2024.

No options were exercised in 2024.

During the 2024, the Company recognised an expense relating to equity-settled share options granted to employees, directors, and consultants. The fair value of the share options is being amortised over the vesting period in accordance with IFRS 2 Share-Based Payment.

Reconciliation to Share Option Reserve:

Description	**Amount £'000**
Opening balance of share option reserve	-
Add: Expense recognised in the year	674
Less: Lapsed/forfeited options	-
Closing balance	674

25. DIRECTORS' EMOLUMENTS

The Directors were paid emoluments of £65k as directors' fees during the period under review £83k in 2023). The directors billed an additional of £276k (2023: £427k) as consultancy fees, booked under administrative expenses.

The Directors were the key management personnel of the Group.

26. TAXATION

Cindrigo Holdings Limited is a company incorporated in Guernsey and is subject to a corporate income tax rate of 0% as at 31 December 2024.

None of the Group's subsidiaries had any tax liability for the period, except for Kaipola, which recognised a current tax liability of £3k for the year ended 31 December 2024.

There are no unrecognised deferred tax assets or tax losses carried forward as at the reporting date.

27. 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 2024 and is as follows:

31 December 2024

Loss for the year (£)	(10,987,000)
Weighted average number of shares of £2.667609 each	152,097,735
Loss per share basic (£)	(0.072)
Weighted average number of shares for dilutive calculation	318,901,418
Loss per share diluted (£)	(0.034)

31 December 2023

Loss for the year as restated (£)	(3,747,000)
Weighted average number of shares of £2.667609 each	142,041,530
Loss per share basic (£)	(0.026)
Weighted average number of shares for dilutive calculation	142,041,530
Loss per share diluted (£)	(0.026)

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.

28. NON-CASH ADJUSTMENT AND CHANGES IN WORKING CAPITAL

	As at 31 December 2024 £'000	As at 31 December 2023 (Restated) £'000
Impairment of financial assets	5,488	2,057
Loan arrangement (Paid in shares)	1,553	-
Consultant bonus payments (Paid in shares)	775	-
Accrued finance cost	835	280
Share-based payment expenses	674	-
Fair value loss on restructured loan	287	-
Depreciation and amortisation	93	-
Foreign exchange gains/losses	(49)	(17)
Total adjustment	9,656	2,320

29. RELATED PARTY TRANSACTIONS

The following payments were made to directors or entities controlled by them during the current year:

Name of Director	Directors Fees	Insurance	Share option expense	Consultant Bonus	Consultant fees	Total
IMM International - Lars Guldstrand	15,000	1,734	285,818	450,000	175,000	927,552
Fitzrovia Advisory - Mustaq Patel	15,000	-	76,309	15,000	86,350	192,659
Jorgen Andersson	22,000	-	76,309	230,000	-	328,309
Dag Andresen	15,000	-	127,527	15,000	35,000	192,527
Johan Glennmo	11,250	-	6,709	5,000	-	22,959
Alan Boyd	7,500	-	6,709	5,000	-	19,209

The following payments were made to directors or entities controlled by them during the previous year:

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

IMM International - Lars Guldstrand	15,000	-	-	120,000	135,000
Fitzrovia Advisory - Mustaq Patel	15,000	-	-	96,000	111,000
Jorgen Andersson	22,000	-	-	-	22,000
Dag Andresen	15,000	-	-	-	15,000
Jordan Oxley	15,000	-	-	169,807	184,807
Simon Fawcett	-	-	-	41,333	41,333

As at year-end, the outstanding balance of loans received from Danir AB amounted to £10,590k (2023 restated: £6,843k). Danir AB is a related party, holding 29% of the Company's issued share capital. The loan facility includes a conversion option, allowing Danir to convert part or all of the outstanding loan into equity of the Company. During the year, the loan agreement with Danir was restructured; further details of the restructured facility are provided in Note 20 to the financial statements.

30. COMMITMENTS

The Group had not entered into any material commitments as of 31 December 2024.

31. CONTINGENT LIABILITIES

As part of the share purchase agreement ("SPA"), CL is obligated to pay an additional amount to the Amtroy OU ("SPA Seller"), if Kaipola's profits exceed €7,400k. If the average EBITDA of Kaipola over the first five-year period from the commercial operation date during a rolling 12-month period is more than €12,300k then the full earn out in the sum of €3,650k shall be paid to the SPA Seller within 28 days of the date on which the Auditors certify the average EBITDA of business. If the average EBITDA of Kaipola over the first five-year period from the commercial operation date during a rolling 12-month period is between €7,400k and €12,300k then a pro rata earn out shall be payable.

On 16 October 2024, CL and Amtroy agreed to amend the SPA so that some of the Deferred Consideration may partially be paid in advance at CL's discretion. In the event of an early payment of €750k of the deferred payment, it will reduce the deferred payment by an additional €500k and the same amount will be added to the maximum payable under the earn-out. In the event of an early payment of €1,500k of the deferred payment, the deferred payment will be reduced by an additional €850k and such amount shall be added to the maximum payable under the earn-out. If the advance payment is between €750k and €1,500k, the reduction of the deferred payment will be adjusted in a linear manner to the actual amount of the advance payment, and such amount will increase the maximum payable under the earn-out.

The earn-out, to the extent it becomes payable, shall be settled through a combination of cash and equity. Specifically, one-third (1/3) of the total amount will be paid in cash, while the remaining balance will be settled through the issue of new shares in Cindrigo Holdings Limited at a price equal to a 15% discount to the volume-weighted average price (VWAP) of Cindrigo Holdings Limited shares as at the date the average EBITDA is certified by the auditors.

This payment is contingent on future profits, and the exact amount is dependent on the extent to which profits exceed the specified limit. As of the balance sheet date, it is not certain whether this threshold will be met, and the potential liability has not been recognised in the financial statements. Kaipola will continue to monitor its financial performance and assess the likelihood and amount of any potential payment under this earn-out condition.

32. SUBSEQUENT EVENTS

Subsequent to the year-end, the Company received funds of £1.5 million pursuant to the open offer and additional share issuance. These funds will be used to support the Group's ongoing operations and development projects. All the monies are held in the bank account of Cindrigo Limited, as the Company does not maintain its own bank accounts.

Additionally, on 3 March 2025, the Group entered into definitive agreements for the acquisition of an 85% majority interest in three geothermal energy projects located in the Upper Rhine Valley, Germany.

Further funding of £2.5 million was received from Danir in May 2025 to support its cash flow and working capital requirements.

On 15 April 2025, Jack Clipsham was appointed to the Board as a Non-Executive Director. None of these events impact the financial statements for the year ended 31 December 2024.

33. ULTIMATE CONTROLLING PARTY

As of 31 December 2024, no one entity owns more than 50% of the issued share capital. Therefore, the Group does not have an ultimate controlling party.

****ENDS****

For more information please contact:

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Notes

Cindrigo is a renewable energy developer that is building a high capacity, clean baseload power generation portfolio across Europe. This includes a 110 MW biomass combined heat and power plant in Finland and three geothermal energy projects in Germany. Alongside this, the Company maintains an active development strategy with several additional renewable energy projects and licenses under evaluation.

Cindrigo has a clear vision to create shareholder value by delivering clean baseload power solutions that address two global priorities: meeting rising energy demand while improving environmental outcomes.