

# **Cindrigo Holdings Limited**



## **Annual Report and Consolidated Financial Statements**

For the year ended 31 December 2025



<b>DIRECTORS:</b>	JÖRGEN ANDERSSON, Independent Non-Executive Chairman LARS GULDSTRAND, Director & Chief Executive Officer DAG ANDRESEN, Director & Chief Financial Officer JOHAN GLENNMO, Non-Executive Director ALAN BOYD, Independent Non-Executive Director JACK CLIPSHAM, Independent Non-Executive Director - appointed 15 April 2025 MUSTAQ PATEL, Executive Director - resigned 12 December 2025
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<b>REGISTERED OFFICE:</b>	Ground Floor, Plaza House Admiral Park St Peter Port Guernsey, GY1 2HU
<b>COMPANY REGISTRATION NUMBER:</b>	59383
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### INTRODUCTION

Cindrigo Holdings Limited (the “Company” or “Cindrigo”) is a limited liability company whose shares were admitted to trading on the Equity Shares (Commercial Companies) sector of the Main Market of the London Stock Exchange on 31 October 2025.

The Company is a Guernsey-incorporated renewable energy developer and producer focused on building a high-capacity, clean baseload power generation portfolio across Europe, including Biomass and geothermal energy projects.

Cindrigo has seven directly and indirectly owned subsidiaries (Note 2.2), (together the “Group”) all of which are included in the annual report and consolidated financial statements.

### PROJECTS AT A GLANCE

#### a. BIOMASS PROJECT – FINLAND

##### Activities during the year

During the year ended 31 December 2025, capital expenditure of £1,460k was incurred in relation to the Kaipola energy plant (the “Plant”). This expenditure related primarily to plant upgrades, maintenance, and works undertaken to maintain the facility in a condition suitable for operation.

##### Project status

As at 31 December 2025, the Plant was technically ready for operation. Even though certain minor works and associated costs remained outstanding at year-end, such work to be done at time of start of the Plant.

The commencement of energy production, which had been anticipated during 2025, was delayed due to the prospective off-taker of heat not being ready to commence commercial operations and accept output from the Plant facility. As at the reporting date, the Plant was not yet operational.

##### Outlook

The Board has been advised that the off-taker is progressing towards operational readiness, and the Group is working closely with the relevant counterparty to align the timing of plant start-up. Subject to the off-taker becoming operationally ready and finalisation of the necessary commercial arrangements, the project has the potential to commence operations and generate revenues. However, the timing of this remains uncertain and dependent on third-party readiness.

##### Outlook (continued)

The Board has reviewed its strategy for the commencement of its Finnish operations and has determined that this can best be achieved by taking a more direct role in the biomass value chain through Kaipolan Energia Oy (“Kaipola”), the Group’s majority-owned operating company for the plant in Finland. It is expected that this approach will reduce reliance on individual third-party off-takers and enhance the scale, resilience and earnings visibility of the Group’s Finnish biomass operations. Accordingly, subsequent to the period end in April 2026, Cindrigo entered into binding agreements with a strategic investor group (the “Investors”) to secure funding to expand its biomass operations through the joint development of an integrated sustainable wood pellet business with Fuelwood Finland Oy (“Fuelwood”).

Cindrigo and the Investors will operate Fuelwood as a jointly funded and operated sustainable biomass business, with Cindrigo initially holding a 20% interest. Cindrigo retains the right to increase its ownership to a majority position, with the potential for further consolidation over time.

Fuelwood is expected to become the primary customer for energy from the plant and is anticipated to achieve an initial production capacity of approximately 80,000 tonnes per annum by the end of 2026, with a long-term target of approximately 400,000 tonnes per annum. At current market prices of approximately €240 per tonne, this represents potential annual revenue of up to approximately €100 million at full capacity.

Cindrigo is expected to play a central role in the development and operation of the integrated biomass business, providing support to Fuelwood under a Management Services Agreement during installation and establishment, and for at least the first year of operation, generating approximately €75,000 per month during 2026.



### **b. GEOTHERMAL DEVELOPMENT PROJECT**

#### Investment agreement

On 3 March 2025, Cindrigo entered into an investment agreement with a German company in relation to geothermal energy licences relating to 125 square kilometers land in Germany. The agreement established the framework governing the parties' respective rights and obligations in connection with the implementation of the geothermal projects, confirmed and supported the Group's participation in geothermal energy development.

During the year ended 31 December 2025, the length of all three geothermal project licences held in Germany were successfully extended:

- Eich: renewed on 1 September 2025 for 12 months to 8 September 2026.
- Worms: renewed on 31 October 2025 for 12 months to 28 November 2026.
- Weinheim: renewed on 17 November 2025 for a 3-year extension to 30 November 2028.

#### Project development status

The indicative resource potential for the 3 licence areas is circa 400MW, with a preliminary development plan of 300MW, resulting in ca 10 units/plants 30MW each. The 10 plants are planned to be developed sequential with a 6months time-lag between each. The German geothermal projects are each structured around a staged development approach. Based on current planning assumptions, the Group anticipates the following indicative timeline for first plant development, then following plants with a 6 month time-lag subject to technical results, regulatory approvals, and funding availability:

- Stage 1 – Field appraisal: 2024-2026
- Stage 2 – Final regulatory approvals, Subsidies and Funding: 2026
- Stage 3 – Drilling: 2027
- Stage 4 – Heat and Lithium Plant (On-Surface) Construction: 2027-2028
- Stage 5 - Potential commencement of operations: 2028-2030
- Stage 6 – Power Plant Construction: 2029
- Stage 7 – Full operational commencement of operations (Heat, Lithium and Power): 2029/2030

During the year, initial field appraisal activities commenced. This included the completion of 3D data processing across the relevant licence areas. Further subsurface studies and feasibility analyses form part of the ongoing field appraisal work. Project timelines are indicative only and may be revised as the projects progress.

#### Outlook

In the near term, the Group's focus will be on completing field appraisal activities, including detailed subsurface evaluation, resource assessment, and technical feasibility studies across the licence areas.

Subject to satisfactory technical outcomes and the availability of funding, the Group intends to progress to the exploration drilling phase. However, advancement beyond the current stage will depend on a combination of technical validation, regulatory approvals, and financing.

The Board considers that the progress achieved to date, including the extension of all licences and completion of initial data processing, provides a foundation for further evaluation of the geothermal portfolio and supports the continued development of the project.

The Board recognises that the projects remain at an early stage and that key uncertainties have not yet been resolved. While there is potential for the identification and development of commercially viable geothermal resources, this has not yet been verified.



### Regulatory and funding environment

On 18 December 2025, the German federal development bank Kreditanstalt für Wiederaufbau (“KfW”), in collaboration with Munich Re and the German Federal Ministry for Economic Affairs and Energy, announced a new funding programme to support deep geothermal energy projects in Germany.

The programme supports deep geothermal projects producing for municipal and industrial heat supply, offering inter alia:

- Development loans of up to €25 million per project
- A maximum loan term of five years
- Insurance coverage against geothermal drilling risks

This announcement formed part of the broader regulatory and funding framework applicable to geothermal energy development in Germany during the reporting period.

In addition, the German Federal Funding for Efficient Heating Networks (Bundesförderung für effiziente Wärmenetze, “BEW”) programme provides support for both the pre-development phase (including feasibility and planning) and the construction of heat network infrastructure.

While this programme may represent a potential source of financing, there can be no assurance that funding will be secured or as to the amount, timing, or terms of any such support. The Group continues to assess available funding options and will consider participation in relevant programs as the projects progress.



I am pleased to present Cindrigo's Annual Report and Consolidated Financial Statements for the year ended 31 December 2025, our first as a listed company following admission to the Commercial Segment of the Main Market of the London Stock Exchange on 31 October 2025. Cindrigo was founded with the goal of delivering consistent, 24/7 energy by developing sustainable energy assets in Europe. The need for secure, affordable and sustainable energy is arguably more urgent than ever. Recent geopolitical activity has highlighted the importance of energy security and alongside this, increasing electrification, population growth, and the transition to lower-carbon energy systems are exacerbating demand. Recognising this significant demand, Cindrigo is building a diversified portfolio of sustainable energy assets, utilising proven technology and expertise to take a leading role in the evolving European energy market.

### **Finland - biomass**

In Finland, the Group entered into a long-term lease arrangement in April 2024, covering a 110 MW biomass combined heat and power ("CHP") plant and associated biomass handling facilities, for Kaipolan Energia Oy ("Kaipola"). During the year, the Board undertook a strategic review, which concluded that an integrated biomass model - combining upstream biomass production with downstream heat and power generation - would provide a more resilient and scalable platform.

Following this review, and as announced on 29 April 2026, the Company has identified a strategic opportunity to expand its biomass platform by vertically integrating its energy business with a sustainable wood pellet business, through a Joint venture agreement. Fuelwood is expected to become the primary customer for energy from the plant, enabling the production and sale of wood pellets alongside energy generation. Cindrigo, via Kaipola, is also providing support to Fuelwood under a Management Services Agreement, which is expected to generate approximately €1 million of revenue in 2026.

As part of this joint venture, and to support the Company's expansion, Cindrigo has entered into binding agreements with a strategic investor group (the "Investors") covering a total of just over £11 million in investments and guarantees. Under the terms of the agreement the Investors will provide approximately £6.7 million in equity funding for Cindrigo at a price of 12 pence per share and contribute a further €3 million into Fuelwood. Cindrigo will also provide a €1 million development loan to Fuelwood.

In addition, the Investors have also committed up to £2 million under a separate subscription arrangement, which will be drawn if the Company's warrants, exercisable up until 31 July 2026, are not exercised. The same Investor also has the right to subscribe for a further £2 million under a separate investment arrangement.

This funding and joint venture agreement marks a major milestone for our Company and we are now poised for commercial growth. Through this integrated model, Cindrigo will combine heat and power generation with biomass production and sales, enabling multiple complementary revenue streams, including heat, power, pellet sales and management services, while achieving operational, cost and commercial synergies

Fuelwood is targeting an initial production capacity of approximately 80,000 tonnes per annum, with commissioning now expected by the end of 2026 following delays in funding timelines, and a long-term target of approximately 400,000 tonnes per annum. At current market prices of approximately €240 per tonne, this could represent a potential annual revenue of up to approximately €100 million at full capacity. While these targets remain subject to successful project delivery, we are committed to establishing Fuelwood as one of Europe's largest sustainable wood pellet production facilities. Our focus is now on execution, and while the timing of full operations at Kaipola has been delayed from earlier expectations, primarily due to funding and off-take arrangements, the integrated approach is expected to enhance overall asset utilisation and support long-term value creation.

### **Germany - geothermal**

In Germany, the geothermal development continues to progress on the Group's three geothermal licences located in the Upper Rhine Valley, a well-established geothermal production region. The Weinheim, Worms and Eich licences collectively cover approximately 125 km<sup>2</sup> and have an eventual target capacity of approximately 300 MW across district heating and electricity generation, with additional potential from lithium extraction from geothermal brine. Geothermal energy provides reliable baseload renewable power and remains a core component of the Group's long-term strategy.



During the year, all three licences were extended, finalising the Group's 85% interest in the initial projects. Development continues on a phased basis, supported by technical work, permitting activities and engagement with funding partners.

The German regulatory environment remains supportive, with government-backed programmes, including KfW and associated insurance frameworks, designed to mitigate drilling risk and support geothermal development.

### Corporate

A key achievement during the year was the Company's admission to the Official List of the FCA and to trading on the Main Market of the London Stock Exchange. This milestone provides a strong platform to broaden the Company's investor base and support future capital raising.

The Company was also awarded the London Stock Exchange Green Economy Mark, recognising that a significant proportion of its activities contribute to the global green economy.

### Financial Review

For the year ended 31 December 2025, the Group generated revenue of £263k (2024: £85k) and recorded a loss for the year of £6,791k (2024: £10,987k). The improvement in the loss position primarily reflects lower finance costs and the absence of impairment charges in the current year.

Total assets increased to £24,179k (2024: £21,550k), driven mainly by capitalised development expenditure and an increase in current assets.

### Outlook

Looking ahead, I believe Cindrigo is well positioned for growth. The Group benefits from:

- an operationally aligned integrated biomass platform in Finland
- a strategic joint venture structure supporting scale and execution
- a progressing geothermal portfolio in Germany
- strong policy support across Europe for baseload renewable energy

A successful securing of funding and establishment of the Fuelwood joint venture represent a significant step forward, enabling the transition from development to execution across the Group's biomass operations.

The Board is now focused on disciplined delivery of this strategy, progressing commissioning and production in Finland and advancing the geothermal portfolio in Germany, with the objective of building a scalable and diversified sustainable energy platform.

### Forward-Looking Statements

This Chairman's Statement contains forward-looking statements that reflect the Company's current expectations, intentions and projections regarding future events, operational developments, financial performance and strategic progress. Forward-looking statements are identified by words such as "expects", "anticipates", "intends", "plans", "believes", "targets", "may", "will", "could", "should" and similar expressions.

These statements are based on a number of assumptions regarding the Group's present and future business strategies, the environment in which the Group operates, and the availability of funding and regulatory support. Forward-looking statements involve known and unknown risks, uncertainties and other factors—many of which are beyond the control of the Group—that may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements.

Such factors include, but are not limited to, project development timelines, operational performance, regulatory approvals, market conditions, financing availability, commodity prices, construction and commissioning risks, and broader economic conditions.



Nothing in this statement should be construed as a profit forecast or profit estimate. Forward-looking statements speak only as at the date of this Annual Report. Except as required by applicable law, the FCA Listing Rules or the UK Market Abuse Regulation, the Group undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Finally, I would like to thank our employees, partners and shareholders for their continued support during a year of significant transition for the Group.

**Jörgen Andersson**

Chairman

Date: 28 April 2026



### INTRODUCTION

The Directors present their Strategic Report on the Group for the year ended 31 December 2025.

This Strategic Report sets out the Group's business model and performance, together with the principal and emerging risks and uncertainties faced by the Group. The Report provides an overview of how the Group's renewable energy activities, asset portfolio and development pipeline are aligned with its strategic objectives and long-term value creation, having regard to the interests of key stakeholders and the broader energy transition. The information presented should be read in conjunction with the Chairman's Report and the consolidated financial statements for the year.

### PRINCIPAL ACTIVITY AND BUSINESS MODEL

The Group is a renewable energy developer and producer focused on the ownership, development and operation of renewable baseload energy assets across Europe. Its principal activities are concentrated on biomass and geothermal power generation, combining operational infrastructure with a pipeline of development projects in strategically selected markets.

Following a period of portfolio repositioning, the Group is establishing a focused renewable energy platform underpinned by development-stage assets. The Group holds a 90 per cent interest in a 110 MW biomass combined heat and power ("CHP") plant in Finland. The plant is in the final stages of preparation for commercial operations. Once operational, capacity is expected to ramp up in phases and will not reach the full 110 MW output immediately. The asset is expected to represent a significant source of revenue generation for the Group over time. In addition, the Group holds an 85 per cent interest in Zukunft Geoenergie GmbH ("ZGE"), which has secured usage rights to three geothermal licenses in the Upper Rhine Valley in Germany, a region renowned for strong geothermal resources and supportive regulatory and financial frameworks.

The Group's business model is based on identifying, acquiring and developing high-quality renewable energy assets with long operating lives and stable cash flow characteristics. The Group seeks to create long-term value through disciplined capital allocation, technical expertise and strategic partnerships, progressing assets from development through to operation while retaining flexibility to optimize its portfolio as market conditions evolve.

### BUSINESS REVIEW

On 31 October 2025, the Company completed the admission of its issued and to be issued share capital to the Official List of the FCA in the UK and to trading in the Equity Shares (Commercial Companies) sector of the Main Market of the London Stock Exchange.

For the year to 31 December 2025, the Group made a loss £6,791k (2024: loss £10,987k). As at 31 December 2025, the Group had cash resources of £706k (2024: £375k).

The Chairman, in his Report has summarised the activities of the Group during the financial year ended 31 December 2025.

#### ***Alternative performance measures***

The Group uses certain alternative performance measures ("APMs") that are not defined or recognised under IFRS Accounting Standards as adopted by European Union ("EU"). These APMs are presented to provide additional information about the Group's underlying financial performance and position. These APMs are used by management for internal performance analysis and decision-making. APMs should not be considered in isolation, or as a substitute for, financial information presented in accordance with IFRS Accounting Standards as adopted by EU.

The APMs used by the Group are defined below and reconciled to the most directly comparable IFRS Accounting Standards as adopted by EU measures for both the current and prior year.

**EBITDA:** Operating result before interest costs, taxation, depreciation and amortisation. Management uses EBITDA as a measure of the Group's underlying operating performance, as it removes the effects of financing decisions and non-cash charges.

**Adjusted EBITDA:** EBITDA further adjusted to exclude share-based payment charges, one-off listing costs and foreign exchange gains or losses. Management believes Adjusted EBITDA provides a clearer view of the underlying recurring operating performance of the Group by excluding items that are non-cash (share based payments), non-recurring (one-off listing costs / impairment of non-financial assets) and driven by factors



outside the control of the Group (foreign exchange movements).

Adjusted EBITDA enables more consistent and meaningful comparison of performance between reporting periods.

**Net Debt / (Net Cash):** Total borrowings less cash and cash equivalents. Management uses net debt as a measure of the Group's financial leverage and overall balance sheet strength.

The table below reconciles each APM to the closest IFRS Accounting Standards as adopted by EU measure:

	Year ended 31 Dec 2025 £'000	Year ended 31 Dec 2024 £'000	IFRS Accounting Standards as adopted by EU Reference
<b>EBITDA Reconciliation</b>			
Loss before income tax	(6,850)	(11,457)	Consolidated Statement of Comprehensive Income
Add back:			
Interest costs	956	835	Note 24
Depreciation, amortisation and impairment	229	93	Consolidated Statement of Comprehensive Income
<b>EBITDA</b>	<b>(5,665)</b>	<b>(10,529)</b>	
<b>Adjusted EBITDA Reconciliation</b>			
EBITDA (as above)	(5,665)	(10,529)	
Add back:			
One off listing costs	1,020	223	Note 9
Termination benefits	57	-	Note 9
Share based payments	(33)	674	Note 9
Loan arrangement fees	-	1,553	Note 9
Fair value (gains) / losses	2,856	-	Note 10
Impairment of financial assets	107	(25)	Note 11
Impairment of non-financial assets	-	4,447	Note 11
Loss on loss of control of subsidiary	-	1,066	Note 11
Foreign exchange losses / (gains)	24	(17)	Note 9
<b>Adjusted EBITDA</b>	<b>(1,634)</b>	<b>(2,608)</b>	
<b>Net Debt Reconciliation</b>			
Cash and cash equivalents	706	375	Consolidated Statement of Financial Position
Less:			
Borrowings (current and non-current)	(9,352)	(10,980)	Note 21
<b>(Net Debt) / Net Cash</b>	<b>(8,646)</b>	<b>(10,605)</b>	



### PRINCIPAL AND EMERGING RISKS

The Board has considered its risk appetite across the key risk categories facing the Group, having regard to the UK Corporate Governance Code (January 2024) (Provisions 29–30). The Board’s risk appetite is set out below and forms the framework within which risks are assessed, managed and reported.

Risk Category	Risk Appetite	Rationale
Strategic / Development	Moderate – High	The Group accepts meaningful development risk as core to its business model, provided exposure is managed through phasing and insurance.
Operational	Moderate	Operational disruption and financing delays at the Kaipola Plant directly impacts revenue; the Group seeks to minimise this through diversification and contingency planning.
Financial / Funding	Moderate – High	The Group has limited financial resources as at the balance sheet date, with the funding risk being the primary constraint on execution or operational and development plans, however this is actively managed
Regulatory / Environmental	Very Low	Regulatory breach or environmental incidents are unacceptable given reputational and licence-to-operate consequences
Currency	Moderate	Some FX exposure is inherent in operating across multiple currencies, however is actively managed.

There are a number of risks associated with entities focused on renewable energy generation projects. The Board regularly reviews the risks to which the Group is exposed and endeavours to minimise them as far as possible. The principal risks and uncertainties facing the Group are described below, together with an assessment of likelihood and impact (High/Medium/Low), the current trend, applicable mitigations and linkage to the Group’s Viability Statement and stress-test scenarios.

It should be noted that the list is not exhaustive and that other risk factors not presently known or currently deemed immaterial may become relevant.

Risk	Description	Likelihood	Impact	Trend	Mitigation
Operational Risks for the Kaipola Plant	<p>The success of the Kaipola Plant depends on a continuous supply of biomass and reliable energy off-takers.</p> <p>Additionally, all biomass feedstock is initially likely to be dependent on one supplier, increasing the potential operation cost and revenue risk.</p> <p>A three month supply interruption is estimated to reduce Group’s revenue by approximately £2m and have a corresponding adverse impact on cash flows.</p>	Medium	High	Stable →	<p>The Group is securing long-term biomass supply and energy offtake agreements while progressing supplier diversification to reduce counterparty reliance.</p> <p>Contingency measures, including alternative sourcing and inventory management, are in place, and the risk is monitored and incorporated into viability stress testing.</p>



Risk	Description	Likelihood	Impact	Trend	Mitigation
Early stage development risks	<p>No assurances that a commercially viable geothermal energy resource may be discovered in the German licence areas.</p> <p>Abortive drilling costs could be material, partially mitigated by insurance covering approximately 30-70% of drilling costs, coverage is subject to project-specific approval and may not apply to the full estimated well cost.</p> <p><i>[Source : <a href="https://www.kfw.de/About-KfW/Newsroom/Latest-News/Pressemitteilungen-Details_875520.html">https://www.kfw.de/About-KfW/Newsroom/Latest-News/Pressemitteilungen-Details_875520.html</a> ]</i></p>	Medium	High	Reducing ↓	The Group has engaged experienced geothermal specialists and retains flexibility to adapt development plans or redeploy capital as needed. Government support schemes, including BEW and KfW programmes, are expected to provide concessional financing and partial insurance coverage. The risk is monitored and incorporated into viability stress testing, including funding and project delay scenarios.
Reliance on industry participants and availability of partners	<p>The Group relies on suppliers, contractors and joint venture parties for execution and financing its operations.</p> <p>Third party credit risk and operational delays could adversely affect future cash flows.</p>	Medium	High	Stable →	The Group works with established counterparties and continues to assess and engage additional partners where appropriate. Counterparty performance is monitored, and alternative suppliers are considered where practicable.
Environmental risk	<p>The Group's operations in Finland and Germany are subject to environmental permits, emissions standards, land use consents, and sector-specific regulations. Breaches (e.g., Kaipola emissions limits or land disturbance in Germany) could lead to financial penalties, remediation costs, operational suspension, or reputational damage.</p>	Medium	High	Increasing ↑	Environmental compliance is overseen at Board level, with policies reviewed annually.



Risk	Description	Likelihood	Impact	Trend	Mitigation
Changes in laws, regulations and guidelines	Operations across the UK, Finland, and Germany are subject to laws and regulations that may change unexpectedly, potentially delaying operations or affecting project economics.	Medium	Medium	Stable →	The Group monitors the laws, regulations, and guidelines relevant to the Group so that it is able to respond as quickly as it can to changes that may both negatively and positively impact the operations of the Group.  Legal and regulatory advisers engaged in each market.
Funding risk	The Group's projects require significant upfront capital, specifically the German Geothermal drilling.  There is no guarantee of securing adequate funding on acceptable terms.	High	High	Increasing ↑	The Group is pursuing multiple funding sources, including equity, debt, and strategic partnerships, while monitoring progress and timelines to address potential funding gaps.
Currency risk	Fluctuations in exchange rates, principally between the British pound and Euro, can impact the Group's earnings and cash flows. FX losses of £24k were recorded in 2025 (2024: gain £17k). A stronger Euro relative to the pound could materially affect results, financial condition, and liquidity.	Medium	Medium	Increasing ↑	The Group mitigates its Euro-currency exposure by maintaining a dedicated Euro bank account with early transfers of Euro inflows to match Euro outflows. Net open euro position closely monitored.
Market conditions	General economic conditions, including interest rates and inflation, may affect project economics and the Group's ability to raise capital or secure offtake agreements at acceptable prices.  The Group also faces competition from better-resourced organisations.	Medium	Medium	Stable →	The Board considers and reviews all market conditions to try and mitigate any risks that may arise from these.



Risk	Description	Likelihood	Impact	Trend	Mitigation
Key personnel risk	The Group depends on a small number of key individuals. Loss of key personnel could materially affect execution of the business plan and investor confidence.	Low	High	Stable →	Remuneration Committee evaluating competitive compensation and incentive schemes.  Long-term incentive plan under consideration.  Succession planning to be developed as part of Nomination Committee framework.

### Emerging Risks

In addition to the principal risks above, the Board has identified the following emerging risks which are not yet considered to meet the threshold of a principal risk but are actively monitored:

- Physical climate risk: Changes in biomass availability arising from changing weather patterns in Northern Europe could affect feedstock supply and cost at the Kaipola Plant over the medium term. The Group is developing its climate risk assessment framework (see TCFD disclosure in the Corporate Governance Report).
- Energy market reform: Evolving European energy market regulation, including potential changes to biomass sustainability criteria under the EU Renewable Energy Directive (RED III), could affect the Kaipola Plant's regulatory and commercial position. The Group actively monitors regulatory developments in Finland and at EU level.
- Geopolitical risk: Continued geopolitical instability in Central and Eastern Europe and the Middle East may affect energy prices, supply chains and the availability of project financing in the Group's operating markets.

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Note 4 of the consolidated financial statements details the financial risk factors affecting the Group and summarises the Group's policies for mitigating such risks through holding and issuing financial instruments. These policies have been followed during the current and prior year.

### ON BEHALF OF THE BOARD

**Lars Guldstrand**

CEO

28 April 2026



The Directors present their report, together with the audited consolidated financial statements, for the year ended 31 December 2025.

### COMPANY INFORMATION

The Company is a publicly listed company incorporated and domiciled in Guernsey. Its registered office is at the Ground Floor, Plaza House, Admiral Park, St Peter Port, Guernsey, GY1 2HU.

The Company's Ordinary Capital was admitted to the Official List of the FCA in the UK and to trading on the Equity Shares (Commercial Companies) sector of the Main Market of the London Stock Exchange on 31 October 2025 such admission, was complemented by an issue of shares to raise gross proceeds of £2,040k.

The Company's principal activity is focused on renewable energy, waste to energy and the biomass energy sectors.

### RESULTS AND DIVIDENDS

For the year to 31 December 2025, the Group made a loss £6,791k (2024: loss £10,987k).

The Directors do not recommend the payment of a dividend (2024: £Nil).

The Directors believe the Company should seek to generate capital growth for its Shareholders and may recommend distributions at some future date when it becomes commercially prudent to do so, having regard to the availability of the Company's distributable profits and the retention of funds required to finance future growth.

### DIRECTORS' AND OFFICERS' INDEMNITY INSURANCE

During the financial year, the Group maintained insurance cover for its Directors and Officers under a Directors' and Officers' liability insurance policy. The Group has not provided any qualifying indemnity cover for the Directors.

### BUSINESS REVIEW, FUTURE DEVELOPMENTS AND KEY PERFORMANCE INDICATORS

A review of the business, future developments and key performance indicators are outlined in the Chairman's Report and the Strategic and Corporate Governance Report.

### DIRECTORS AND DIRECTORS' INTERESTS

The Directors who held office during the year under review, and as at the date of this report, were as follows:

Jörgen Andersson	Independent Non-Executive Chairman
Lars Guldstrand	Director & Chief Executive Officer
Dag Andresen	Director & Chief Financial Officer
Mustaq Patel – resigned 12 December 2025	Executive Director
Johan Glennmo	Non-Executive Director
Alan Boyd	Independent Non-Executive Director
Jack Clipsham – appointed 15 April 2025	Independent Non-Executive Director

The board comprises a range of skills and experience that complement the strategic directors of the Group and whose profiles are detailed below:

#### ***Jörgen Andersson – Independent Non-Executive Chairman (Senior Independent Director)***

Jörgen Andersson brings extensive experience in the energy sector spanning both business and public policy. He previously served as Chairman of Vattenfall AB, the Swedish state-owned multinational power company, and as a board member of Sydkraft, now part of E.ON SE. He served as Mayor of Halmstad City from 1976 to 1994 and as a member of the Swedish government, holding the role of Minister of Energy and Interior from 1994 to 1999. Prior to his appointment to the Board of Cindrigo Holdings, he served as Chairman of Cindrigo Energy.

Share and option holding not considered material, no connection to major shareholders and not involved in the day to day management of the Group hence considered independent.



### ***Lars Guldstrand – Director & Chief Executive Officer***

Lars Guldstrand has more than 35 years of executive and international investing experience in the energy, technology, telecom and media sector. He has held executive positions in private and public companies across Europe, the United States, the Middle East and Africa, including as CEO of Eniro AB (publ) and CEO of KMW Renewable AB. He is currently serving as the Chairman of Ellge Kapital I Stockholm AB and Bergasols Stiftelse.

Mr Guldstrand holds a Master of Business Administration from California Coast University.

### ***Dag Andresen – Director & Chief Financial Officer***

Dag Andresen has over 25 years of senior corporate and banking experience. He has previously served as Group CFO and First Senior Executive Vice President of Vattenfall (Sweden), Executive Vice President & CFO at Vestas Wind Systems A/S (Denmark) and Head of Nordea Bank Business Area Transaction and Finance Banking and Group Chief Audit Executive. Mr Andresen was a director of CEL from its establishment to its dissolution.

### ***Johan Glennmo – Non-Executive Director***

Johan Glennmo has over 25 years of leadership experience in technology, business development, and entrepreneurship. He currently serves as Chairman of Danir AB, having previously served as its President from 2012 to 2021, and has held senior roles at Epsilon AB where he oversaw multiple subsidiaries and managed IT operations. He has been a director of over 30 companies spanning technology, energy, and property and sports management. Mr Glennmo holds a Bachelor of Science in Business Economics and Computer Science from the University of Tampa.

### ***Alan Boyd – Independent Non-Executive Director***

Alan Boyd has over 45 years of experience in technology, media and intellectual property across start-up, high-growth and publicly listed companies in Europe, America, Australia and Asia. As the 32nd employee at Microsoft, he served as its first Manager of Product Development reporting directly to Bill Gates, playing a key role in launching products including Microsoft Office, MS-DOS and Windows. Following his time at Microsoft, he has advised government agencies in the USA and China, co-founded smart city and technology companies, and served as an Expert Witness to the US Treasury Department. He is currently Founder and Chairman of Metadventures Global, a venture capital firm focused on WEB3 technologies.

No shareholding and option holding not considered material, no connection to major shareholders and not involved in day to day management of the Group hence considered independent.

### ***Jack Clipsham – Independent Non-Executive Director – appointed 15 April 2025***

Jack Clipsham is a corporate finance specialist with over 35 years of experience across advisory and transaction services, including strategic development, M&A, private equity and over 40 Capital Market IPOs as Reporting Accountant. He has held senior roles at BDO, Mazars and Kreston Reeves, and is currently Senior Advisor to K3 Advantage. He has also served as Group CFO of a Med-Tech business and as Non-Executive Director and Audit Committee Chair of Totally Plc, an AIM-listed healthcare group.

No shareholding or option holding, no connection to major shareholders and not involved in day to day management of the Group hence considered independent.

### ***Mustaq Patel – Executive Director - resigned 12 December 2025***

Mustaq Patel has served as a Director of the Company since August 2020 until his resignation on 12 December 2025. He has a background in mergers and acquisitions and corporate legal affairs, having acted for major clients including Hewlett Packard, Ford Motor Company and the Royal Bank of Scotland, and previously served as Head of Corporate and Legal Affairs at Jumar Holdings Ltd. He also spent two years working for the Government of Brunei on asset recovery and restructuring for the Brunei Investment Agency, and has served as an advisor to the World Health Organisation. Mr Patel holds a Business Studies Degree and CPE Legal Exams from the University of West London.

The beneficial interests of the Directors who held office at 31 December 2025 and their connected parties in the share capital of the Company is included in the Remuneration Report on pages 22 to 27.



### SUBSTANTIAL SHAREHOLDERS

The Company has been notified of the following interests of 5 per cent or more in its issued share capital as 2 April 2026.

	Number of Ordinary shares	Percentage of holding
Danir AB	91,238,731	27.49%
Lars Guldstrand	17,892,615	5.39%

It is noted no movement in number of shares held by the parties above since Admission.

### DIRECTORS' REMUNERATION

Directors' remuneration is disclosed in the Directors' Remuneration Report on pages 22 to 27.

### POST REPORTING DATE EVENTS

Details of post reporting date events are disclosed in Note 34 of the consolidated financial statements.

### ENVIRONMENTAL AND SOCIAL GOVERNANCE ("ESG") AND STREAMLINED ENERGY AND CARBON REPORTING

This is referred to in the Corporate Governance Report on pages 28 to 36.

### POLITICAL AND CHARITABLE CONTRIBUTIONS

No charitable or political donations were made in the 2025 financial year.

### GOING CONCERN

The consolidated financial statements have 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, being a period of at least twelve months from the date of approval of these consolidated financial statements, based on forecast cash flows through April 2027.

The Directors' assessment of the Group's ability to continue as a going concern involves significant judgement, particularly in relation to funding availability, project execution timelines and the timing of future cash inflows.

As at the date of approval of these consolidated financial statements, the Group have secured funding commitments and guarantees in the amount of approximately £11.3 million.

- £6.7 million equity investment into Cindrigo at a price of 12 pence per share.
- €3 million been secured for the Fuelwood joint venture, this amount plus a €1 million development loan from Cindrigo, a total of €4 million which is sufficient to support Fuelwoods establishment and initial operational phase.
- Up to £2 million under a separate subscription arrangement, which will be drawn if the Company's warrants due for exercise at the end of July are not exercised.

No cash has been received in respect of these arrangements as of publishing of the Annual Report, cash for the equity investment and Fuelwood is expected to be received during May 2026, and any potential cash related to the Warrant guarantee would be expected in August 2026.

As such, the timing of receipt of these funds is a key assumption underpinning the Directors' assessment of the Group's ability to continue as a going concern.



The Directors have prepared detailed cash flow forecasts through to April 2027, reflecting the Group's expected funding inflows, expected operating costs and development plans. These forecasts indicate that the Group has sufficient financial resources to meet its obligations as they fall due for at least twelve months from the date of approval of these financial statements.

The Directors have also performed reverse stress testing on the cash flow forecasts to assess the level of downside required to exhaust available liquidity. This analysis incorporated severe but plausible assumptions, including delays in the commencement of production at Kaipola, and the removal of any proceeds from the exercise of warrants. Under this combined downside scenario, the Group continues to maintain a positive cash position throughout the going-concern assessment period and is able to meet its obligations as they fall due.

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.

Based on the above assessment, the Board do not believe that there are any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

Accordingly, the Directors consider that the going concern basis of preparation remains appropriate.

### **PROVISION OF INFORMATION TO THE AUDITOR**

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are individually aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as Director to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### **AUDITOR**

Grant Thornton Limited have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at forthcoming annual general meeting.

### **ANNUAL GENERAL MEETING**

This report and the consolidated financial statements will be presented to shareholders for their approval at the Company's Annual General Meeting ("AGM"). The Notice and date of the AGM will be notified to the shareholders on the website and through an RNS.

### **CORPORATE GOVERNANCE**

A report on Corporate Governance can be found in the Corporate Governance Report on page 28 to 36 of these consolidated financial statements. The Corporate Governance Report forms part of this directors' report and is incorporated into it by cross reference.

### **WEBSITE PUBLICATION**

The Directors are responsible for ensuring the annual report and the consolidated financial statements are made available on its website. The consolidated financial statements are published on the Company's website in accordance with legislation in Guernsey governing the preparation and dissemination of consolidated financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the consolidated financial statements contained therein.

### **LISTING RULES COMPLIANCE**

The Company has complied, so far as it is aware, with the applicable requirements of the UK Listing Rules during the period from admission to the Main Market of the London Stock Exchange on 31 October 2025 to 31 December 2025.

In accordance with UKLR 6.6.1, the Company confirms that no unaudited financial information was published during this period which is required to be disclosed under UKLR 6.2.23R.



### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the annual report and the consolidated financial statements in accordance with applicable law and regulations.

The Companies (Guernsey) Law, 2008 (as amended) requires the directors to prepare consolidated financial statements for each financial year. Under that law the directors have elected to prepare the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the EU and applicable law.

Under Companies (Guernsey) Law, 2008 (as amended), the directors must not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss for that period. In preparing these consolidated financial statements, the directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- Prepare the consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the consolidated financial statements comply with the Companies (Guernsey) Law, 2008 (as amended).

They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are further responsible for ensuring that the Directors' Report and other information included in the Annual Report and Consolidated Financial Statements is prepared in accordance with applicable law in Guernsey.

The maintenance and integrity of the Company's website is the responsibility of the Directors.

The consolidated financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer and the undertakings included in the consolidation taken as a whole.

### DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO DISCLOSURE AND TRANSPARENT RULES

Each of the Directors, whose names and functions are listed on page 17 confirm that, to the best of their knowledge:

- The Consolidated Financial Statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and give a true and fair view of the assets, liabilities, financial position and profit / (loss) of the Group as required by DTR 4.1.12R; and
- the Annual Report (comprising the At a Glance, Chairman's Statement, the Strategic Report, the Directors' Report and other Committee Reports), includes a fair review of the development and performance of the business and the position of the Group at the end of the year, together with a description of the principal risks and uncertainties that the Group faces, as required by DTR 4.1.8R and DTR 4.1.9R.

This report was approved and authorised for issue by the board on 28 April 2026 and signed on its behalf by:

**Lars Guldstrand**

Director & CEO

Date: 28 April 2026



The Company has established a Remuneration Committee which is responsible for reviewing, determining and recommending to the Board the future policy for the remuneration of the directors, the scale and structure of the directors' fees, taking into account the interests of shareholders and the performance of the Company and directors.

The items included in this report are unaudited unless otherwise stated.

### **STATEMENT OF CINDRIGO HOLDINGS LIMITED'S POLICY ON DIRECTORS' REMUNERATION BY THE CHAIRMAN OF THE REMUNERATION COMMITTEE, ALAN BOYD.**

As Chairman of the Remuneration Committee, I am pleased to introduce our Directors' Remuneration Report. One of the Remuneration Committee's aims is to provide clear, transparent remuneration reporting for our shareholders which adheres to the best practice corporate governance principles that are required for listed organisations.

A key focus of the Directors' Remuneration Policy is to maintain levels of remuneration that attract, motivate, and retain directors and senior executives of the highest calibre, who can leverage their experience to successfully deliver industry leading performance with the Company's long-term operational strategy.

The key activities of the Remuneration Committee are:

- to determine and agree with the Board the framework or broad policy for the remuneration of the Company's chairman, chief executive, the executive directors, the company secretary and such other members of the executive management as it is designated to consider. The remuneration of non-executive directors shall be a matter for the chairman and the executive members of the Board. No director or manager shall be involved in any decisions as to their own remuneration;
- in determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code (the "Code") and associated guidance. The objective of such policy shall be to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company;
- to recommend and monitor the level and structure of remuneration for senior management;
- when setting remuneration policy for directors, review and have regard to the remuneration trends across the Company;
- review the on-going appropriateness and relevance of the remuneration policy;
- within the terms of the agreed policy and in consultation with the chairman and/or chief executive, as appropriate, determine the total individual remuneration package of the chairman, each executive director, company secretary and other designated senior executives including bonuses, incentive payments and share options or other share awards;
- obtain reliable, up-to-date information about remuneration in other companies. To help it fulfil its obligations the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary, within any budgetary restraints imposed by the Board;
- be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- approve the design of, and determine targets for, any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes;
- review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors, company secretary and other designated senior executives and the performance targets to be used;
- determine the policy for, and scope of, pension arrangements for each executive director and other designated senior executives;



- ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- oversee any major changes in employee benefits structures throughout the Company; and
- agree the policy for authorising claims for expenses from the directors.

### MEMBERS

Name	Position	Date of appointment
Alan Boyd	Chair	23/10/2025
Jack Clipsham	Member	23/10/2025
Johan Glennmo	Member	23/10/2025
Jörgen Andersson	Member	23/10/2025

### REMUNERATION COMPONENTS

The Company remunerates Directors in line with best market practice in the industry in which it operates. The components of Director Remuneration that are considered by the Board for the remuneration of Directors consist of:

- Base salaries;
- Annual bonus; and
- Share incentive arrangements.

All such contracts impose certain restrictions as regards the use of confidential information and intellectual property and they impose restrictive covenants which apply following the termination of their agreements. There are no planned changes to future remuneration policy as at the date of signing this Report.

### OTHER MATTERS

In 2024 the Board of Directors of the Company approved a resolution to create a share option plan (the "Plan") and also approved the rules of the Plan. The maximum number of shares in respect of which options can be granted was set at 20,000,000 Ordinary Shares. The maximum number of options granted to one party is 7,500,000.

The Group does not yet have a Long-Term Incentive Plan ("LTIP") in place, however may look to implement one in the future that would define certain performance measures and criteria, including a range of key performance indicators ("KPI's") that would be linked to the long-term strategy of the Group.

The Company does not have any pension plans for any of the Directors and does not pay pension amounts in relation to their remuneration. The Company has not paid any excess retirement benefits to any current or past Directors. The Company provides no pension benefits for any director or employee.

### RECRUITMENT POLICY

Base salary levels take into account market data for the relevant role, internal relativities, their individual experience and their current base salary. Where an individual is recruited at below market norms, they may be realigned over time, subject to performance in the role. Benefits will generally be in accordance with the approved policy. For external and internal appointments, the Board may agree that the Company will meet certain relocation and/or incidental expenses as appropriate.



### SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

The terms of all the Directors' appointments are subject to their re-election by the Company's shareholders at Annual General Meetings at which certain of the Directors will retire on a rotational basis and may offer themselves for re-election.

The services of both Executive Directors are provided by service companies through service agreements in addition the executive directors have a letter of appointments as directors of the Company, whilst the Non-executive Directors of the Company are appointed by letters of appointment.

The Non-Executive Chairman's term of office runs for an initial period of two years, whilst the remaining Non-Executive Director's term of office runs for an initial period of four years and thereafter, with the approval of the Board, will continue subject to periodic retirement and re-election or termination or retirement in accordance with the terms of the letters of appointment. The details of each Director's current terms are set out below:

Name	Date of appointment	Notice period by Company	Notice period by Director	Salary
<u>Service Agreements</u>				
Lars Guldstrand	10 June 2021 <sup>1</sup>	6 months	3 months	£180,000 pa
Dag Andresen	17 October 2024 <sup>2</sup>	3 months	3 months	£30,000 pa
Mustaq Patel <sup>4</sup>	10 June 2021 <sup>1</sup>	6 months	3 months	£96,000 pa
<u>Letters of Appointment</u>				
Lars Guldstrand	22 October 2021 <sup>3</sup>	6 months	3 months	£15,000 pa
Mustaq Patel <sup>4</sup>	7 September 2020	6 months	3 months	£15,000 pa
Dag Andresen	2 November 2020	1 month	1 month	£15,000 pa
Jorgen Andersson	7 April 2021 <sup>1</sup>	1 month	1 month	£22,000 pa
Johan Glennmo	25 March 2024	3 months	3 months	£15,000 pa
Alan Boyd	27 June 2024	3 months	3 months	£15,000 pa
Jack Clipsham	15 April 2025	3 months	3 months	£15,000 pa

<sup>1</sup> Effective from 1 January 2021

<sup>2</sup> Effective from 1 November 2023

<sup>3</sup> Effective from 1 November 2021

<sup>4</sup> Resigned on 12 December 2025. In connection with the resignation, total compensation paid of £56,500, comprising £7,500 in lieu of six months' director fees, £48,000 in lieu of six months' notice under the terms of their service agreement, and an ex-gratia payment of £1,000.

### PAYMENT FOR LOSS OF OFFICE

There are no existing or proposed service agreements between any of the Directors and the Company providing for benefits upon termination of employment, save as disclosed above.



### DIRECTORS' REMUNERATION

Directors' remuneration includes fees and consultancy charges paid either directly to the director or to service companies controlled by the director, in accordance with contractual arrangements. Consultancy fees represent payments for services provided under separate consultancy agreements with those entities. These payments do not constitute employment income. Board duties were primarily performed in Guernsey or via virtual meetings. The remuneration attributable to Directors, including amounts paid to director-related service companies under contractual arrangements, for the year ended 31 December 2025 is set out below:

Director	Directors fees £	Payment made on resignation £	Bonus £	Share based payments £	Consultant fees £	Total £
<u>Executive Directors</u>						
Lars Guldstrand	15,000	-	37,500	116,182	180,000	348,682
Dag Andresen	15,000	-	20,000	35,891	30,000	100,891
<sup>1</sup> Mustaq Patel	12,944	56,500	20,000	31,691	90,839	211,974
<u>Non-Executive Directors</u>						
Jorgen Andersson	22,000	-	10,000	36,873	-	68,873
Johan Glennmo	15,000	-	5,000	7,691	-	27,691
Alan Boyd	15,000	-	5,000	7,691	-	27,691
Jack Clipsham	10,625	-	5,000	-	-	15,625
	<b>105,569</b>	<b>56,500</b>	<b>102,500</b>	<b>236,019</b>	<b>300,839</b>	<b>801,427</b>

<sup>1</sup> Resigned on 12 December 2025.

The remuneration attributable to Directors, including amounts paid to director-related service companies under contractual arrangements, for the year ended 31 December 2024 is set out below:

Director	Directors fees £	Short term employee benefits £	Bonus £	Share based payments £	Consultant fees £	Total £
<u>Executive Directors</u>						
Lars Guldstrand	15,000	1,734	450,000	285,818	175,000	927,552
Dag Andresen	15,000	-	15,000	76,309	35,000	141,309
Mustaq Patel	15,000	-	15,000	76,309	86,350	192,659
<u>Non-Executive Directors</u>						
Jorgen Andersson	22,000	-	230,000	127,527	-	379,527
Johan Glennmo	11,250	-	5,000	6,709	-	22,959
Alan Boyd	7,500	-	5,000	6,709	-	19,209
Jack Clipsham	-	-	-	-	-	-
	<b>85,750</b>	<b>1,734</b>	<b>720,000</b>	<b>579,381</b>	<b>296,350</b>	<b>1,683,215</b>

There were no performance measures associated with any aspect of Directors' remuneration during the year.



### PAYMENTS TO PAST DIRECTORS

A payment of £6,000 was made during the year to a former Director, Jordan Oxley, in accordance with his service agreement. Mr Oxley resigned on 25 March 2024 (2024: £nil).

### DIRECTORS' INTERESTS IN SHARES

The Group has no Director Shareholder requirements.

The beneficial interest of the Directors in the Ordinary Share Capital of the Group was:

	Number	Percentage of issued share capital	Number	Percentage of issued share capital
	2025	2025	2024	2024
Lars Guldstrand	17,892,615	5.39	14,702,845	6.84
Dag Andresen	662,593	0.20	250,000	0.12
Jorgen Andersson	6,980,078	2.10	6,980,078	3.25
Johan Glennmo	83,334	0.03	-	-
Alan Boyd	83,334	0.03	-	-
	<b>25,701,954</b>	<b>7.74</b>	<b>21,932,923</b>	<b>10.21</b>

The Directors held the following options at the beginning and end of the year:

Director	At 31 December 2025	Exercise price £	Vesting date	Latest date of exercise
Lars Guldstrand	3,000,000	0.05	01-Oct-24	10 Years from plan
	2,500,000	0.05	01-Jun-25	10 Years from plan
	2,000,000	0.05	01-Jan-27	10 Years from plan
Dag Andresen	750,000	0.05	01-Oct-24	10 Years from plan
	700,000	0.05	01-Jun-25	10 Years from plan
	700,000	0.05	01-Jan-27	10 Years from plan
Mustaq Patel	750,000	0.05	01-Oct-24	10 Years from plan
	700,000	0.05	01-Jun-25	10 Years from plan
	700,000	0.05	01-Jan-27	10 Years from plan
Forfeited on resignation	(700,000)	-	NA	NA
Jorgen Andersson	1,500,000	0.05	01-Oct-24	10 Years from plan
	1,000,000	0.05	01-Jun-25	10 Years from plan
	400,000	0.05	01-Jan-27	10 Years from plan
Johan Glennmo	150,000	0.05	01-Jun-25	10 Years from plan
	150,000	0.05	01-Jan-27	10 Years from plan
Alan Boyd	150,000	0.05	01-Jun-25	10 Years from plan
	150,000	0.05	01-Jan-27	10 Years from plan
	<b>14,600,000</b>			



### RELATIVE IMPORTANCE OF SPEND ON PAY

The table below illustrates the year-on-year change in total remuneration compared to distributions to shareholders and operational cash flow for the financial years ended 31 December 2025 and 2024:

	<b>Distributions to shareholders</b>	<b>Total directors and employee pay</b>	<b>Operational cash outflow</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Year ended 31 December 2025	Nil	£779k	£2,529k
Year ended 31 December 2024	Nil	£918k	£1,373k

Total employee pay includes wages and salaries, social security costs and pension costs for employees in continuing operations. Further details on employee remuneration are provided in note [x]. Operational cash outflow has been shown in the table above as cash flow monitoring and forecasting is an important consideration for the Remuneration Committee and Board of Directors when determining cash-based remuneration for directors and employees.

### HISTORICAL SHARE PRICE PERFORMANCE COMPARISON

The Directors have considered the requirement for a UK performance graph comparing the Company's relative shareholder return with that of a comparable indicator and have concluded that it would not give a meaningful comparison as the Company has only been trading on the London Stock Exchange since 31 October 2025.

### CONSIDERATION OF SHAREHOLDER VIEWS

The Board considers shareholder feedback received and guidance from shareholder bodies. This feedback, plus any additional feedback received from time to time, is considered as part of the Company's annual policy on remuneration.

**Alan Boyd**

Director & Chair of Remuneration Committee

Date: 28 April 2026



**PRINCIPLES OF CORPORATE GOVERNANCE**

Cindrigo Holdings Limited is a Guernsey-registered company, trading in the Equity Shares (Commercial Companies) category of the main market of the London Stock Exchange. As a result, the UK Corporate Governance Code (January 2024), (the Code”), published by the Financial Reporting Council does apply to the Company.

The Directors recognise the importance of effective corporate governance and are committed to maintaining high standards of corporate governance and have, so far as is practicable given the Company’s size and nature, adopted and complied with (and will continue to comply with) the UK Code on a comply or explain basis. The UK Code is available in the Financial Reporting Council’s website, [www.frc.or.uk](http://www.frc.or.uk).

Our goal is to align our governance framework with the revised Code to the greatest extent possible, taking into account our financial and personnel constraints as a small company. We believe that a robust governance structure is crucial for our ongoing success and are dedicated to making continuous improvements in this area as resources allow.

**Comply or Explain Dashboard**

As noted above, the Group applies the UK Corporate Governance Code (January 2024) on a comply-or-explain basis. The table below sets out each provision where we depart from the Code, our rationale, mitigations and the time frame to achieve compliance:

<b>UK Code Provision</b>	<b>Status</b>	<b>Rationale</b>	<b>Mitigating Actions</b>	<b>Target Date</b>
Provision 17-20 Nomination Committee, skills disclosure	Explain	No Nomination Committee exists.  Given the Company’s size, nominations are considered by the full Board.  No formal succession plan or board skills matrix was disclosed.	Board will constitute a Nomination Committee when size justifies it.  A skills matrix and succession plan will be formulated and published from FY26.	Nomination Committee: review by H1 2027;  Skills matrix: FY26 Annual Report
Provision 21 – Board evaluation	Explain	No formal evaluation was undertaken in FY25 given the Company only listed on 31 October 2025.  The Board considered this impractical given the transitional period.	An internal Board evaluation process will be implemented for FY26, led by chair, using formal questionnaire and assessment framework covering Board composition, effectiveness, information flows, and committee performance. With a view to engaging an external facilitator no later than FY28 (the third year post-admission).	Internal evaluation: FY26;  External facilitation: by FY28



Provision 23 – Diversity policy, targets and statistics	Explain	No formal diversity policy or targets exist.  The Board is entirely male (7 directors at 31 December 2025).  The Company is at an early stage of development and has limited headcount and only been a listed entity since 31 October 2025. Additionally, the Group predominantly use consultancy services with only employees based in Finland.	A diversity policy will be adopted and published at a time when the Board deems appropriate, given its current size. Gender and ethnicity data (Board and workforce) will be reported from FY26.	Diversity policy: H1 2026; First full statistics:  FY26 Annual Report
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**BOARD LEADERSHIP AND COMPANY**

**How Directors Discharge Their Duties**

The Group is incorporated in Guernsey and, given the Company’s equity is traded on the Commercial Companies sector of the Main Market and the Board’s commitment to the principles of the UK Corporate Governance Code (January 2024). In line with these principles, which requires directors of UK-listed companies to have regard to stakeholder interests in their decision-making, the following disclosures are made in accordance with the Board’s obligations under the UK Code:

- **Consider the likely consequences of any decision on the long-term**

The Board’s decision to pursue the listing on the London Stock Exchange (“LSE”) was taken with the long term interests of the Group in mind. The Admission should provide access to public market capital to fund development of the Group present and future projects, thus supporting the Group’s strategic objective of building a diversified renewable energy company. The Board considered the long-term implications of this decision, including the associated regulatory obligations and governance requirements, and concluded that Admission was in the best long-term interests of all stakeholders.

- **Consider the interests of the Company’s employees**

The Group currently has 7 employees and 3 consultants operating across its operating entities and is forecast to expand the workforce as operations increase. The Board recognises that the Group’s ability to deliver on its strategy depends on retaining and motivating its people. The Remuneration Committee is evaluating competitive compensation structures and a long-term incentive plan that will align employee and shareholder interests. The Board ensures that employment conditions and workplace standards are maintained across all operating jurisdictions.

- **Foster the Company’s business relationships with suppliers, customers and others**

In order to progress its projects, the Group is reliant on the support of its key suppliers including its geothermal and biomass suppliers and, drilling, construction, finance providers and future offtake partners. It is therefore a key part of the Group’s strategy to develop these relationships to ensure the Group maintains a strong and secure relationship with these suppliers and offtake partners. The Board reviewed the Group’s key contractual relationships during the year, with particular focus on biomass supply continuity at Kaipola and the engagement of experienced geothermal specialists for the German projects.



- **Consider the impact of the Company's operations on the community and the environment**

The Group is aware of the potential impact of its operations on the environment and local communities in Finland and Germany. Environmental and sustainability matters are overseen at Board level, and the Group is developing a climate risk and sustainability framework to assess the operational and financial implications of climate change and its business activities.

- **Maintain a reputation for high standards of business conduct**

The Company has established a number of policies and procedures that guide its operations and corporate conduct. The policies are regularly reviewed and to ensure alignment with the evolving regulatory environment and the Group's long-term strategic objectives.

The Group is committed to compliance with the UK Corporate Governance Code (January 2024) on a comply-or-explain basis, as required under DTR 7.2 and the Listing Rules for companies admitted to the Equity Shares (Commercial Companies) category of the Main Market. The Corporate Governance Report set out in this Annual Report provides a full account of the Group's compliance position and the steps being taken to address areas of departure from the Code.

- **Act fairly between members of the Company**

The Directors hold 8% of the shares of the Company and entity Danir AB holding 27.5% with the remainder held by a range of individuals and companies. The Board is committed to treating all shareholders equitably and to providing timely, clear and consistent communication to all members. The Group's investor relations activities and regulatory announcements are managed in accordance with the Market Abuse Regulation and the Group's MAR Compliance Committee procedures.

## **DIVISION OF RESPONSIBILITIES**

### **Role, Compensation and Independence of the Board**

The Board's primary duty is to act in the best interests of the Company, its employees and its shareholders with the following responsibilities:

- statutory obligations and public disclosure.
- strategic matters and financial reporting;
- risk assessment management including reporting compliance, governance, monitoring and control; and
- other matters having a material effect on the Group.

The Board's responsibilities for the Annual Report and Consolidated Financial Statements are set out in the Statement of Directors' Responsibilities on page 21. Biographies for all the Directors can be found on pages 17 to 18.

In assessing the composition of the Board, the Directors have had regard to the following principles:

- i. the Chairman should, if possible, be an independent non-executive Director;
- ii. the Board should include at least two independent non-executive directors, increasing where additional expertise is considered desirable in certain areas, or to ensure a smooth transition between outgoing and incoming non-executive directors; and
- iii. the Board should comprise directors with an appropriate range of qualifications and expertise.

The Board consists of two executive and four non-executive Directors (including the Chair) all of whom have diverse skill sets and experience. Three of the four non-executive Directors are deemed to be independent of the Group, as indicated in the biographies of the directors above.

The Chair, Jörgen Andersson, who is responsible for leadership and effectiveness of the Board was independent on his appointment as Chair and remains independent. The Board has designated Jörgen Andersson as the Senior Independent Director ("SID") and whilst the UK Code envisages the SID as a role separate from the Chair, the Board considers it appropriate, given the Company's current size and the fact that



the Chair is fully independent, for the Chair to fulfil the SID function at this stage, however will consider none Chair SID in due course.

The Company believes that the Board comprising members have the appropriate balance of diverse skills and experience, independence and knowledge of the Group and the wider sector, to enable it to discharge its duties and responsibilities effectively and that no individual or group of individuals dominates decision making.

However, the Board does not meet the UK Corporate Governance Code recommendation that at least half of the Board, excluding the chair, comprise independent non-executive directors, however as operations expand the Board will consider the appointment of additional independent directors.

The Board needs to ensure that the Annual Report and Consolidated Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Group's position and performance, business model and strategy.

In seeking to achieve this, the Directors have explained how the Board and its delegated Committees operate and how the Directors review the risk environment within which the Group operates and sets appropriate risk controls. Furthermore, throughout the Annual Report and Consolidated Financial Statements, the Board has sought to provide further information to enable Shareholders to have a fair, balanced and understandable view

### Directors Attendance at Meetings

The Board meets at least quarterly or as otherwise required to discuss matters including commercial, financial, evaluation of potential investment opportunities, structure, strategy, risk management and overall Group performance. The board meetings are the principal source of regular information for the Board enabling it to determine policy and to monitor performance, compliance and controls but these meetings are also supplemented by communication and discussions throughout the year.

The Audit and Remuneration committees meet 2 times and 1 time respectively per annum, whilst with regards to the Nomination committee, given the current size of the Company, there is no separate Nomination committee, however matters reserved for the Nominations committee are considered by the full board at least once per annum.

For each director, the table below sets out the number of meetings each Director was eligible to attend and their attendance:

Director	Board Meeting (held/attended)	Audit Committee * (held/attended)	Remuneration Committee * (held/attended)	Nomination Committee ** (held/attended)	MAR Committee *** (held/attended)
J Andersson	7 / 8	- / -	2 / 2	- / -	-
L Guldstrand	8 / 8	- / -	- / -	- / -	-
D Andresen	6 / 8	1 / 1	- / -	- / -	-
A Boyd	7 / 8	- / -	2 / 2	- / -	-
J Clipsham	7 / 8	1 / 1	2 / 2	- / -	-
M Patel	4 / 8	- / -	- / -	- / -	-
J Glennmo	7 / 8	- / -	2 / 2	- / -	-

\* During the year, considered by the whole board, with separate committee established on 23 October 2025.

\*\* Considered by the board as a whole.

\*\*\* New committee established from 23 October 2025 with no meetings held during the year.



**COMPOSITION, SUCCESSION AND EVALUATION**

**Appointment and Retirement of Directors**

Subject to the Companies Law and the Articles, the Directors shall have the power at any time to appoint any person to be a Director. Any directors appointed to the Board by the Directors, and the existing directors, will be subject to re-election by the Shareholders at the annual meeting of the Shareholders every 3 years. The composition of the Board will be reviewed regularly to ensure the Board has the appropriate mix of expertise and experience.

**Board Performance and Training**

On appointment to the Board, Directors shall be offered relevant training and induction and as part of the Admission during the year, the whole Board undertook comprehensive training on the roles and responsibilities required of Directors for a listed entity.

On appointment to the Board, each Director considered the expected time needed to discharge their responsibilities effectively. The Directors confirmed that each had sufficient time to allocate and would inform the Board of any subsequent changes.

**Board Diversity**

The Group currently comprises the following:

	<b>Male</b>	<b>Female</b>
31 December 2024	6	-
31 December 2025	7	-

As the Group was only listed in the current year, the Board does not consider it appropriate to establish targets or quotas on diversity at this stage, with the current board possessing the appropriate combination of skills, experience and knowledge to effectively serve on the Board, however, when succession arises, the Board will consider to ensure effective succession planning to ensure suitable replacement board appointees shall have the appropriate combination of skills, experience and knowledge to effectively serve on the Board.

Likewise with board evaluation, given the recent listing, no formal evaluation of the board performance has been undertaken, however the Group will look to implement a policy of appraising Board performance annually with the Company concluding that for a company of its current scale, an internal process administered by the Board would be most appropriate at this stage.

**BOARD COMMITTEES AND THEIR ACTIVITIES**

Audit & Risk Committee

The Audit & Risk Committee was established on Admission in accordance with DTR 7.1.3R. The Committee’s terms of reference reflect these responsibilities and are publicly available on the Company’s website. Given Admission was close to year end, the responsibilities of the Audit & Risk Committee were performed by the whole board during the year.

The Group’s Audit & Risk Committee members comprise independent non-executive directors Alan Boyd and Jack Clipsham, with Jack Clipsham as Chair. The Board confirms that both members are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

The Board is satisfied that the Committee collectively possesses relevant and sufficient financial experience for the purposes of DTR 7.1.1A. Together, the Board considers that their combined public company experience provides the Audit & Risk Committee with the competence in accounting and/or auditing (having previously served on public company remuneration committees) required under the Listing Rules and DTR 7.1.



The key responsibilities of the Audit and Risk Committee (and, prior to its formal constitution, the full Board acting in its capacity) are detailed below, with such responsibilities being discharged during the year.

The Audit & Risk Committee is required to review the integrity of the financial results of the Company expressed in the annual report and accounts and other relevant public announcements of the Company.

The Audit & Risk Committee is also required to challenge both the external auditors and the management of the Company. It will also consider the engagement of auditors including tendering and the approval of non-audit services.

The Audit & Risk Committee reports to the Board on any significant accounting and reporting issues, estimates and judgements made in connection with the preparation of the consolidated financial statements and accordingly challenged management in their assessment of estimates and judgements applied in the preparation of the consolidated financial statements (as per Note 4) as follows:

*Significant estimates*

- Impairment of goodwill
- Useful lives and residual values of depreciable assets
- Fair value measurement of derivative call option
- Estimate of net realisable value of inventories
- Determination of appropriate discount rate to measure lease liabilities

*Significant judgements*

- Capitalisation of plant development costs
- Assessment of deferred tax asset recognition

The Audit & Risk Committee also has a key role in the oversight of the effectiveness of the risk management and internal control systems relating to financial reporting of the Group.

The committee oversees the Group's financial reporting and internal controls and provides a formal reporting link with the external auditors.

The Company's policy is that the external auditors may only be engaged for non-audit services where this does not compromise their objectivity and independence. Details of fees paid during the year for audit and non-audit services are set out in Note 8 to the accounts, noting fees for non-audit services were paid to auditors other than Grant Thornton, with the Committee being satisfied that the previous auditor's objectivity and independence were not compromised during their performance of non-audit services.

Remuneration Committee

The Remuneration Committee members comprise independent non-executive directors Alan Boyd, Jörgen Andersson and Jack Clipsham, Johan Glennmo, with Alan Boyd as Chair. Like the Audit and Risk Committee, during the year, the responsibilities of the Remuneration Committee were performed by the whole board. The key responsibilities of the Remuneration Committee are detailed further in the remuneration report above.

Nomination Committee

Currently, due to the size of the Company, there is no Nomination Committee. Nominations are currently considered by the whole Board. The Directors anticipate that a Nomination Committee will be established in the future when the size of the Company justifies it.

The Nomination Committee will review the composition and balance of the Board and senior management on a regular basis to ensure that the Board and senior management have the right structure, skills and experience in place for the effective management of the Company's business and are expected to meet twice a year.



### MAR Compliance Committee

Upon Admission the Group established the MAR Compliance Committee that comprised of Lars Guldstrand, Dag Andresen, Jörgen Andersson and Mark Taylor, acting as the committee secretary, with Lars Guldstrand as Chair. The primary function of the MAR Compliance Committee is to ensure the identification and management of inside information and ensuring timely disclosure or, where appropriate, providing a formal mechanism for making and recording any decision to delay disclosure, determining when the reasons for the any delay no longer justify the delay and making appropriate notifications to the FCA when an announcement is made.

### **External Auditor's Fees for Non-Audit Services**

Fees paid during the year for audit and non-audit services may be found in Note 9 to the accounts.

### **Objectivity and Independence**

The Committee continues to monitor the Auditor's objectivity and independence and is satisfied that Grant Thornton Limited, and the Company have appropriate policies and procedures in place to ensure that these requirements are not compromised.

### **Re-appointment of External Auditor**

The Committee recommends to the Board the re-appointment of Grant Thornton Limited, as Auditor at the forthcoming 2025 Annual General Meeting ("AGM"), and Grant Thornton Limited, has expressed its willingness to continue in office.

### **Viability statement**

In accordance with Provision 31 of the UK Corporate Governance Code, the Directors have assessed the prospects of the Group over a period of three years. The Directors consider a three-year period to be appropriate given the early-stage nature of the Group's operations, the development timelines of its biomass and geothermal projects, and the visibility provided by the Group's recently secured funding.

In making this assessment, the Directors considered the Group's current financial position, the Going Concern assessment, the principal risks and uncertainties facing the Group, and the effectiveness of the Group's risk management and internal control framework. The downside scenarios modelled align directly with the principal risks disclosed in the Strategic Report, including funding risk, project execution risk, regulatory risk and foreign exchange exposure.

The assessment included a review of the Group's base-case cash flow forecasts and a range of downside scenarios, including delays in project development, cost inflation, adverse currency movements and reduced availability of external financing. Under the most severe but plausible downside scenario considered, the Group remained solvent through management mitigations, albeit with reduced liquidity headroom. The Directors also considered the mitigating actions available to the Group, including the ability to adjust project phasing, reduce discretionary expenditure and seek additional funding from equity, debt or strategic partners.

Based on this assessment, and assuming continued access to funding consistent with the Group's current capital structure and prevailing market conditions, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year assessment period.



### **Internal controls**

The Board is responsible for the Group's system of internal controls and for reviewing its effectiveness. The system of internal controls is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable but not absolute assurance against material misstatement or loss.

The Board has conducted a review of the effectiveness of the Group's material controls, including financial, operational and compliance controls, and the risk management systems, for the year ended 31 December 2025. This review was undertaken through periodic Board reporting, review of financial and management accounts, and consideration of key risk updates presented to the Board during the year. The Board also considered the effectiveness of controls through discussions with management and by reviewing key judgments, estimates and any control issues identified.

Based on this review, the Board confirms that it considers the Group's system of material controls to be effective and appropriate for a company of its current size, stage of development and risk profile. No material weaknesses or significant failings were identified during the year. The Board confirms that this review has been carried out on an ongoing basis throughout the year and up to the date of approval of this Annual Report.

Key financial controls include:

- the maintenance of proper records;
- a schedule of matters reserved for the approval of the Board;
- evaluation, approval procedures and risk assessment for acquisitions; and
- close involvement of the Directors in the day-to-day operational matters of the Group.
- Development of maintenance of a robust Financial Position & Prospects Procedures ("FPPP") document that prescribes the safeguards and processes in place for financial controls, which will be reviewed annual. The current FPPP was established upon Admission, thus up to date to ensure effective internal controls are currently in place.
- regular preparation and review of management accounts and cash flow forecasts.
- segregation of duties to the extent practicable given the size of the Group;
- Board review and approval of key financial transactions and commitments.

The Group does not currently have an internal audit however the requirement for an internal audit function is kept under review with the Board to give further consideration to this as the Group's scale and complexity increases.

In the absence of an internal audit function, the Board places reliance on regular reporting from management and its own oversight and review processes to monitor the effectiveness of internal controls.

### **Whistleblowing**

The Group has adopted a formal whistleblowing policy which aims to promote a very open dialogue with all its employees which gives every opportunity for employees to raise concerns about possible improprieties in financial reporting or other matters.

### **Anti-Bribery and Corruption**

The Board has adopted an Anti-bribery and Corruption policy. All Board members have read and approved this policy. All new staff members are required to abide by this policy, as will any third parties in their business relations with the Company.



### **Corporate social responsibility**

The Company takes its responsibilities as a corporate citizen seriously. The Board's primary goal is to create shareholder value but in a responsible manner that serves all stakeholders.

We endeavour to operate in as sustainable a manner as possible, including minimising our environmental footprint in the locations in which we operate, where possible using local materials and contractors for our work, and being as efficient as possible in our use of energy. Sustainability and ESG are increasingly important not only to the communities in which we operate, but also to our investors, suppliers, and wider stakeholders.

The Group aims to conduct its business with honesty, integrity and openness, respecting human rights and the interests of shareholders and employees. The Group aims to provide timely, regular and reliable information on the business to all its shareholders and conduct its operations to the highest standards.

The Group strives to create a safe and healthy working environment for the wellbeing of its staff and to create a trusting and respectful environment, where all members of staff are encouraged to feel responsible for the reputation and performance of the Group.

The Group aims to establish a diverse and dynamic workforce with team players who have the experience and knowledge of the business operations and markets in which we operate. Through maintaining good communications, members of staff are encouraged to realise the objectives of the Group and their own potential.

#### Task Force On Climate-Related Disclosure ("TCFD")

Under the Listing Rules compliance with the Task Force on Climate-Related Financial Disclosures ("TCFD") is required for all listed companies on a comply or explain basis.

Given the limited time available since admission, the Group has not yet been able to design, implement, and embed the governance, risk management, and data collection processes necessary to support fully TCFD-aligned disclosures. As a result, the Group has not fully addressed all four TCFD pillars, particularly those relating to climate-related risk identification, scenario analysis, and the definition of relevant metrics and targets and as such, the Company's disclosures are not yet consistent with all TCFD recommendations.

The Group is currently undertaking a climate risk assessment and developing an appropriate sustainability framework to assess the operational and financial implications arising from the interrelationship between climate change and its business activities. In addition, the Group is preparing a Group Climate Change Policy that is intended to address the disclosure requirements of the TCFD. This work will support the Group's objective of providing meaningful, transparent, and TCFD-aligned disclosures in future annual reports. The Group intends to implement its TCFD-aligned framework through a phased approach, including: (i) establishing appropriate governance and oversight of climate-related matters; (ii) identifying and assessing climate-related risks and opportunities (iii) integrating climate-related risks into the Group's risk management processes; and (iv) developing relevant metrics and targets to support monitoring and disclosure.

Approved on behalf of the Board of Directors.

**Jorgen Andersson**

Non-Executive Chair



### INDEPENDENT AUDITOR'S REPORT

#### To the members of Cindrigo Holdings Limited

#### Opinion

We have audited the consolidated financial statements of Cindrigo Holdings Limited (the "Company") and its subsidiaries (together, the "Group") for year ended 31 December 2025, which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements:

- give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cashflows for the year then ended;
- are in accordance with IFRS Accounting Standards as adopted by the European Union (EU); and
- comply with the Companies (Guernsey) Law, 2008.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Guernsey, as required by the Crown Dependencies' Audit Rules and Guidance. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
<p><b>Incorrect Accounting Treatment of Conversion of Convertible Instruments</b> <b>(2025: £9,059,849 and 2024: £ 10,591,402)</b></p> <p>We have identified a significant audit risk, and a key audit matter, over recognition and conversion of convertible instruments into equity due to inherently complex recognition requirements of IFRS 9 <i>Financial Instruments</i> and IAS 32 <i>Financial Instruments: Presentation</i>. In the prior year, we identified material misstatements, which were all corrected by management, in relation to the initial recognition, subsequent measurement and disclosure in the consolidated financial statements these instruments.</p> <p>In the current year, we understood from discussions with management, that no new convertible instruments were issued and that a significant portion of these instruments were converted to equity.</p>	<p>In responding to the key audit matter, we performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>• We independently recalculated the conversion of the convertible loan instruments into equity based on the contractual terms set out in the underlying convertible instrument agreements. We compared the results of our independent calculations to the amounts recorded in management's general ledger to assess mathematical accuracy and consistency with the contractual terms.</li> <li>• We read the underlying convertible instrument agreements and held discussions with management to confirm our understanding of the terms and mechanics of the conversion.</li> <li>• We assessed whether the conversion of the convertible loan instruments into equity during the year was accounted for appropriately in accordance with the IFRS 9 <i>Financial Instruments</i> and IAS 32 <i>Financial Instruments: Presentation</i>.</li> </ul>



<p>As a result, we have identified a significant risk relating to management’s accounting for the conversion of these instruments into equity for the year ending 31 December 2025.</p> <p>Accordingly, the measurement and disclosure of the conversion of convertible instruments required significant auditor attention and has been reported as a Key Audit Matter.</p> <p><i>Refer to the accounting policies in pages 47-64 and Note 21, Borrowings, to the Financial Statements.</i></p>	<ul style="list-style-type: none"> <li>We assessed whether the conversion disclosures in the consolidated financial statements are appropriate, complete and in accordance with the IFRS 9 <i>Financial Instruments</i> and IAS 32 <i>Financial Instruments: Presentation</i>.</li> </ul> <p><b>Our Results:</b></p> <p>Our testing did not identify material misstatements in relation to the conversion of convertible instruments into equity.</p>
<p><b>Valuation of Goodwill</b> <b>(2025: £16,084,168 and 2024: £15,532,963)</b></p> <p>We have identified a significant audit risk, and a key audit matter, over the recoverability of the Kaipolan Energia Oy (“Kaipola”) goodwill due to the inherent uncertainty involved in forecasting and discounting future cash flows, and in relation to Kaipola, especially the uncertainty in securing a main heat customer.</p> <p>The effect of these matters is that, as part of our risk assessment for audit planning purposes, we determined that value in use of the Kaipola’s cash generating unit (“CGU”) had a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the consolidated financial statements as a whole.</p> <p><i>Refer to the accounting policies on pages 47-64, and Note 14, Goodwill, to the Financial Statements.</i></p>	<p>In responding to the key audit matter, we performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>We obtained and evaluated management’s CGU determination memo, which identified the plant at Kaipola Energia Oy as the CGU to which the goodwill arising from the acquisition had been allocated. We checked whether this was consistent with IAS 36 <i>Impairment of Assets</i>, by considering how the plant generates independent cash inflows and how management monitors the performance of the plant.</li> <li>We inspected management’s allocation of goodwill to the CGU, including whether the allocation was consistent with the acquisition accounting, the nature of expected synergies and the internal reporting framework. We challenged management where assumptions underlying the allocation required further support.</li> <li>Checked whether the impairment approaches used by management, the value-in-use (“VIU”) model and the fair value less costs of disposal (“FVLCD”) model, were appropriate for determining the recoverable amount of the CGU in accordance with IAS 36.</li> <li>For the VIU model, we evaluated the reasonableness of management’s cash flow forecasts by obtaining underlying support for key assumptions for revenue, production and operating costs. We challenged the achievability of the forecasts given that the plant had not commenced operations during 2025 and evaluated the appropriateness of the discount rate using market-observable inputs.</li> <li>For the FVLCD model, we evaluated whether this approach was appropriate by reviewing the terms of the 50-year lease to understand whether the Group had the ability to sell or transfer its leasehold interest. From this work, we noted that the Group does not own the plant and that the lease could not be assigned without landlord consent, indicating that the Group could not realise value through a disposal transaction.</li> </ul>



	<ul style="list-style-type: none"> <li>Recalculated the CGU's carrying amount, including goodwill and the right-of-use asset recognised for consolidation purposes, together with any other assets directly attributable to the plant.</li> <li>Compared the recoverable amount derived from from VIU model to the carrying amount of the CGU to determine whether an impairment should have been recognised.</li> <li>Evaluated whether the presentation and related disclosures in the consolidated financial statements were appropriate, complete, and in compliance with the requirements of IAS 36 <i>Impairment of Assets</i>.</li> </ul> <p><b>Our Results:</b></p> <p>Our testing did not identify material misstatements in relation to the conversion of convertible instruments into equity.</p>
<p><b>Going Concern</b></p> <p>The Group continues to incur operating losses and significant levels of expenditure, with the key revenue-generating operations yet to commence. The Group is also reliant on external financing to fund its activities. Management's assessment of the going concern basis of accounting therefore involves significant judgement, including the evaluation of available funding, timing of forecast cash flows, and the project execution timelines. Given the importance of these judgements and the potential impact on the consolidated financial statements, we consider this a significant risk, requiring significant auditor attention, and has therefore been identified as a Key Audit Matter.</p> <p><i>Refer to the Strategic Report on pages 11-16, the Directors' Report on pages 17-21 and the accounting policies on pages 47-64, and Note 2.3 Going Concern, to the Financial Statements.</i></p>	<p>In responding to the key audit matter, we performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>We obtained the cash flow forecasts and held discussions with management on their assessment of going concern.</li> <li>We ascertained that management's going concern assessment covered a period up until 30 April 2027, being at least 12 months from the date of approval of the consolidated financial statements.</li> <li>We inspected the arithmetical accuracy of the cash flow forecast and challenged the appropriateness of the key inputs. We obtained underlying supporting evidence for forecast operating costs and funding assumptions.</li> <li>We performed sensitivity analysis to assess the impact of reasonably possible downside scenarios on the Group's liquidity and ability to meet its obligations as they fall due.</li> <li>We held discussions with the directors to evaluate whether, in their opinion, there is a material uncertainty regarding the Group's ability to pay liabilities as they fall due. Through these discussions, we considered and challenged the options available to the Group if it were in a stressed scenario.</li> <li>We considered whether the Directors' assessment of going concern as included in the Annual Report is appropriate and consistent with the disclosures made in the Viability Statement; and</li> </ul>



	<ul style="list-style-type: none"> <li>We evaluated the disclosures made in the Annual Report and Consolidated Financial Statements regarding the going concern to ascertain that they are in accordance with IAS 1 <i>Presentation of Financial Statements</i> and have complied with, or explained reasons for non-compliance, with all the UK Code of Corporate Governance provisions.</li> </ul> <p><b>Our Results:</b></p> <p>Based on our audit work, we are satisfied that the assumptions made in management's assessment of the use of the going concern assumption in preparation of financial statements were appropriate. We consider that the group's disclosure to be in accordance with IAS 1.</p>
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**Other information in the Annual Report**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors and Those Charged with Governance for the consolidated financial statements**

As explained more fully in the Statement of Directors' Responsibilities set out on page 21, the Directors are responsible for the preparation of the consolidated financial statements which give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union (EU), and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

**Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Use of our report**

This report is made solely to the Group's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Group's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.



### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the parent Company; or
- the Group's consolidated financial statements are not in agreement with the accounting records; or
- we have not obtained all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our audit.

### **Wynand Pretorius**

for and on behalf of Grant Thornton Limited

Chartered Accountants  
St Peter Port  
Guernsey

Date: 28 April 2026



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 31 December 2025

	Notes	2025 £'000	2024 £'000 (Restated)
Revenue	7	263	85
Other incomes	8	99	-
Costs of material		(8)	(5)
Administrative expenses	9	(3,096)	(4,833)
Depreciation, amortisation and impairment		(229)	(93)
Fair value Gains/(losses)	10	(2,856)	-
Impairment of financial assets	11	(107)	25
Impairment of non-financial assets	11	-	(4,447)
Loss on loss of control of subsidiary	11	-	(1,066)
<b>Operating loss</b>		<b>(5,934)</b>	<b>(10,334)</b>
Finance Income	24	40	-
Finance costs	24	(956)	(1,123)
<b>Loss before income taxes</b>		<b>(6,850)</b>	<b>(11,457)</b>
Income tax expense	28	(5)	(3)
<b>Loss for the year from continuing operations</b>		<b>(6,855)</b>	<b>(11,460)</b>
Share of loss attributable to non-controlling interest		64	473
<b>Loss for the year</b>		<b>(6,791)</b>	<b>(10,987)</b>
<b>Loss per share:</b>			
Basic from continuing operations	29	(0.026)	(0.072)
Diluted from continuing operations	29	(0.026)	(0.072)
<b>OTHER COMPREHENSIVE INCOME:</b>			
<b>Items that will be reclassified subsequently to profit or loss</b>			
Exchange differences on translating foreign operations, including goodwill		371	(9)
<b>Total comprehensive loss for the year</b>		<b>(6,420)</b>	<b>(10,996)</b>

All items in the above statement are from continuing operations.



### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	31 Dec 2025 £'000	31 Dec 2024 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	2,010	688
Right-of-use assets	13	4,492	4,378
Goodwill	14	15,909	15,533
Exploration and evaluation assets	15	223	-
Derivative asset	6	-	-
Long term deposits		9	-
<b>Total non-current assets</b>		<b>22,643</b>	<b>20,599</b>
<b>Current assets</b>			
Cash and cash equivalents	18	706	375
Inventories	19	182	163
Trade and other receivables	20	648	413
<b>Total current assets</b>		<b>1,536</b>	<b>951</b>
<b>Total assets</b>		<b>24,179</b>	<b>21,550</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital account	16	48,714	38,360
Share subscription reserve	16	43	1,356
Equity component of convertible instruments	21	1,942	3,700
Share option reserve	26	641	674
Share warrant reserve	17	893	-
Retained deficit		(47,927)	(41,136)
Foreign currency translation reserve (FCTR)		363	(9)
<b>Equity attributable to owners of the parent</b>		<b>4,669</b>	<b>2,945</b>
Non-controlling Interests		1,468	1,532
<b>Total equity</b>		<b>6,137</b>	<b>4,477</b>
<b>Non - current liabilities</b>			
Borrowings	21	9,352	10,590
Lease liabilities	13	4,751	4,551
Financial liabilities – contingent consideration	22	2,792	-
		<b>16,895</b>	<b>15,141</b>
<b>Current liabilities</b>			
Lease liabilities	13	16	14
Borrowings	21	-	390
Trade and other payables	25	1,126	1,525
Tax liabilities	28	5	3
		<b>1,147</b>	<b>1,932</b>
<b>Total liabilities</b>		<b>18,042</b>	<b>17,073</b>
<b>Total equity and liabilities</b>		<b>24,179</b>	<b>21,550</b>

The Consolidated Financial Statements on pages 43 to 99 were approved and authorised for issue by the Board of Directors on 28 April 2026 and signed on its behalf by:

.....  
**Jorgen Andersson**  
Director

.....  
**Lars Guldstrand**  
Director



### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Notes	Share capital account	Share subscription reserve	Equity component of convertible instruments	Share option reserve	Share warrant reserve	Retained deficit	FCTR	Non-controlling interest	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>As at 1 January 2025</b>		<b>38,360</b>	<b>1,356</b>	<b>3,700</b>	<b>674</b>	<b>-</b>	<b>(41,136)</b>	<b>(9)</b>	<b>1,532</b>	<b>4,477</b>
Loss for the year							(6,791)		(64)	(6,855)
Share capital raise		3,608	21							3,629
Transaction cost	16	(203)								(203)
Allocation of reserve to share capital	16	1,334	(1,334)							-
Share-based payment charge	26				(33)					(33)
F/X difference on goodwill	14							376		376
F/X difference on foreign operations								(4)		(4)
Convertible loan notes settled	16	6,508	-	(1,758)						4,750
Proceeds allocated to warrants	17	(893)				893				-
<b>Balance at 31 December 2025</b>		<b>48,714</b>	<b>43</b>	<b>1,942</b>	<b>641</b>	<b>893</b>	<b>(47,927)</b>	<b>363</b>	<b>1,468</b>	<b>6,137</b>

	Notes	Share capital account	Share subscription reserve	Equity component of convertible instruments	Share option reserve	Share warrant reserve	Retained deficit	FCTR	Non-controlling interest	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>As at 1 January 2024</b>		<b>22,583</b>	<b>15</b>	<b>2,381</b>	<b>-</b>	<b>-</b>	<b>(29,928)</b>	<b>-</b>	<b>36</b>	<b>(4,913)</b>
Loss for the year							(10,987)		(473)	(11,460)
Open offer share capital raise	16	15,777	1,341							17,118
Share-based payment charge	26				674					674
Equity Interest transferred to lender (10% of Subsidiary)									1,553	1,553
Liquidation of subsidiary									416	416
F/X difference on currency translation								(9)		(9)
Equity component of convertible notes				1,098						1,098
Restructuring of loan notes				221			(221)			-
<b>Balance at 31 December 2024</b>		<b>38,360</b>	<b>1,356</b>	<b>3,700</b>	<b>674</b>	<b>-</b>	<b>(41,136)</b>	<b>(9)</b>	<b>1,532</b>	<b>4,477</b>



**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 31 December 2025

	Notes	2025 £'000	2024 £'000
<b>Cash from operating activities</b>			
Loss for the period before taxation		(6,850)	(11,457)
Non-cash adjustments	30	3,900	9,656
		<b>(2,950)</b>	<b>(1,801)</b>
<b>Operating cash flows before movements in working capital</b>			
Increase in inventories		(19)	(163)
(Increase)/decrease in receivables		(244)	630
Increase/(decrease) in accounts payable and accrued liabilities		687	(39)
Income tax paid		(3)	-
<b>Net cash used in operating activities</b>		<b>(2,529)</b>	<b>(1,373)</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment	12	(1,460)	(3,622)
Additions to exploration and evaluation assets	15	(223)	-
Payment of deferred consideration	25	(867)	(1,117)
Investment agreement - purchase of call option	6	(64)	-
<b>Net cash outflow from investing activities</b>		<b>(2,614)</b>	<b>(4,739)</b>
<b>Financing activities</b>			
Proceeds from issue of shares	16	3,628	2,438
Proceeds from borrowings / convertible instruments	23	2,500	4,012
Lease principal repayments	23	(65)	-
Loan repayments	23	(77)	(65)
Transaction cost	16	(203)	(70)
Interest paid		(302)	-
<b>Net cash inflow from financing activities</b>		<b>5,481</b>	<b>6,315</b>
Effect of exchange rate changes on cash		(7)	-
<b>Net increase in cash and cash equivalents</b>		<b>331</b>	<b>203</b>
<b>Balance at beginning of period</b>			
Cash and cash equivalent at beginning of period		375	172
<b>Cash and cash equivalent at end of period</b>		<b>706</b>	<b>375</b>



## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **1. GENERAL INFORMATION**

Cindrigo Holdings Limited and its subsidiaries (together, the “Group”) are engaged in the development and operation of renewable energy projects, focusing on biomass 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.

The Company’s ordinary shares are listed on the Equity Shares (Commercial Companies) sector of the Main Market of the London Stock Exchange with admission occurring on 31 October 2025.

### **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 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, other than derivative call options and financial liabilities arising in relation to contingent consideration arrangement, which are measured at fair value. They have been prepared under the assumption the Group is a going concern, which assumes the Group will be able to discharge its liabilities as they fall due at least for a period of 12 months post balance sheet date.

The preparation of the consolidated financial statements in accordance with IFRS Accounting Standards 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 Pounds Sterling (£), being the functional currency of the Group.

#### **2.2 Basis of consolidation**

The Group’s financial statements consolidate those of the parent Company and all of its subsidiaries at 31 December 2025. All subsidiaries have a reporting date of 31 December.

All transactions and balances between the 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.



### 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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	Principal activity	% Owned	Method of Consolidation
Cindrigo Ltd ("CL")	UK	Cost Center	100%	Full Consolidation
Cindrigo Geothermal Limited ("CEGO UK")	UK	Holding Company	100%	Full Consolidation
Kaipolan Energia Oy ("Kaipola")	Finland	Biomass	90%	Full Consolidation
Zukunft Geoenergie GmbH ("ZGE")	Germany	Geothermal Energy	100%	Full Consolidation <i>(Incorporated in 2025)</i>
Zukunft Geoenergie 1 GmbH ("ZGE 1")	Germany	Geothermal Energy	100%	Full Consolidation <i>(Incorporated in 2025)</i>
Zukunft Geoenergie 2 GmbH ("ZGE 2")	Germany	Geothermal Energy	100%	Full Consolidation <i>(Incorporated in 2025)</i>
Zukunft Geoenergie 3 GmbH ("ZGE 3")	Germany	Geothermal Energy	100%	Full Consolidation <i>(Incorporated in 2025)</i>

Kaipola is a wholly owned subsidiary of the Group and represents a major subsidiary undertaking for the purposes of UKLR 6.6.1. As at 31 December 2025, Kaipola is not yet operational and remains in the development stage.

During the year, the entity generated limited revenue of £263k, primarily from management fees and personnel leasing arrangements.

As at the reporting date, Kaipola had total assets of approximately £2,010k, comprising primarily capitalised development expenditure. In addition, goodwill of £15,909k and right-of-use assets of £4,492k are recognised in the Group's consolidated balance sheet in respect of Kaipola. These balances represent a significant proportion of the Group's total assets.

The development of the Kaipola project is subject to a number of risks, including obtaining and maintaining the necessary permits, securing project financing, and entering into key commercial agreements.

The subsidiary is currently funded through intercompany loans from the Group. Additional funding will be required to progress the project to construction and ultimately to operational status.



## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

The following subsidiaries have not been audited as at 31 December 2025. The UK subsidiary did not trade during the year. Four German subsidiaries were incorporated during the current year and incurred only early-stage project development expenditure. Management has used the latest available financial information of these subsidiaries for consolidation. The directors consider that any adjustments that may arise from an audit of these subsidiaries would not be material to the Group's financial statements.

Name of Company	Country of incorporation	% Owned
Cindrigo Geothermal Limited ("CEGO UK")	UK	100%
Zukunft Geoenergie GmbH ("ZGE")	Germany	100%
Zukunft Geoenergie 1 GmbH ("ZGE 1")	Germany	100%
Zukunft Geoenergie 2 GmbH ("ZGE 2")	Germany	100%
Zukunft Geoenergie 3 GmbH ("ZGE 3")	Germany	100%

### 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 on consolidation. Unrealised losses on transactions between Group companies 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 purpose.

### 2.3 Going concern

The consolidated financial statements have 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, being a period of at least twelve months from the date of approval of these consolidated financial statements, based on forecast cash flows through April 2027.

The Directors' assessment of the Group's ability to continue as a going concern involves significant judgement, particularly in relation to funding availability, project execution timelines and the timing of future cash inflows.

As at the date of approval of these consolidated financial statements, the Group have secured funding commitments and guarantees in the amount of approximately £11.3 million.

- £6.7 million equity investment into Cindrigo at a price of 12 pence per share.



## **2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

- €3 million been secured for the Fuelwood joint venture, this amount plus a €1 million development loan from Cindrigo, a total of €4 million which is sufficient to support Fuelwoods establishment and initial operational phase
- Up to £2 million under a separate subscription arrangement, which will be drawn if the Company's warrants due for exercise at the end of July are not exercised

No cash has been received in respect of these arrangements as of publishing of the Annual Report, cash for the equity investment and Fuelwood is expected to be received during May 2026, and any potential cash related to the Warrant guarantee would be expected in August 2026.

As such, the timing of receipt of these funds is a key assumption underpinning the Directors' assessment of the Group's ability to continue as a going concern.

The Directors have prepared detailed cash flow forecasts through to April 2027, reflecting the Group's expected funding inflows, expected operating costs and development plans. These forecasts indicate that the Group has sufficient financial resources to meet its obligations as they fall due for at least twelve months from the date of approval of these financial statements.

The Directors have also performed reverse stress testing on the cash flow forecasts to assess the level of downside required to exhaust available liquidity. This analysis incorporated severe but plausible assumptions, including delays in the commencement of production at Kaipola, and the removal of any proceeds from the exercise of warrants. Under this combined downside scenario, the Group continues to maintain a positive cash position throughout the going-concern assessment period and is able to meet its obligations as they fall due.

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.

Based on the above assessment, the Board do not believe that there are any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

Accordingly, the Directors consider that the going concern basis of preparation remains appropriate.

### **2.4 New or revised Standards or Interpretations**

#### **New standards, interpretations and amendments effective from 1 January 2025**

The Group has applied the following new accounting standards and amendments effective from 1 January 2025. These changes did not have a significant impact on the consolidated financial statements for the reporting period.

##### Lack of Exchangeability (Amendments to IAS 21)

These amendments address currency translation issues when a currency cannot be freely exchanged into another and introduces related disclosures.

Impact: The Group has reviewed this amendment and determined that it does not have a material impact on the consolidated financial statements for the year ended 31 December 2025. Disclosures are updated where applicable.



## **2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

### **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.

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

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 'Presentation of Financial Statements'. Although IFRS 18 includes many of the requirements of IAS 1, it introduces new requirements to better structure financial statements and to provide more detailed and useful information to investors, including:

- two new subtotals defined in the statement of profit or loss, namely (1) operating profit and (2) profit or loss before financing and income taxes
- the classification of all income and expenses within the Statement of profit or loss in one of five categories
- a new requirement to disclose performance measures defined by management, and
- an improvement in the principles related to the aggregation and disaggregation of information in the financial statements and accompanying notes.

Some of the disclosure requirements previously contained in IAS 1 have been transferred to IAS 8 without any material changes. This applies in particular to disclosures on accounting policies and sources of estimation uncertainty. As a result of these changes, IAS 8 will be renamed 'Basis of Preparation of Financial Statements'.

The publication of IFRS 18 also results in consequential amendments to other IFRS Accounting Standards, including IAS 7.

IFRS 18 is effective for annual periods beginning on or after 1 January 2027, with earlier application permitted. IFRS 18 will be applied retrospectively with specific transitional provisions.

The Group has not yet completed its assessment of the impact of IFRS 18. At the reporting date, it is not practicable to provide a reasonable estimate of the expected effects. The area's most likely to be affected include the structure and subtotals in the statement of profit or loss and the disclosure of management-defined performance measures.

Other 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.



## **2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

### **2.5 Business Combinations**

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

- Assets transferred,
- Liabilities incurred,
- Equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement,
- 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 only when contingent consideration is classified as financial liability.

### **2.6 Segment Reporting**

The Chief Operating Decision Maker ("CODM"), identified as the Board of Directors, is responsible for allocating resources and assessing the performance of the Group.

The CODM reviews financial and operational performance primarily on a consolidated Group basis, including overall financial results, cash flow projections, and funding requirements. Internal reporting to the CODM focuses on the performance of the Group's integrated portfolio of energy-related projects and does not include regularly reviewed discrete financial information, such as profit or loss or other key performance measures, for individual subsidiaries, projects, or geographical regions.

The Group's activities, including operational assets, development-stage projects, and management service arrangements, are managed and evaluated as a single integrated portfolio. Resource allocation decisions and performance assessments are made based on overall portfolio returns and strategic objectives rather than the performance of individual components.

Although the Group operates in multiple jurisdictions and at different stages of the project lifecycle, and generates revenue from different sources, including energy production and management services, these activities are not separately monitored or managed as distinct operating segments by the CODM.



## **2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

Accordingly, management has determined that the Group operates as a single operating segment, being the identification, acquisition, development, and operation of energy-related projects. No separate reportable segments have been identified.

Segment information is therefore presented on the same basis as that used in the preparation of the Group's consolidated financial statements.

Revenue is currently generated from external customers primarily through the Group's Finnish subsidiary, Kaipolan Energia Oy, while other entities within the Group are in development or holding phases. This concentration of revenue does not result in separate operating segments, as it does not reflect the basis on which the CODM assesses performance or allocates resources.

For impairment testing purposes, the Group has identified separate cash-generating units ("CGUs") within the Group; however, these do not represent operating segments, as they are not reviewed separately by the CODM for performance assessment or resource allocation decisions.

At the reporting date, the Group's non-current assets are located in Guernsey, the United Kingdom, Finland and Germany.

### **2.7 Foreign Currency Translation**

#### Functional and presentation currency

The consolidated financial statements are presented 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. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

### **2.8 Income recognition**

#### Sale of energy

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.

#### Management fees

The Company charges management fees for operational support services provided through its personnel strictly in accordance with agreed contractual terms. Management fees are determined based on the nature and scope of services provided and are disclosed in client agreements and relevant product documentation. Fees are applied consistently in line with contractual arrangements and are subject to periodic internal review. Revenue from management services is recognised over time, as the services are performed, as the customer simultaneously receives and consumes the benefits of the services in accordance with IFRS 15.35(a), and measured based on the stage of completion of the services (e.g. time elapsed or services performed). Invoices are issued in accordance with contractual terms and do not determine the timing of revenue recognition.

#### Interest income

Interest income is recognised using the effective interest method in accordance with the terms of the intercompany loan agreements. If a financial asset becomes credit-impaired, the Group recognises interest income on the net carrying amount of the asset, applying the original effective interest rate

#### Other income

Other income comprises gains and receipts that are not part of the Group's primary activities. It is recognised when it is probable that future economic benefits will flow to the Group and the amount of income can be measured reliably. Income is recognised on an accrual basis, irrespective of the timing of cash receipts.

### **2.9 Goodwill**

Goodwill is measured as described under "Business Combinations" in note 2.5. 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.



## **2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

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.

The Group tests cash-generating units (CGUs) to which goodwill has been allocated for impairment annually, or more frequently where indicators of impairment exist. Goodwill is allocated to the Kaipola CGU (the "Plant"), which represents the lowest level within the Group at which goodwill is monitored for internal management purposes and is expected to benefit from the synergies of the business combination.

### **2.10 Exploration and Evaluation Expenditure**

Exploration and evaluation ("E&E") expenditure comprises costs incurred in the search for geothermal and other energy resources prior to the demonstration of technical feasibility and commercial viability.

In accordance with IFRS 6 Exploration for and Evaluation of Mineral Resources, E&E expenditure is capitalised as an intangible asset on an area-of-interest basis when the Group has the right to explore in a specific area and it is expected that the costs will be recouped through successful development or sale, or where exploration activities have not yet reached a stage which permits a reasonable assessment of the existence of economically recoverable resources. Costs incurred prior to obtaining legal rights to explore are expensed as incurred.

Capitalised E&E costs include licence acquisition costs, geological and geophysical studies, exploration drilling, sampling and directly attributable employee and contractor costs.

Exploration and evaluation assets are initially recognised at cost, being the aggregate of consideration transferred and directly attributable expenditures incurred in obtaining and developing exploration rights.

E&E assets are measured at cost less accumulated impairment losses and are not amortised while in the exploration and evaluation phase.

E&E assets are assessed for impairment when facts and circumstances indicate that the carrying amount may exceed the recoverable amount. Such indicators include the expiry of exploration rights, a lack of planned substantive expenditure, or unsuccessful exploration results. Where indicators exist, the Group performs an impairment test in accordance with IAS 36 and recognises any impairment loss in statement of comprehensive income.

Upon demonstration of technical feasibility and commercial viability, E&E assets are reclassified to development assets and subsequently accounted for in accordance with the applicable standard.

The geothermal licence rights provide the Group with the legal right to explore and evaluate geothermal energy resources within specified licence areas, forming the basis for capitalisation of exploration and evaluation expenditure.

E&E assets are derecognised when the rights to explore expire or when no future economic benefits are expected.



## **2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

### **2.11 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.

After initial recognition, property, plant and equipment are measured using the cost model and are carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is recognised so as to write down the cost of assets to their residual values over their estimated useful lives, reflecting the pattern in which the assets' future economic benefits are expected to be consumed.

- **Construction-related assets** (e.g. assets under construction, development and upgrade costs): carried at cost and not depreciated until available for use. Once available for use, these assets are depreciated on a straight-line basis over up to 10 years.
- **Tangible assets** (e.g. plant, machinery, furniture and movables): written down value method at 25% per annum. The depreciation method reflects the expected pattern of consumption of the assets' future economic benefits. Residual values, useful lives and the depreciation method are reviewed at least annually and adjusted prospectively where appropriate.

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.

### **2.12 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 Group assesses whether a contract contains a lease at inception. A lease conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The right-of-use asset is initially measured at cost, comprising the initial lease liability, any initial direct costs, estimated dismantling or restoration costs, and any lease payments made in advance (net of incentives received). The right-of-use asset is depreciated on a straight-line basis over the shorter of the asset's useful life or the lease term and is assessed for impairment where indicators exist.

The lease liability is initially measured at the present value of lease payments, discounted using the



## **2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

Group's incremental borrowing rate, as the interest rate implicit in the lease is generally not readily determinable. Lease payments included in the liability comprise fixed payments, variable payments based on an index or rate, and amounts expected under residual value guarantees.

Subsequent to initial recognition, lease payments reduce the liability and are allocated between finance costs and principal repayment. The lease liability is remeasured when lease payments change due to modifications, reassessment of lease terms, options to purchase, or changes in payments linked to indices or floating interest rates. Remeasurements adjust the carrying amount of the right-of-use asset, except when the asset is fully written down, in which case any excess is recognised in profit or loss.

Payments for short-term leases, low-value assets, and leases of assets under construction are expensed on a straight-line basis and disclosed separately as off-balance sheet commitments. As at 31 December 2025, the Group did not have any short-term leases, low-value asset leases, or leases of assets under construction, and accordingly no related expenses were recognised.

### **2.13 Impairment of Assets**

Cash-generating units to which goodwill or intangible assets that have an indefinite useful life or are not yet available for use have been allocated are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures is directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units are first applied to reduce the carrying amount of any goodwill allocated to the cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit.

With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

### **2.14 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.



## **2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

### 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 does not have any financial assets categorised as FVOCI.

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.

### Subsequent measurement of financial assets

#### ○ **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.

#### ○ **Financial assets at fair value through profit or loss (FVTPL)**

Financial assets are classified as FVTPL if they are:

- held for trading, or
- derivatives (unless designated and effective as hedging instruments)

Derivatives, including call options, are initially recognised at fair value on the date the Group becomes a party to the contractual provisions of the instrument and are subsequently remeasured at fair value at each reporting date.

Gains or losses arising from changes in fair value are recognised immediately in statement of profit or loss and presented within finance income or finance costs.



## **2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

### Impairment of financial assets

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.

For trade receivables and contract assets, the Group applies the simplified approach permitted by IFRS 9, under which lifetime expected credit losses are recognised from initial recognition.

For other financial instruments, the Group applies the general approach and classifies financial assets into the following categories based on changes in credit risk since initial recognition:

- Stage 1: Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk.
- Stage 2: Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low.
- Stage 3: Financial assets that have objective evidence of impairment at the reporting date.

12-month expected credit losses are recognised for Stage 1 assets, while lifetime expected credit losses are recognised for Stage 2 and Stage 3 assets.

A significant increase in credit risk is assessed by comparing the risk of default at the reporting date with the risk of default at initial recognition, taking into account reasonable and supportable forward-looking information.

Expected credit losses are measured as a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Financial assets are written off when there is no reasonable expectation of recovery, either in full or in part.

### Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings and trade and other payables, as well as certain financial liabilities in relation to contingent consideration arrangements which are measured at fair value through profit or loss (FVTPL).

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for directly attributable transaction costs. However, transaction costs are expensed immediately for financial liabilities classified at fair value through profit or loss.

Subsequently, financial liabilities are measured as follows:

- financial liabilities measured at amortised cost are subsequently measured using the effective interest method; and
- financial liabilities measured at fair value through profit or loss are remeasured at each reporting date with gains or losses recognised in profit or loss.



## **2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in statement of comprehensive income are included within finance costs or finance income, except for fair value movements on financial liabilities at FVTPL, which are presented within finance income or finance costs depending on their nature.

Financial liabilities are derecognised when the contractual obligations are discharged, cancelled or expire. Where a financial liability is modified or replaced, the Group assesses whether derecognition is appropriate in accordance with IFRS 9, including whether the modification is substantial.

### **2.15 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.

### **2.16 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 costs necessary to make the sale.

### **2.17 Trade and Other Receivables**

Trade and Other Receivables are initially recognised at fair value including transaction costs that are directly attributable to their acquisition. 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.

### **2.18 Income taxes**

Income tax expense recognised in profit or loss comprises current tax and deferred tax, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

#### Current tax

Current tax is based on taxable profit for the year and is calculated using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

The Group operates in multiple jurisdictions and, despite an overall loss position, incurs minor current income tax charges.

Management applies judgement in assessing uncertain tax positions and recognises current tax liabilities where it is probable that the taxation authority will accept the tax treatment applied.



## **2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

### Deferred tax

Deferred tax is calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

Deferred tax assets are recognised to the extent it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

The Group has incurred recurring tax losses and, at the reporting date, there is no convincing evidence that sufficient taxable profits will be generated in the foreseeable future. Accordingly:

No deferred tax assets have been recognised in respect of unused tax losses or deductible temporary differences.

Deferred tax liabilities are generally recognised in full, although IAS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions the Group does not recognise deferred tax on temporary differences relating to goodwill, or to its investments in subsidiaries (only to the extent that the Group control the timing of the reversal of the taxable temporary difference and that reversal is not likely to occur in the foreseeable future). The Group does not offset deferred tax assets and liabilities unless it has a legally enforceable right to do so and intends to settle on a net basis.

### **2.19 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 classified 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.

### **2.20 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. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

### **2.21 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 statement of financial position 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 employees, directors, and key management personnel is measured at the grant date in accordance with IFRS 2 Share-based Payment. The fair value is determined using an appropriate option pricing model, such as the Black-Scholes model, taking into account the terms and conditions upon which the options were granted, including that no market performance conditions are attached.

The fair value determined at the grant date is recognised as a share-based payment expense in the statement of comprehensive income, with a corresponding increase in equity, over the vesting period, being the period over which all vesting conditions are to be satisfied.

The total amount to be expensed is determined by reference to the fair value of the options granted:

- **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).

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 issues the relevant number of shares upon exercise. Proceeds received on exercise, net of any directly attributable transaction costs, are credited directly to equity.

### **2.22 Warrants**

The Company issues warrants that entitle holders to subscribe for ordinary shares at a fixed price over a defined exercise period.

Warrants are assessed at inception to determine whether they fall within the scope of IFRS 2 – Share-based Payment or IAS 32 – Financial Instruments: Presentation, based on the nature of the counterparty and transaction.

Warrants issued in exchange for goods or services are accounted for under IFRS 2 as equity-settled share-based payments.



## **2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

Warrants issued in a financing or capital raising context, where the counterparty acts in its capacity as an investor or lender, are accounted for under IAS 32 as equity instruments, provided they meet the fixed-for-fixed criterion.

Warrants classified within IFRS 2 are measured at fair value at the grant date using an option pricing model and recognised in profit or loss over the vesting period, or immediately if vesting is immediate.

Warrants classified within IAS 32 are measured at fair value at grant date using an option pricing model.

Any difference between fair value and proceeds received is recognised directly in equity. No charge is recognised in profit or loss.

The valuation of warrants is based on a Black-Scholes model using assumptions including expected volatility, expected life, risk-free interest rate, and dividend yield (assumed nil unless otherwise stated). Where limited historical data exists, volatility is derived from comparable listed entities.

Warrants are classified as equity instruments where they meet the fixed-for-fixed requirement and do not confer voting or dividend rights until exercised.

### **2.23 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 joint venturer;
- 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. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.24 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) is 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 within equity to share capital. 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. On lapse or forfeiture, the balance is transferred to retained earnings.
- **Share warrant reserve** represents the equity component of warrants issued by the Group. Warrants are initially recognised at fair value on the date of grant, with the corresponding credit recorded in the warrant reserve within equity. No subsequent remeasurement is made to the warrant reserve. When warrants are exercised, the proceeds received, together with the amount previously recognised in the warrant reserve, are transferred to share capital as appropriate. If warrants expire unexercised, the balance in the warrant reserve is retained within equity.



### **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 and estimates 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**

##### Capitalisation of plant development cost

The Group applies judgement in determining whether costs incurred in the development, upgrade and pre-operational activities of plant assets meet the criteria for capitalisation in accordance with applicable accounting standards. Such costs are capitalised only where they are directly attributable to bringing the asset to the condition necessary for it to be capable of operating as intended by management and where they are expected to generate future economic benefits. During the year ended 31 December 2025, the Group capitalised £1,218k (2024: £632k) of costs relating primarily to pre-operational and development activities for plant assets. These costs have been included within Development and Upgrade Costs.

Management exercises judgement in assessing whether such costs are directly attributable to the construction and commissioning of the plant and whether the projects remain technically feasible and commercially viable. The recoverability of these capitalised amounts is dependent on the successful completion and commissioning of the plant assets and the generation of forecast future cash flows. The Group monitors the projects for indicators of impairment and considers factors including anticipated commissioning timelines, forecast energy output and expected tariff rates.

##### Assessment of Deferred Tax Asset Recognition

The Group assesses at each reporting date the recoverability of deferred tax assets arising from deductible temporary differences and unused tax losses. This assessment requires judgement in evaluating whether it is probable that sufficient future taxable profits will be available against which such amounts can be utilised, taking into account legal, regulatory and economic factors in the relevant tax jurisdictions.

Based on this assessment, and given the Group's continued loss-making position and the uncertainty regarding the timing and level of future taxable profits, no deferred tax assets have been recognised in the consolidated financial statements.

#### **Significant estimates**

##### Impairment of goodwill

During the current year, the Group performed its annual impairment assessment using recoverable amounts determined with reference to value-in-use and/or fair value less costs of disposal calculations. This assessment requires management to make significant estimates and assumptions in relation to future cash flows, including projected operating performance, capital expenditure and long-term growth assumptions, as well as the determination of appropriate discount rates.

As part of the impairment assessment, the Group utilised an independent external valuation of the relevant plant assets that was performed in May 2025. The same valuation was used as an input into both the prior year and current year assessments, with management updating and assessing the underlying cash-flow assumptions to reflect conditions at the current reporting date. The plant assets represent a significant component of the related cash-generating units.



### **3. CRITICAL ESTIMATES, JUDGEMENTS AND ERRORS (CONTINUED)**

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. Further details of the key assumptions used are provided in Note 14.

#### 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 require polluting assets to be depreciated more quickly

#### Fair value measurement of derivative call option

The Group has entered into a call option agreement granting it the right to acquire a 100% equity interest in another entity for a fixed cash consideration. The call option is classified as a derivative financial instrument and is measured at fair value through profit or loss in accordance with IFRS 9.

The determination of the fair value of the call option involves significant management judgement, including assessment of factors such as the probability of exercise, expected volatility of the underlying investment, and market conditions. The fair value is subject to estimation uncertainty, and changes in these judgements could materially affect the Group's profit or loss. Further details are disclosed in Note 6.

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

The Group enters into leases with third parties 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 creditworthiness 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 undertaking

#### Fair value measurement of contingent financial liabilities

The Group recognises certain contingent financial liabilities arising from contractual arrangements, which are measured at fair value through profit or loss.

The fair value of these liabilities is determined using probability-weighted cash flow models, which require management to estimate the likelihood and timing of future events, such as the achievement of specified milestones or conditions. These cash flows are discounted using appropriate discount rates reflecting the time value of money and risks specific to the liability.

Given the long-term and uncertain nature of these assumptions, the resulting fair value is subject to significant estimation uncertainty. Changes in key assumptions, including probability assessments and discount rates, may materially affect the carrying amount of the liability and the corresponding charge or credit to profit or loss. Further information is provided in Note 22.



#### 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.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below

##### 4.1 Categories of financial assets and financial liabilities

<b>31 December 2025</b>	<b>Amortised cost</b>	<b>FVTPL</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade and other receivables	648	-	648
Cash and cash equivalents	706	-	706
Derivative asset	-	-	-
<b>Total financial assets</b>	<b>1,354</b>	<b>-</b>	<b>1,354</b>

<b>31 December 2025</b>	<b>Amortised cost</b>	<b>FVTPL</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Non-current borrowings	9,352	-	9,352
Financial liabilities – contingent consideration	-	2,792	2,792
Trade and other payables	1,126	-	1,126
<b>Total financial liabilities</b>	<b>10,478</b>	<b>2,792</b>	<b>13,270</b>

<b>31 December 2024</b>	<b>Amortised cost</b>	<b>FVTPL</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade and other receivables	413	-	413
Cash and cash equivalents	375	-	375
<b>Total financial assets</b>	<b>788</b>	<b>-</b>	<b>788</b>

<b>31 December 2024</b>	<b>Amortised cost</b>	<b>FVTPL</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Non-current borrowings	10,590	-	10,590
Current borrowings	390	-	390
Trade and other payables	1,525	-	1,525
<b>Total financial liabilities</b>	<b>12,505</b>	<b>-</b>	<b>12,505</b>

##### 4.2 Financial risk management

###### I. Market risk analysis

###### 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).

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.



#### 4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Foreign currency denominated financial assets and liabilities, which expose the Group to currency risk, are disclosed below. The amounts presented represent those reported to key management, translated into GBP at the closing exchange rate. The Group's exposure arises primarily from its Finnish subsidiary, whose functional currency is EUR.

	Short-term exposure		Long-term exposure
	EUR	SEK	EUR
<b>31 December 2025</b>			
Financial assets	-	-	8,356
Financial liabilities	-	-	(10,814)
<b>Total exposure</b>	-	-	<b>(2,457)</b>
<b>31 December 2024</b>			
Financial assets	-	-	4,011
Financial liabilities	-	(72)	(5,532)
<b>Total exposure</b>	-	<b>(72)</b>	<b>(1,521)</b>

The following sensitivity analysis illustrates the impact of changes in foreign exchange rates on the Group's profit or loss, assuming all other variables remain constant. A change of  $\pm 5\%$  has been applied to the relevant foreign exchange rates, which the Directors consider to be a reasonably possible change at the reporting date. In the prior year, different sensitivity percentages were applied to certain currencies; however, the Directors have standardised the sensitivity assumption in the current year to improve consistency and comparability across periods.

If the GBP had strengthened against the EUR by 5% (2024: 5%). During the current year all SEK-denominated loans were fully settled and, accordingly, the Group had no SEK exposure at the reporting date.

	Profit for the year		Equity	Total
	EUR	SEK	EUR	
31 December 2025	73	-	50	<b>123</b>
31 December 2024	67	5	9	<b>81</b>

If the GBP had weakened against the EUR by 5% (2024: 5%) and SEK by N/A (2024: 7%). During the current year all SEK-denominated loans were fully settled and, accordingly, the Group had no SEK exposure at the reporting date.

	Profit for the year		Equity	Total
	EUR	SEK	EUR	
31 December 2025	(73)	-	(50)	<b>(123)</b>
31 December 2024	(67)	(5)	(9)	<b>(81)</b>

During the year, Group has recorded £24k foreign-exchange related losses [2024 – gain £17k] were recognised in statement of comprehensive income.

##### 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.



#### 4. FINANCIAL RISK MANAGEMENT (CONTINUED)

##### Interest rate risk(continued)

The Group does not hold any variable-rate financial instruments. Accordingly, the Group is not exposed to interest rate risk as defined under IFRS 7.

##### **II. Credit risk**

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to credit risk from financial assets including cash and cash equivalents held at banks, trade and other receivables.

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 majorly relate to a one customer, which concentrates credit risk but is monitored regularly to ensure recoverability.

The Group applies the expected credit loss ("ECL") model in accordance with IFRS 9. No loss allowance has been recognised as management considers the ECL to be immaterial. The Group's exposure to credit risk is currently limited due to the nature and volume of its trade receivables and the Group being in a pre-operational stage. Based on ongoing oversight by management, the Group considers the credit risk associated with its trade receivables to be low. As the Group transitions into operational activities, it will implement more formal credit risk assessment processes and policies appropriate to the scale and nature of its operations.

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.

As at 31 December 2025, the Group's trade receivables, which are financial assets measured at amortised cost, are all current. The following table provides an ageing analysis of trade receivables:

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
0 to 3 months	332	413
3 to 6 months	316	-
6 months +	-	-
<b>Total</b>	<b>648</b>	<b>413</b>

##### **III. Liquidity Risk**

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows.

The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. 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.



#### 4. FINANCIAL RISK MANAGEMENT (CONTINUED)

As at 31 December 2025, 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:

<b>31 December 2025</b>	<b>Within 6 months £'000</b>	<b>6 to 12 months £'000</b>	<b>1 to 5 years £'000</b>	<b>Later than 5 years £'000</b>
Borrowings	-	-	4,572	8,359
Lease liabilities	157	157	1,257	13,568
Financial liabilities – contingent consideration	-	-	2,792	-
Trade and other payables	492	337	-	-
<b>Total financial liabilities</b>	<b>649</b>	<b>494</b>	<b>8,621</b>	<b>21,927</b>

  

<b>31 December 2024</b>	<b>Within 6 months £'000</b>	<b>6 to 12 months £'000</b>	<b>1 to 5 years £'000</b>	<b>Later than 5 years £'000</b>
Borrowings	-	72	1,794	16,620
Lease liabilities	150	150	1,200	13,254
Trade and other payables	493	1,035	-	-
<b>Total financial liabilities</b>	<b>643</b>	<b>1,257</b>	<b>2,994</b>	<b>29,874</b>

#### 4.3 Fair value measurement

The Group measures certain financial instruments at fair value in the statement of financial position. These fair values are categorised into the fair value hierarchy based on the observability of significant inputs, in accordance with IFRS 13 – Fair Value Measurement:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The following table summarises the Group's financial instruments measured at fair value:

<b>Financial instruments</b>	<b>Level 1 £'000</b>	<b>Level 2 £'000</b>	<b>Level 3 £'000</b>	<b>Total £'000</b>
Financial assets - Derivative assets	-	-	-	-
Financial liability - Contingent consideration	-	-	2,792	2,792

The Group currently has no Level 1 or Level 2 financial instruments measured at fair value; all fair value amounts relate to Level 3 instruments.

No transfers occurred between levels.



#### **4. FINANCIAL RISK MANAGEMENT (CONTINUED)**

##### **Level 3 fair value measurement – Financial assets**

- The fair value of derivative assets is determined using valuation techniques based on unobservable inputs.
- The Group has assessed the fair value of the call option and concluded that, as at the reporting date, its value is not material and has therefore been determined to be nil.
- Given the nil valuation, changes in significant unobservable inputs, including assumptions such as volatility and probability of exercise, would not result in a material impact on the financial statements. Accordingly, a sensitivity analysis has not been presented, more details are provided in Note 6.
- The valuation reflects management's assessment that the likelihood of the option being exercised and generating economic benefit is remote at the reporting date.

##### **Level 3 fair value measurement – Financial liabilities**

- The Group measures contingent liability now recognised at fair value, using valuation techniques based on unobservable inputs.
- Key assumptions include the probability of settlement, expected timing of outflows, and applicable discount rates.
- Changes in these significant unobservable inputs could materially affect the fair value of the liability. A sensitivity analysis is provided in Note 22.

The Group's finance team performs fair value measurements for reporting purposes. Valuation techniques are selected based on the characteristics of each instrument. The finance team reports directly to the CFO. Valuation processes and fair value changes are reviewed by the CFO and CEO at least annually in line with the Group's reporting dates.

#### **5. CAPITAL MANAGEMENT POLICIES AND PROCEDURES**

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain sufficient funding to support the development and operation of its on-going projects.

The Group considers its capital to comprise total equity and borrowings. Management monitors capital based on the Group's cash position, available funding and overall equity position as presented in the consolidated statement of financial position.

As the Group continues to develop its projects, it may incur operating losses and therefore relies on a combination of shareholder support and external financing to fund its activities. Management reviews the Group's capital requirements regularly and takes appropriate actions to ensure that adequate resources are available to meet its obligations as they fall due.

The Group is not subject to any externally imposed capital requirements.



## **6. INVESTMENTS AND DEVELOPMENT AGREEMENTS**

### **German Geothermal Development Structure**

During the period, the Group entered into an agreement to establish a new investment structure in Germany focused on the development of geothermal energy assets. The arrangement involved the creation of a holding entity and underlying project companies to progress three geothermal projects.

#### Ownership and Governance

In March 2025, the Cindrigo Geothermal Limited a 100% subsidiary of the Company entered into an investment agreement with Zukunft Geowärme GmbH ("ZGG") for developing three geothermal projects via dedicated SPVs.

The intention was that new companies would be established, comprising one new German holding company and three SPVs, with Zukunft Geoenergie GmbH ("ZGE") serving as the holding entity. The Group was to ultimately hold 85% of the shares in this holding company, with the remaining 15% held by ZGG. However, due to administrative arrangements at the time of incorporation, the shares were initially registered in the name of the parent company, Cindrigo Holdings Limited.

In addition, three project companies, ZGE 1, ZGE 2 and ZGE 3, have been incorporated in respect of each geothermal licence, with 100% of their shares held by ZGE.

As at 31 December 2025, Cindrigo Holdings Limited held 100% of the shares in ZGE. The transfer of shares to the agreed shareholding structure is expected to be completed subsequently. A shareholders' agreement governs the rights and obligations of the parties.

#### Contingent Liabilities – BEW and KfW Funding Entitlements

Under the investment agreement, milestone bonuses of up to €1M per project are payable to ZGG's shareholders if each project secures at least €15M of German federal funding (e.g., BEW/KfW). A pro-rata bonus applies for funding between €10M to €15M, with no payment due if less than €10m of German federal funding is received. An additional €5M per project is payable if, post-completion, average output across all three plants meets or exceeds 22 MW.

While these payments are contractually contingent on future events, management has assessed that the Group has a present obligation under the terms of the agreement and that an outflow of economic benefits is probable. Accordingly, a provision has been recognised in the statement of financial position as at 31 December 2025. Further details of the provision, including measurement and key assumptions, are disclosed in Note 22.

#### Call Option on ZGG Shareholding

The Group has entered into a call option agreement granting it the right, but not the obligation, to acquire 100% of the issued share capital of ZGG for a fixed consideration of €600,000, exercisable at any time up to April 2027. A fee of £64k (€75k) was paid on inception in respect of the grant of option.

#### ○ **Accounting classification and initial recognition**

The call option meets the definition of a derivative financial instrument under IFRS 9, as its value changes in response to an underlying variable, it requires little or no initial net investment relative to other contracts with a similar response to market factors, and it is settled at a future date. On initial recognition, the fee paid of £64k in respect of the grant of the option was recognised as a financial asset at fair value.

#### ○ **Subsequent measurement**

In accordance with IFRS 9, the call option is subsequently measured at fair value through profit or loss (FVTPL) at each reporting date.



## 6. INVESTMENTS AND DEVELOPMENT AGREEMENTS (CONTINUED)

At 31 December 2025, the fair value of the option has been assessed as nil (see Fair Value Measurement below). Accordingly, a fair value loss of £64k has been recognised in profit or loss for the year (2024: £nil).

### ○ **Fair value measurement**

The fair value of the call option has been assessed in accordance with IFRS 13, which defines fair value as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

The underlying investment, ZGG, is a private limited company that does not currently generate operating revenues and incurs only administrative expenses. Its principal assets comprise three geothermal licences, which remain legally registered in ZGG's name but are not capitalised in its financial statements. These licences are in early-stage development, with no secured project financing in place, and development timelines are expected to extend beyond the remaining term of the option.

Although the option is currently out of the money relative to its €600,000 exercise price and was acquired in March 2025, management has reassessed the relevance of the transaction price at the reporting date. In light of the limited progress in the underlying project, the absence of financing, and the shortened remaining term of approximately 16 months, the conditions and assumptions underpinning the initial transaction price are no longer considered reflective of those that would be applied by market participants at the measurement date.

Accordingly, the valuation reflect current circumstances, under which the likelihood of the option delivering economic benefit prior to expiry is considered remote. On this basis, the fair value of the option at the reporting date has been assessed as nil. Settlement of the option, if exercised, would be made in cash at the contractual exercise price of €600,000.

The valuation relies on unobservable inputs and is classified as Level 3 in the IFRS 13 fair value hierarchy.

### ○ **Level 3 valuation technique and inputs**

The fair value of the call option has been determined using a probability-weighted assessment of potential outcomes, reflecting assumptions that market participants would apply at the measurement date. Significant unobservable inputs include the probability of the underlying project achieving commercial viability within the option term, the expected timing of development milestones, and assumptions regarding the availability of project financing. Changes in these inputs are not expected to result in a material increase to the fair value, which has been assessed as nil at 31 December 2025.

### ○ **Sensitivity analysis**

The fair value is most sensitive to changes in the assumed probability of the project achieving commercial viability prior to the option's expiry. Reasonably possible changes in these assumptions would not result in a material increase in the fair value at the reporting date.

### ○ **Reconciliation**

	<b>2025</b>
	<b>£'000</b>
Opening balance 1 January 2025	-
Additions/fees paid	64
Fair value loss recognised in profit or loss	(64)
Settlements / exercises	-
<b>Closing balance 31 December 2025</b>	<b>-</b>



## 7. REVENUE

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Management services	256	-
Personnel leasing	7	-
Sale of energy, Heat	-	85
<b>Total</b>	<b>263</b>	<b>85</b>

Revenue for the year comprises income from management services provided to Fuelwood Finland Oy, which represents the Company's principal source of income in the current year.

In the year ended 31 December 2025, revenue of £256k arose from services provided to a single external customer, representing 97% of Group's total revenue. In the year ended 31 December 2024, revenue of £85k arose from the sale of heat to a single external customer, representing 100% of the Group's total revenue. Revenue was reported within the Group's single operating segment.

At 31 December 2025, the Group had no contract assets and no contract liabilities. Revenue is recognised over time for management services because the customer simultaneously receives and consumes the benefits as the Group performs. The transaction price is determined by agreed contractual terms and does not include variable consideration. The Group applies the practical expedient in IFRS 15 Revenue from Contracts with Customers paragraph 121 and therefore does not disclose information about remaining performance obligations for contracts with an original expected duration of one year or less.

Personnel leasing income is not a principal source of the Company's revenue and arises on a one-off, non-recurring basis. Such income is recognised in the period in which the related services are provided.

## 8. OTHER INCOME

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Gain on settlement of deferred consideration	99	-
<b>Total</b>	<b>99</b>	<b>-</b>

In April 2024, the Group completed the acquisition of the issued share capital of Kaipola. Part of the consideration for the acquisition was structured as deferred consideration payable in accordance with the original share purchase agreement.

Subsequent to the initial agreement, the terms of the deferred consideration were amended to allow for early settlement at a discounted amount, which the Group elected to exercise. The resulting reduction in the deferred consideration liability has been recognised as a gain in the consolidated statement of comprehensive income within "other income" for the period.

The discount obtained forms part of the maximum earn-out and is disclosed in the Note 22.



## 9. ADMINISTRATIVE EXPENSES

Administrative expense comprise of following:

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Consulting fees	779	889
Bonus payments	155	775
Directors' fees	106	65
Termination benefits – director resignation	57	-
Listing-related expenses	1,020	223
Legal and professional fees	158	129
IR, communication and marketing	186	103
Travelling	243	140
Audit, accountancy and related services	244	118
Development costs – German geothermal projects	66	-
Foreign exchange (gain)/loss	24	(17)
Other administrative costs	91	90
Share option expense	(33)	674
Loan arrangement fees	-	1,553
Wages and social security	-	29
Loss on parent's settlement of ex-subsiary debt	-	62
<b>Total</b>	<b>3,096</b>	<b>4,833</b>

Included within administrative expenses for 2024 is £1,553k relating to costs incurred in connection with securing financing for the acquisition of a new subsidiary, under arrangements whereby the lender was granted a 10% equity interest in the acquired entity as part of the financing terms. These costs were previously presented within finance costs but have been reclassified to administrative expenses in the current year to better reflect their nature as transaction-related arrangement costs associated with the acquisition and financing structure. This reclassification has no impact on loss for the year, total equity, net assets, or cash flows.

In order to improve consistency, £223k of listing-related costs previously presented within “Legal and professional fees” in 2024 have been reclassified to “Listing-related expenses” in that year. No totals are affected.

Audit, accountancy and related services includes:

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Audit fees	188	50
Non-audit service fees	28	62
Other	28	6
<b>Total</b>	<b>244</b>	<b>118</b>

Fees for non-audit services were paid to auditors other than Grant Thornton.



## 10. FAIR VALUE GAINS/(LOSSES)

	Note	2025 £'000	2024 £'000
Financial assets at fair value	6	64	-
Financial liabilities at fair value	22	2,792	-
<b>Total</b>		<b>2,856</b>	<b>-</b>

## 11. IMPAIRMENT OF FINANCIAL ASSETS

	2025 £'000	2024 £'000 Restated
Write-off of debtor balance	107	-
Intercompany loans write off	-	(25)
<b>Total</b>	<b>107</b>	<b>(25)</b>

During the year, the Group wrote off an irrecoverable trade debtor balance of £107k after concluding there was no reasonable expectation of recovery in accordance with IFRS 9. The write-off resulted in a charge recognised within Impairment of financial assets. No further recoveries are expected.

### Dravacel – Reclassification of Prior Year Presentation

In the prior year, the Group recognised two amounts relating to Dravacel d.o.o.:

- £4,329k – write-off of intercompany balances due from Dravacel following its liquidation; and
- £1,184k – net impairment charge relating to the suspension of the Slatina 3 Project (being the difference between a £4,447k impairment of property, plant and equipment and a £3,263k gain on deconsolidation).

These amounts were aggregated and presented as “Impairment loss on financial assets” in the 2024 financial statements.

As part of the current-year review, the Group reassessed the presentation of the Dravacel-related charges to ensure compliance with the relevant IFRS requirements. To provide clearer and more transparent information to users, the Group has disaggregated the previously combined amounts and presented them according to their nature.

The revised presentation is as follows:

- £4,447k – impairment and write-off of property, plant and equipment, now presented as “Impairment of non-financial assets” in accordance with IAS 36; and
- £1,066k – net loss on loss of control of subsidiary, comprising the write-off of intercompany balances of £4,329k and the gain on deconsolidation of £3,263k, now presented as “Loss on loss of control of subsidiary” in accordance with IFRS 10.

This change relates solely to presentation. It does not affect the total net charge previously recognised, nor does it impact the Group’s profit, net assets, or cash flows for the prior year. The updated presentation simply reflects the differing nature of the impairment and disposal-related items and enhances the clarity of the financial statements.



## 12. PROPERTY, PLANT AND EQUIPMENT

	Machinery and equipment £'000	Furniture and other movables £'000	Development/ Upgrade cost £'000	Land £'000	Assets under construction £'000	Total £'000
<b>Gross carrying amount</b>						
As at 1 January 2025	73	2	632	-	-	707
Additions	242	-	1,218	-	-	1,460
At 31 December 2025	<b>315</b>	<b>2</b>	<b>1,850</b>	-	-	<b>2,167</b>
<b>Depreciation and Impairment</b>						
As at 1 January 2025	(19)	-	-	-	-	(19)
Depreciation	(74)	(1)	(63)	-	-	(138)
Impairment	-	-	-	-	-	-
At 31 December 2025	<b>(93)</b>	<b>(1)</b>	<b>(63)</b>	-	-	<b>(157)</b>
<b>Carrying amount 31 December 2025</b>	<b>222</b>	<b>1</b>	<b>1,787</b>	-	-	<b>2,010</b>

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

The Group had no contractual commitments for the acquisition of property, plant and equipment as at 31 December 2025.

**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.

**Land and assets under construction** were related to the Slatina 3 Project, held through Dravacel, were fully impaired in the prior year, following the liquidation of the subsidiary, as the recoverable amount of these assets was assessed to be nil.



### 13. LEASES

#### Right-of-use assets - Leased Plant - Reconciliation of Carrying Amounts

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
<b>Gross carrying amount</b>		
As at 1 January	4,452	-
Additions	-	4,452
Disposal	-	-
Foreign exchange movement	211	
At 31 December	<b>4,663</b>	<b>4,452</b>
<b>Depreciation</b>		
As at 1 January	(74)	-
Depreciation	(91)	(74)
Foreign exchange movement	(6)	
At 31 December	<b>(171)</b>	<b>(74)</b>
<b>Carrying amount 31 December</b>	<b>4,492</b>	<b>4,378</b>

#### Lease liability

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

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Current	16	14
Non-current	4,751	4,551
	<b>4,767</b>	<b>4,565</b>

The Group has a single lease arrangement in respect of Kaipola plant with a lease term of 50 years (the "Lease"). The Lease is recognised in the consolidated statement of financial position as a right-of-use asset and a corresponding 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. These payments vary with actual production levels and are therefore excluded from the lease liability under IFRS 16.27. Variable lease payments recognised in statement of comprehensive income during the year were £0k (2024: £0k). The Group is exposed to future cash-flow variability as these payments may become significant if output increases. Management monitors expected production levels when assessing future lease-related cash flows.

The lease liability has been measured as the present value of the fixed lease payments over the lease term, discounted using the Group's incremental borrowing rate of 6.27%, which represents the rate that the Group would have to pay to borrow, over a similar term and with similar security, the funds necessary to obtain an asset of a similar value in a similar economic environment.

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.



### 13. LEASES (CONTINUED)

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.

Maturity analysis of undiscounted lease liabilities:

	Within 1 year £'000	1-5 years £'000	After 5 years £'000	Total £'000
Lease liabilities at 31 December 2025	314	1,257	13,568	15,140
Lease liabilities at 31 December 2024	300	1,200	13,254	14,754

Interest expense of £293k (2024 - £213k) were incurred on lease liabilities.

Total cash outflow for the Lease for the year ended 31 December 2025 is £358k [(€420k)] (2024 – NIL), rental payments totaling £51k [(€60k)] were unpaid, are included in trade and other payables at the year end.

### 14. GOODWILL

	2025 £'000	2024 £'000
<b>Gross carrying amount</b>		
As at 1 January	15,533	-
Acquired through business combination	-	15,533
Net exchange difference	376	-
At 31 December	<b>15,909</b>	<b>15,533</b>
<b>Accumulated impairment</b>		
As at 1 January	-	-
Impairment loss recognised	-	-
At 31 December	-	-
<b>Carrying amount 31 December</b>	<b>15,909</b>	<b>15,533</b>

#### Impairment testing

The Group tests cash-generating units (CGUs) to which goodwill has been allocated for impairment annually, or more frequently where indicators of impairment exist. Goodwill is allocated to the Kaipola CGU (the "Plant"), which represents the lowest level within the Group at which goodwill is monitored for internal management purposes and is expected to benefit from the synergies of the business combination.

#### o **Determination of recoverable amount**

The recoverable amount of the Kaipola CGU is determined on the basis of its value-in-use (VIU).

As at 31 December 2025, management determined that the recoverable amount is based on the VIU model:

- a. Value-in-use (VIU): £133,017k (2024: £272,326k)
- b. Carrying amount of CGU: £22,411k
- c. Headroom (a - b): £110,606k



#### 14. GOODWILL (CONTINUED)

##### o Value-in-use (VIU)

The VIU was calculated using a discounted cash flow (DCF) model.

Key assumptions used in the VIU model are as follows:

- Forecast period: 5 years, based on management-approved budgets and forecasts
- Terminal value: A terminal value is applied at the end of the 5-year forecast period to reflect estimated cash flows over the remaining operational life of the plant of approximately 45 years, being the balance of an estimated total operational life of 50 years.
- Discount rate: 10% (pre-tax), reflecting current market assessments of the time value of money and risks specific to the CGU, to the extent that such risks are not already incorporated in the forecast cash flows.
- Revenue growth: Revenue during the explicit forecast period is based on existing contracted revenues. Beyond the forecast period, growth assumptions are conservative and aligned with long-term inflationary expectations, with no material volume expansion assumed.
- Long-term growth rate: 2%, consistent with long-term inflation. This rate does not include speculative growth or incremental operational efficiencies, which are not assumed beyond existing contractual arrangements
- Capital expenditure assumptions include only committed and maintenance capital expenditure and exclude uncommitted upgrades, expansions, or enhancements.
- Operational efficiencies: Forecast cash flows assume only operational efficiencies already identified and supported by existing contracts. No uncommitted or speculative efficiency improvements are included

The VIU calculated using these assumptions is £133,017k.

##### o CGU composition and carrying amount

The carrying amount of the Kaipola CGU includes:

<b>Asset class</b>	<b>Amount</b>
	<b>£'000</b>
Goodwill	15,909
Property, plant and equipment directly attributable to the plant	2,010
Right-of-use asset capitalised, directly attribute to plant	4,492
<b>Total CGU carrying amount</b>	<b>22,411</b>

##### o Sensitivity analysis

The recoverable amount is sensitive primarily to the discount rate, terminal growth rate and forecast operating cash flows.

##### Sensitivity Analysis – Value in Use (VIU)

<b>Assumption</b>	<b>Base Case</b>	<b>Sensitivity</b>	<b>NPV / VIU</b>	<b>Change vs Base Case</b>
<b>Discount rate</b>	10%	+1% (11%)	£127,245k	–£5,772k
<b>Terminal growth rate</b>	2.0%	–0.5% (1.5%)	£125,894k	–£7,123k
		+0.5% (2.5%)	£141,091k	+£8,074k
<b>Operating cash flows</b>	Base cash flows	–5%	£126,367k	–£6,650k

##### o Conclusion

As at 31 December 2025, the recoverable amount of the Kaipola CGU exceeds its carrying amount. Accordingly, no impairment loss has been recognised.



**15. EXPLORATION AND EVALUATION ASSETS**

	<b>CONTRACTUAL RIGHTS £'000</b>
<b>Gross carrying amount</b>	
As at 1 January 2025	-
Additions	223
Net exchange difference	-
At 31 December 2025	<u>223</u>
<b>Accumulated impairment</b>	
As at 1 January 2025	-
Impairment losses	-
At 31 December 2025	<u>-</u>
<b>Carrying amount 31 December 2025</b>	<u>223</u>

Additions and recognition

During the year ended 31 December 2025, the Group entered into an investment agreement with an investor ZGG (see Note 6). Under the agreement:

- The Group assumed responsibility for ZGG's shareholder loans with an aggregate nominal amount of £87k (€100k) (the "ZGG shareholder loans"). This assumption of liabilities constitutes consideration for the acquisition of contractual rights to use geothermal licences held by a third party.
- In addition, the Group incurred further exploration and evaluation ("E&E") expenditure during the year in connection with its geothermal projects, including costs relating to field appraisal studies and technical assessments. An amount of £136k relating to such expenditure has been capitalised during the year.

As at 31 December 2025, all three projects/licenses (ZGE 1, ZGE 2 and ZGE 3) are in the exploration and evaluation phase. Activities undertaken to date include field appraisal studies and ongoing technical assessments. No commercial production has commenced.

Level of Cash-Generating Units

For impairment assessment purposes, the Group has determined that the three licences collectively constitute a single cash-generating unit (CGU). This reflects the integrated nature of the project: the licences are expected to be developed together using shared infrastructure and funding, and the resulting cash inflows are interdependent.

As a result, the Group does not capitalise costs separately per licence, but on a combined project basis. Impairment assessments are performed at the project CGU level in accordance with IFRS 6 and IAS 36. The CGU does not exceed the level of an operating segment as defined in IFRS 8.

Impairment of exploration and evaluation assets

In performing the impairment assessment, management considered the following indicators:

- The Group retains the right to explore in the relevant licence areas.
- Substantive expenditure on further exploration and evaluation is planned and budgeted.
- Exploration activities have not led to a decision to discontinue the projects.
- There is sufficient data to indicate that the carrying amount is expected to be recovered through successful development or sale.



## 15. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Additional indicators assessed:

External indicators

- Licences have been renewed for the current period
- No adverse regulatory changes in Germany
- No legal challenges or restrictions identified

Internal indicators

- Ongoing field appraisal and technical evaluation activities
- No intention to abandon or suspend the projects
- Continued availability of financing and technical resources

Based on the assessment performed, management concluded that no impairment indicators were present as at 31 December 2025, and therefore no impairment loss has been recognised.

### Future development

Upon demonstration of technical feasibility and commercial viability, the exploration and evaluation assets will be reclassified to development or production assets. At that point, the assets will be amortised over their expected useful lives.

## 16. SHARE CAPITAL

### a. Issued and fully paid

	Number of shares	Share capital account £'000
<b>At 1 January 2025</b>	214,949,325	38,360
Shares issued and fully paid during the year		
- Share issue, open offer	48,106,124	2,886
- Share issue, placing	17,006,996	2,041
- Share issue, advisor/introducer	759,442	15
- Share issue, loan settled by issue of shares	51,090,867	6,508
Transaction costs related to share issues		
- Placing fees		(157)
- Other legal fees, charged by broker		(46)
- Allocated to share warrant reserve		(893)
<b>At 31 December 2025</b>	<b>331,912,754</b>	<b>48,714</b>
<b>At 1 January 2024</b>	142,041,530	22,583
Shares issued and fully paid during the year		
- Share issue, Kaipola acquisition	13,636,364	12,778
- Share issue, open offer	59,271,431	3,556
Transaction costs related to share issues		
- Placing fees		(557)*
<b>At 31 December 2024</b>	<b>214,949,325</b>	<b>38,360</b>

\*Of the total placing costs of £557k incurred during the prior year, £70k was settled in cash and is presented as a financing cash outflow. The remaining £487k was settled by the issue of equity instruments and represents a non-cash financing transaction in accordance with IAS7

The Company's ordinary shares have a nominal value of £0.01 each. All issued ordinary shares are uniform in all respects and constitute a single class for all purposes. The issued ordinary shares rank pari passu and are entitled to all dividends and other distributions declared thereafter.



## 16. SHARE CAPITAL (CONTINUED)

During the year, the Company issued a total of 48,106,124 ordinary shares, increasing share capital by £2,886k, pursuant to open offer subscriptions. Placing fees directly attributable to this issue amounted to £34k and were deducted from equity.

Following approval by shareholders at an Extraordinary General Meeting held on 24 October 2025, the Company undertook a capital reorganisation whereby each ordinary share of £2.667609 was subdivided into one ordinary share of £0.01 and one deferred share of £2.657609. The deferred shares have no voting or economic rights. The reorganisation had no impact on the total equity of the Company.

In addition, on 31 October 2025 the issued and to be issued share capital of the Company was admitted to trading on London Stock Exchange and the company completed a placing of 17,006,996 ordinary shares of face value £0.01 each at a price of £0.12 per share, raising gross proceeds of £2,041k before expenses. Costs directly attributable to this transaction is £123k placing fees, £46k other legal fees charged by broker.

Further 759,422 shares were issued to advisors/introducers in August 2020 to settle advisory services. The amount for these shares was initially recorded in the subscription reserve and has now been reclassified to share capital upon issuance.

During the year, following Convertible Loan Notes were converted into ordinary shares in accordance with their respective terms. On conversion, the carrying value of the debt and the associated equity component were reclassified to share capital in accordance with IAS 32. No gain or loss arose on conversion of equity-classified instruments.

CLN reference	Conversion date	Shares issued	Debt conversion (£'000)	Equity reserve transferred (£'000)
Series 1 - YA II PN, Ltd	04 Nov 2025	1,090,856	529	270
Series 3 CLN - Danir AB	16 Dec 2025	6,122,594	465	237
Series 4 CLN - Danir AB	16 Dec 2025	15,750,000	1,128	579
Nil Coupon CLN 2031 - Danir AB	16 Dec 2025	25,399,333	1,027	557
May 2025 - Loan B - Danir AB	16 Dec 2025	2,247,884	1,579	107
May 2025 - Subscription agreement - Danir AB - partial settlement	16 Dec 2025	480,200	22	8
<b>Total</b>		<b>51,090,867</b>	<b>4,750</b>	<b>1,758</b>

Refer to Note 17 for details of warrants issued during the year. The net impact of £893k arising from the allocation of proceeds to warrants has been recognised within the share warrant reserve.

### b. Deferred shares

	Number of shares	Nominal value
Deferred shares	263,055,449	2.657609

On 24 October 2025, the Company completed a capital reorganisation. As part of this reorganisation, and following multiple share issues at prices below nominal value, 263,055,449 deferred shares were created. The deferred shares carry no voting rights and confer no rights to dividends or any other economic participation in the Company. Although the deferred shares have a nominal value of £2.657609 each, they have no economic substance and are therefore excluded from recognised share capital.

### c. Shares subscription reserve

As at 31 December 2025, the Company had received cash of £24k in respect of share subscriptions. The corresponding 254,967 ordinary shares recorded within the Share Subscription Reserve as at the reporting date. Upon issuance after the year-end, the reserve will be transferred to Share Capital.



**16. SHARE CAPITAL (CONTINUED)**

In addition, a bank receipt of £18k was received prior to the year-end; however, the payer has not yet been identified. As shares cannot be allocated until identification, the amount remains in the Subscription Reserve and no shares have been issued respect of this amount.

**17. SHARE WARRANTS GRANTED**

Summary of Warrants Outstanding at Year End

Class of warrants	Counterparty	Exercise price	Vesting	Expiry	Number of warrants	Accounting treatment
Sponsor Warrants	Sponsor	£0.12 per share	31 Oct 2025	31 Oct 2030	1,666,666	IFRS 2
Broker Warrants	Broker	£0.12 per share	31 Oct 2025	31 Oct 2027	695,832	IFRS 2
Investor Warrants	New investor	£0.12 per share	31 Oct 2025	31 Jul 2026	17,176,995	IAS 32
Loyalty Warrants	Existing shareholders	£0.20 per share	31 Oct 2025	30 Apr 2026	13,000,000	IAS 32
Settlement Warrant	Lender	£0.2729 per share	31 Oct 2025	30 Apr 2027	3,297,879	IAS 32

Nature of Warrants

- Sponsor warrants were issued in consideration for advisory services provided in connection with the Company's listing on LSE.
- Broker warrants were issued in consideration for services provided in connection with the Placing.
- Investor warrants were issued as an incentive to subscribe for new ordinary shares.
- Loyalty warrants were issued to certain existing shareholders who entered into lock-in agreements with the Company.
- Settlement warrants were issued to two lenders in relation to loan facilities entered into by the Group. The warrants formed part of the original loan agreements but warrants were issued upon the listing of the Company during the year.

Measurement of Fair Value

- o **Warrants within scope of IFRS 2**

Sponsor and Broker warrants have been accounted for as equity-settled share-based payments in accordance with IFRS 2 – Share-based Payment.

The fair value of the warrants measured at the grant date using a Black-Scholes valuation model.

Key assumptions used in the valuation included expected volatility, risk-free interest rate, expected life and a nil dividend yield. Expected volatility was determined by reference to comparable listed companies due to the limited trading history of the Company.

The inputs into the Black-Scholes Pricing Model were as follows:

	Sponsor Warrants	Broker Warrants
Exercise price	0.12	0.12
Expected volatility	76%	79%
Expected life	5 year	2 year
Risk-free rate	3.912%	3.769%

These warrants vested immediately and the full fair value was recognised in the income statement.



## 17. SHARE WARRANTS GRANTED (CONTINUED)

### ○ *Within scope of IAS 32*

Investor and Loyalty warrants were issued to shareholders in their capacity as investors and not in exchange for goods or services. Accordingly, these warrants fall outside the scope of IFRS 2 and have been accounted for as equity instruments under IAS 32 – Financial Instruments: Presentation.

The fair value of the warrants measured at the grant date using a Black-Scholes valuation model. The inputs into the Black-Scholes Pricing Model were as follows:

	Investor Warrants	Loyalty Warrants	Settlement Warrant
Exercise price	0.12	0.20	0.2729
Expected volatility	92%	92%	79%
Expected life	9 months	6 months	18 months
Risk-free rate	3.688%	3.688%	3.769%

- Investor and Loyalty warrants are treated as part of equity financing transactions, with fair value recognised as a deduction from equity (as a reduction in share capital), and no charge has been recognised in the income statement in respect of these warrants.
- Settlement warrants, originally part of the loan agreement, were issued upon the Company's listing as part of the overall financing arrangement. In accordance with IAS 32, their fair value was determined at issue and recognised as a reduction in equity, with a corresponding credit to the share warrant reserve.

As the warrants vested immediately, the full charge was recognised in the year.

### Reconciliation of Warrants

	<b>Number of shares</b>	<b>Value £'000</b>
Outstanding at 1 January 2025	-	-
Granted	35,837,375	893
Exercised/expired	-	-
Outstanding at 31 December 2025	<b>35,837,372</b>	<b>893</b>

The value represents the cumulative fair value of the warrants recognised in the warrant reserve.

### Potential Dilution

At the reporting date, the exercise of all outstanding warrants would result in the issue of 35,837,372 additional ordinary shares for gross proceeds of £5,845k.

## 18. CASH AND CASH EQUIVALENTS

	<b>2025 £'000</b>	<b>2024 £'000</b>
Cash at bank and in hand	706	375
Total	<b>706</b>	<b>375</b>

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.



**19. INVENTORIES**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Raw materials and consumables	182	163
<b>Total</b>	<b>182</b>	<b>163</b>

For the years ended 31 December 2025 and 2024, inventories were recognised in statement of comprehensive income as part of cost of sales. The Group did not record any write-down of inventories to net realisable value during either reporting period.

**20. TRADE AND OTHER RECEIVABLES**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Prepayments and accrued income	46	32
Trade debtors	332	105
Other debtors	270	276
<b>Total</b>	<b>648</b>	<b>413</b>

All trade and other receivables are 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 2025, 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.

**21. BORROWINGS**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
<b><u>Current</u></b>		
Other loans	-	390
	-	390
<b><u>Non-current</u></b>		
Other loans	4,032	-
Loan notes	5,320	10,590
	9,352	10,590
<b>Total</b>	<b>9,352</b>	<b>10,980</b>

Details of the calculation of borrowings are set out in Table 1, while the terms and other relevant details of each borrowing arrangement are provided in Table 2.



### 21. BORROWINGS (CONTINUED)

**Table 1 – Loan notes (Debt components)**

	Non-current																	Total
	Note 1	Note 2	Note 3	Note 4	Note 5	Note 6	Note 7	Note 8	Note 9	Note 10	Note 11	Note 12	Note 13	Note 14A	Note 14B	Note 15	Note 16	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Balance as at 1 January 2024</b>	691	484	423	1,025	933	790	849	527	367	754	-	-	-	-	-	-	-	<b>6,843</b>
New loan notes issued											2,757	1,255						4,012
Equity Component of Conv. 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 Derecog.						(2)	692	(12)	40	86	10	(16)						798
Restructuring of Loan (Note 13)						(816)		(546)			(2,885)	(1,291)	5,538					0
Restructuring of Loan (Note 14)							(1,573)		(421)	(868)	(72)			1,361	1,573			0
<b>Balance as at 31 December 2024</b>	<b>725</b>	<b>508</b>	<b>444</b>	<b>1,076</b>	<b>980</b>	-	-	-	-	-	-	-	<b>4,035</b>	<b>1,333</b>	<b>1,489</b>	-	-	<b>10,590</b>
New Loan notes issued																2,500		2,500
Restructuring of Loan*																	278	278
Finance Charge	37	21	21	52	47								253	40	90	79	14	654
FX gain/loss														80				80
Loans settled by issue of shares		(529)	(465)	(1,128)	(1,027)								(22)		(1,579)	-	-	(4,750)
<b>Balance as at 31 December 2025</b>	<b>762</b>	-	-	-	-	-	-	-	-	-	-	-	<b>4,266</b>	<b>1,453</b>	-	<b>2,579</b>	<b>292</b>	<b>9,352</b>

**Table 2 – Loan notes (Equity components)**

	Note 1	Note 2	Note 3	Note 4	Note 5	Note 6	Note 7	Note 8	Note 9	Note 10	Note 11	Note 12	Note 13	Note 14A	Note 14B	Note 15	Note 16	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance as at 1 January 2024</b>	386	270	237	579	557	-	177	-	57	118	-	-	-	-	-	-	-	<b>2,381</b>
Equity Component of Conv. Loan													1,564		107			1,671
Balance moved to retained earnings due to loan restructuring							(177)		(57)	(118)								**(352)
<b>Balance as at 31 December 2024</b>	<b>386</b>	<b>270</b>	<b>237</b>	<b>579</b>	<b>557</b>	-	-	-	-	-	-	-	<b>**1,564</b>	-	<b>107</b>	-	-	<b>3,700</b>
Reserve transferred to share capital – loans settled by issue of shares		(270)	(237)	(579)	(557)	-	-	-	-	-	-	-	(8)	-	(107)			(1,758)
<b>Balance as at 31 December 2025</b>	<b>386</b>	-	-	-	-	-	-	-	-	-	-	-	<b>1,556</b>	-	-	-	-	<b>1,942</b>

\* During the year, the Group restructured certain loan notes with a carrying value of £318k, which were classified as current borrowings in the prior year. As part of this restructuring, the existing loan notes were extinguished and replaced with new loan notes amounting to £278k issued to lenders. The remaining balance of £40k, for which lender confirmation was not received, was derecognised and recognised as a gain on extinguishment of financial liabilities in the statement of profit or loss. Following the restructuring and extension of maturity, the reissued loan notes have been classified as non-current at 31 December 2025.

\*\* In the prior year, an amount of (£352) relating to the balance moved to retained earnings following loan restructuring was presented in an incorrect column within Note 13 (Loans), resulting in the total being shown as £1,608 instead of £1,564. The presentation has been corrected in the current year comparative disclosure, with no impact on the primary financial statements, as the total was correctly stated.



### 21. BORROWINGS (CONTINUED)

**Table 3 - Summary of Convertible Loan Note Terms**

Note Ref	Instrument name/series	Investor / Party	Instrument amounts	Issue Date	Maturity	EIR	Coupon rate	Convertible ?	Conversion Price	Classification	Settled?
Note 1	Series 2 (unsecured, zero-coupon, convertible and transferable loan notes)	Yang Jun	£1,000,000	30 Jul 2021	30 Jul 2031	5%	NA	Yes	£0.5458	Compound instrument	<b>No</b>
Note 2	Series 1 (unsecured, zero-coupon, convertible and transferable loan notes)	YA II PN, Ltd	£700,000	30 Jul 2021	30 Jul 2031	5%	NA	Yes	£0.6417	Compound instrument	<b>Yes</b>
Note 3	Series 3 (unsecured, zero-coupon, convertible and transferable loan notes)	Danir AB	£612,260	30 Jul 2021	30 Jul 2031	5%	NA	Yes	£0.10	Compound instrument	<b>Yes</b>
Note 4	Series 4 (unsecured, zero-coupon, convertible and transferable loan notes)	Danir AB	£1,575,000	22 Oct 2021	22 Oct 2031	5%	NA	Yes	£0.10	Compound instrument	<b>Yes</b>
Note 5	Nil Coupon Convertible Loan notes 2031	Danir AB	£3,800,900	9 Dec 2022	9 Dec 2032	5%	NA	Yes	£0.15	Compound instrument	<b>Yes</b>
Note 6,8,11 and 12	Loans 6, 8, 11 and 12 were merged prior to 31 Dec 2024 under a new subscription agreement (Note 13).	Danir AB	-	-	-	-	-	-	-	-	-
Note 7,9,10 and 11	Notes 7, 9, 10 and 11, including £72k of interest, were consolidated into Loan 14 prior to 31 Dec 2024 (Note 14).	Danir AB	-	-	-	-	-	-	-	-	-
Note 13	Subscription agreement to subscribe 92,298,539 shares in exchange of loans	Danir AB	£5,537,912	3 Oct 2024	16 May 2034	6.27%	3%	Yes	£0.06	Compound instrument	<b>No, not fully</b>
Note 14A	New Loan agreement 16 May 2025	Danir AB	€1,586,700	3 Oct 2024	30 June 2027	N/A	3%	No	-	Debt instrument	<b>No</b>
Note 14B		Danir AB	£1,573,519	3 Oct 2024	30 June 2027	6.27%	3%	Yes	£0.70	Compound instrument	<b>Yes</b>
Note 15	Subscription agreement 16 May 2025	Danir AB	£2,500,000	16 May 2025	30 June 2027	N/A	5%	No	-	Debt instrument	<b>No</b>
Note 16	£306,599 unlisted, unsecured, 5% convertible and transferable loan notes 2027	Various lenders	£278,297	1 Jan 2025	a. Cash payment - 31 Dec 2027 b. Conversion to shares – Any time after Oct 2025	N/A	5%	Yes	At the higher of £0.75 per share or a 25% discount to the 30-day VWAP.	Debt instrument (Conversion option out-of-the-money; no derivative liability recognized.)	<b>No</b>



### 22. FINANCIAL LIABILITIES – CONTINGENT CONSIDERATION

The Group has entered into contractual arrangements that give rise to contingent consideration liabilities linked to the development and operational performance of two separate projects:

(a) Kaipola SPA Earn-Out

Under the Share Purchase Agreement (“SPA”) relating to the acquisition of Kaipola, the Seller is entitled to an earn-out of up to €3.85 million, contingent on the Company’s average EBITDA performance during the first five years following the Commercial Operation Date. If the average EBITDA exceeds €12,300k, the full earn-out is payable; for EBITDA between €7,400k and €12,300k, a pro-rata amount is due. One-third of the earn-out is payable in cash and two-thirds through the issuance of new shares of Cindrigo Holdings Limited at a 15% discount to the volume-weighted average price (“VWAP”) at the date EBITDA is certified by the auditors.

(b) German Projects – Milestone Bonus Arrangement

Under the investment agreement relating to three German projects, milestone bonuses become payable upon achieving:

- Funding bonuses linked to BEW/KfW federal funding approvals
- Generating bonuses linked to achieving 22 MW average output across the portfolio Maximum exposure across all projects is €5.5 million.

Further details of the contractual arrangements are provided in Note 6 – Investment Agreement.

Both agreements were enforceable at 31 December 2025, and therefore recognition is required at that date.

#### Fair Value Measurement (IFRS 13)

- Both liabilities are valued using an income approach, specifically a probability-weighted expected present value technique, consistent with IFRS 13.B10–B11.
- Both liabilities are classified as Level 3, due to significant unobservable inputs.
- Key Inputs and Assumptions
  - Probability distributions of EBITDA outcomes (Kaipola)
  - Probability distributions of BEW/KfW funding and output performance (German projects)
  - Discount rates: 10–15% (Kaipola), 12–15% (German projects)
  - VWAP discount (15%) and share-settlement gross-up (Kaipola)
  - Expected settlement timing (2027–2029)
  - Non-performance risk incorporated via discount rate spreads
- Both liabilities are remeasured at each reporting date, with changes in fair value recognised in profit or loss.

#### Recognised Amounts at 31 December 2025

	<b>2025</b>	<b>2024</b>
	<b>£’000</b>	<b>£’000</b>
Kaipola SPA Earn-Out	2,249	-
German Projects Milestone Bonus	543	-
	<b>2,792</b>	<b>-</b>



22. FINANCIAL LIABILITIES – CONTINGENT CONSIDERATION (CONTINUED)

The maximum potential undiscounted amount payable under the contingent consideration arrangements is £3.36m (€3.85m) in respect of the Kaipola acquisition and £4.80m (€5.5m) in respect of the German acquisitions.

Movement in Contingent Consideration Liabilities

	<b>2025</b> <b>£'000</b>
Opening balance	-
Initial recognition – Kaipola	2,249
Initial recognition – German projects	543
Closing balance	<b>2,792</b>

All initial recognition impacts were recorded in profit or loss.

Sensitivity Analysis

- Kaipola SPA Earn-Out

Key sensitivities:

- EBITDA probability distribution sensitivity

Scenario	Probability weighting	Fair value (£'000)
Base case	As modelled	2,249
-5% change in EBITDA probability distribution	Adjusted probabilities	2,055

- Discount-rate sensitivity:

Discount rate	Fair value (£'000)	% change
10.0%	2,470	9.88%
13.5%	2,249	0.0%
15.0%	2,162	-3.83%

- German Projects Milestone Bonus

- Discount-rate sensitivity

Discount rate	Fair value (£'000)	% change
12.0%	1,137	+109.4%
13.5%	543	0.0%
15.0%	237	-56.4%

- Funding probability distribution

Scenario	Probability weighting	Fair value (£'000)
Base case	As modelled	543
+5% change in funding probability distribution	Adjusted probabilities	814
-5% change in funding probability distribution	Adjusted probabilities	272

- Output probability distribution

Scenario	Probability weighting	Fair value (£'000)
Base case	As modelled	543
+5% change in output probability distribution	Adjusted probabilities	574



### 23. 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
<b>1 January 2025</b>	<b>10,590</b>	<b>390</b>	<b>4,565</b>	<b>15,545</b>
<b>Cash-flows:</b>				
- Repayment	-	(77)	(65)	(142)
- Proceeds	2,500	-	-	2,500
- Interest paid (financing cash flows)	-	-	(293)	(293)
<b>Non-cash:</b>				
- Gain on Debt Extinguishment	-	(40)	-	(40)
- Creditors for repayments	-	-	51	51
- Settled by issue of shares	(4,750)	-	-	(4,750)
- Reclassification	278	(278)	-	-
- Interest expense	654	-	293	947
- FX gain/loss	80	5	216	301
<b>31 December 2025</b>	<b>9,352</b>	<b>-</b>	<b>4,767</b>	<b>14,119</b>
	<b>Long-term borrowings £'000</b>	<b>Short-term borrowings £'000</b>	<b>Lease liabilities £'000</b>	<b>Total £'000</b>
<b>1 January 2024</b>	<b>-</b>	<b>7,667</b>	<b>-</b>	<b>7,667</b>
<b>Cash-flows:</b>				
- Repayment	-	(65)	-	(65)
- Proceeds	-	4,012	-	4,012
<b>Non-cash:</b>				
- 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)
<b>31 December 2024</b>	<b>10,590</b>	<b>390</b>	<b>4,565</b>	<b>15,545</b>



**24. FINANCE INCOME AND COSTS**

Finance costs for the reporting periods consist of the following:

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Interest on loan notes	654	658
Interest on other loans	-	65
Interest expense on lease arrangements	293	112
Interest expenses on trade payables	9	-
<b>Total interest expense</b>	<b>956</b>	<b>835</b>
Fair Value Loss on Loan Restructuring	-	288
<b>Total finance cost</b>	<b>956</b>	<b>1,123</b>

Comparative finance costs for 2024 have been reduced by £1,553k following the reclassification of loan arrangement costs to administrative expenses, to better reflect their nature as transaction-related arrangement costs. This reclassification has no impact on loss for the year, total equity, net assets, or cash flows.

Finance income for the reporting periods consist of the following:

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Gain on debt extinguishment	40	-
<b>Total finance income</b>	<b>40</b>	<b>-</b>

During the period, CL (100% Subsidiary) derecognized certain historical loan liabilities that were no longer legally enforceable. Cindrigo Holdings Limited subsequently issued new loan notes to the original lenders to compensate them. In the process of derecognizing the liabilities and recording the corresponding financial obligation in Cindrigo Holdings Limited, approvals from some noteholders were not obtained. As a result, a gain on debt extinguishment of £40k was recognized, reflecting the release of the legal obligation. This gain has been presented under finance income in the statement of comprehensive income.

**25. TRADE AND OTHER PAYABLES**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Trade payables	675	395
Accrued expense	302	88
Other payables	149	1,042
<b>Total</b>	<b>1,126</b>	<b>1,525</b>

All amounts are short term. The carrying values of trade and other payables are considered to approximate their fair values.

The decrease in other payables primarily relates to deferred consideration payable in respect of the Kaipola acquisition, which had an outstanding balance of £1,035k at the beginning of the year and was fully settled during the current year as follows:

<b>Opening balance</b>	<b>Cash settlement</b>	<b>Gain on early settlement</b>	<b>FX movement</b>	<b>Closing balance</b>
1,035	(867)	(99)	(69)	0



### 26. SHARE BASED PAYMENT

As at 31 December 2025, 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.

#### Scheme Description

Under the scheme, options granted entitle the holder to subscribe for one ordinary share at an exercise price of £0.05 per share. The options have a contractual life of 10 years from the grant date. At 31 December 2025, the weighted average remaining contractual life of options outstanding was 8.5 years.

#### Vesting Conditions and Period

The options vest in tranches as follows:

- 6,875,000 options vested in October 2024
- 6,150,000 options vested in June 2025
- 4,350,000 options vest in January 2027

Accordingly, the scheme contains service-based vesting conditions over a period ending in January 2027.

Options granted under the scheme vest subject to the option holder remaining in service with the Group until the relevant vesting date. There are no market-based or non-market performance conditions attached to the options, and vesting is dependent solely on the satisfaction of the service condition.

#### Measurement of Fair Value

The weighted average assumptions used in the model for measurement of fair value were as follows:

- Expected volatility: 68%
- Risk-free interest rate: 3.95%
- Expected life: 6.26 years
- Dividend yield: 0%
- Share price at grant date: £0.06
- Exercise price: £0.05

The use of an option pricing model reflects the time value and optionality of the instruments, in line with IFRS 2 requirements.

#### Expense Recognition

Total share-based payment expense recognised for the current year was £195k, offset by £15k relating to forfeited options, resulting in a net charge of £180k.

During the year, the Group identified an immaterial prior-period error in the IFRS 2 fair value measurement of share options. A correction of £213k relating to prior periods has been recognised in the current year in accordance with IAS 8, as the amount was not considered material to require restatement of comparative figures. Accordingly, the prior year share-based payment expense originally reported as £674k is reduced to an adjusted amount of £461k.



**26. SHARE BASED PAYMENT (CONTINUED)**

Forfeitures

At the grant date, management assessed the expected forfeiture rate as 0%, reflecting the absence of historical forfeiture data and the fact that awards were granted solely to directors, for whom turnover is historically low. This estimate is reassessed at each reporting date.

During the year, 700,000 options were forfeited due to consultant leaving before completing the vesting period. The impact of these forfeitures has been recognised through a revision of the number of options expected to vest.

Movement in Share Options

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 2025	18,075,000	0.05
Granted		
Forfeited	(700,000)	0.05
Exercised	-	-
Outstanding at 31 December 2025	17,375,000	0.05
Exercisable at 31 December 2025	13,025,000	0.05

All options outstanding at the reporting date were granted in prior financial periods. No new options were granted during the year, and narrative disclosures throughout the financial statements are consistent with this treatment.

The weighted average remaining contractual life of options outstanding was 8.5 years.

No options were exercised in 2025 and 2024.

Reconciliation to Share Option Reserve:

	Amount £'000
Opening balance	674
Less: Current-year correction of prior-period fair-value error (IFRS 2)	(213)
Add: Expense recognised in the year	195
Less: Lapsed/forfeited options	(15)
<b>Closing balance</b>	<b>641</b>

During the year, the Group identified an error in the prior-year measurement of the fair value of share options arising from the use of a valuation input that did not comply with IFRS 2. As the impact of the error was assessed as immaterial to prior periods, the correction of £213k has been recognised in the current year and prior-year comparatives have not been restated.

In September 2025, the Board of Directors approved a share option scheme for the potential grant of up to 17,144,630 share options to eligible participants. As at 31 December 2025, no options had been granted and, accordingly, no amounts have been recognised in these financial statements in accordance with IFRS 2 Share-based Payment. This disclosure is provided on a voluntary basis to highlight the potential future share-based payment arrangement.



### 27. DIRECTORS' EMOLUMENTS

Directors received fees totalling £106k during the year (2024: £65k). At 31 December 2025, £2k (2024: nil) remained outstanding in respect of Jörgen Andersson and is included within trade and other payables. No other amounts were outstanding with related parties at the reporting date or in the prior year.

In addition to directors' fees, consultancy fees of £300k (2024: £276k) were paid in respect of services provided by the Chief Executive Officer, Chief Financial Officer and Chief Commercial Officer. These services were provided through director-related service companies under contractual consultancy arrangements entered into in the ordinary course of business and on terms consistent with those applied to similar services provided to the Group. The fees were recognised within administrative expenses. No amounts were outstanding at the reporting date (2024: nil).

During the period, a one-off success bonus of £102k was paid to Directors in connection with the listing of the Company. In the prior year, the Group recognised share-based bonus payments totalling £720k in respect of Directors.

During the period, termination benefits of £57k were paid to Mustaq Patel in connection with his resignation, comprising £8k of directors' fees and £49k of consultancy fees.

The Directors were the key management personnel of the Group.

### 28. 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 2025. Accordingly, no current taxation arises on the Company's results for the year.

The Group operates through subsidiaries in a number of jurisdictions and is therefore subject to taxation in the countries in which those subsidiaries operate.

For the year ended 31 December 2025, none of the Group's subsidiaries recognised a material tax liability, except for Kaipola, which recognised a current tax charge of £5k (2024: £3k).

#### Reconciliation of tax expense

The tax charge for the year differs from the theoretical amount that would arise using the Guernsey standard rate of income tax as follows:

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Loss before taxation	6,850	11,457
Domestic tax rate – 0%	0%	0%
<b>Expected tax expense</b>	<b>-</b>	<b>-</b>
Tax effect of profits arising in overseas subsidiaries	5	3
<b>Actual tax expense</b>	<b>5</b>	<b>3</b>
Tax expense comprises:		
- Current tax expense	5	3



## 28. TAXATION (CONTINUED)

### Unrecognised deferred tax assets

At 31 December 2025, the Group had unused tax losses of £13,488k (2024: £13,460k) available for offset against future taxable profits. These losses arise in subsidiaries operating in taxable jurisdictions, primarily the United Kingdom and Germany, and will be carried forward indefinitely.

Losses arising in the Group's Guernsey holding company have not been separately tracked as they are not subject to tax and therefore do not give rise to deferred tax assets.

No deferred tax asset has been recognised in respect of these losses at the reporting date because the Directors consider that it is not probable that sufficient future taxable profits will be available against which the losses can be utilised.

Accordingly, the potential deferred tax benefit associated with these losses has not been recognised in the consolidated financial statements.

## 29. 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 2025 and is as follows:

### 31 December 2025

Loss for the year (£)	<u>(6,791,000)</u>
Weighted average number of shares of £0.01 each	<u>257,060,630</u>
Loss per share basic (£)	<u>(0.026)</u>
Weighted average number of shares for dilutive calculation	<u>257,060,630</u>
Loss per share diluted (£)	<u>(0.026)</u>

### 31 December 2024

Loss for the year as (£)	<u>(10,987,000)</u>
Weighted average number of shares of £2.667609 each	<u>152,097,735</u>
Loss per share basic (£)	<u>(0.072)</u>
Weighted average number of shares for dilutive calculation	<u>152,097,735</u>
Loss per share diluted (£)	<u>(0.072)</u>

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

In accordance with IAS 33 Earnings per Share, the Group reports a loss for the period, diluted earnings per share is equal to basic earnings per share, as the inclusion of potential ordinary shares would be anti-dilutive.



### 29. EARNINGS PER SHARE (CONTINUED)

Potential ordinary shares relating to 93,650,494 shares from convertible loan notes, 22,837,372 shares from warrants, and 17,375,000 shares from stock options have been excluded from the diluted earnings per share calculation, as their inclusion would reduce the loss per share.

### 30. NON-CASH ADJUSTMENTS

	Note	2025 £'000	2024 £'000
Impairment of financial assets		-	5,488
Loan arrangement (Paid in shares)		-	1,553
Consultant bonus payments (Paid in shares)		-	775
Gain on settlement of purchase consideration	8	(99)	-
Fair value losses	22	2,856	287
Interest expense	24	956	835
Gain on Debt extinguishment	24	(40)	-
Depreciation and amortisation		229	93
Foreign exchange gains/losses		31	(49)
Share-based payment expenses	26	(33)	674
<b>Total adjustment</b>		<b>3,900</b>	<b>9,656</b>

### 31. RELATED PARTY TRANSACTIONS

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

Name of Director	Directors Fees	Payment made on resignation	Share option expense	Share option expense - previous year adjustment	Consultant Bonus	Consultant fees	Total
IMM International - Lars Guldstrand	15,000	-	79,391	(90,509)	37,500	180,000	221,382
Fitzrovia Advisory - Mustaq Patel	12,944	56,500	21,655	(24,164)	20,000	90,839	177,774
Jorgen Andersson	22,000	-	25,196	(40,383)	10,000	-	16,813
Dag Andresen	15,000	-	24,525	(24,164)	20,000	30,000	65,361
Johan Glennmo	15,000	-	5,255	(2,124)	5,000	-	23,131
Alan Boyd	15,000	-	5,255	(2,124)	5,000	-	23,131
Jack Clipsham	10,625	-	-	-	5,000	-	15,625

Share option expense includes amounts recognised in the current year in respect of prior periods. These are presented as 'previous year adjustment' and have not been restated due to immateriality (refer to the share-based payment note for further details).

The following payments were made to directors or entities controlled by them during the previous 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	-	127,527	230,000	-	379,527
Dag Andresen	15,000	-	76,309	15,000	35,000	141,309
Johan Glennmo	11,250	-	6,709	5,000	-	22,959
Alan Boyd	7,500	-	6,709	5,000	-	19,209



### 31. RELATED PARTY TRANSACTIONS (CONTINUED)

As at year-end, the outstanding balance of loans received from Danir AB amounted to £8,298k (2024: £9,357k). 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; further details of the loans are provided in Note 21 to the consolidated financial statements. All arrangements entered into with Danir AB during the 2025 year of assessment were all arm's length transactions at market related terms and conditions.

### 32. COMMITMENTS

The Group had not entered into any material commitments as of 31 December 2025.

### 33. CONTINGENT LIABILITIES

Further information regarding the Group's contingent liability is provided in Note 22, which sets out the underlying terms and conditions of the arrangement.

As disclosed in Note 22, the arrangement meets the definition of a financial liability under IFRS Accounting Standards, and accordingly the Group has recognised a financial liability in respect of this obligation. The remaining exposure that does not meet the recognition criteria continues to be disclosed as a contingent liability.

### 34. SUBSEQUENT EVENTS

#### Short-Term Financing Support

After the year end, the Group received additional financial support from its largest shareholder, Danir AB. Danir has provided guarantees in respect of a short-term loan facility of approximately £0.4 million to support the Group's working capital requirements. This facility provides liquidity to the Group during the post-year-end period.

#### Other non-adjusting events

##### Agreed financing arrangements

Following the year end, the Group entered into a number of financing arrangements to support its ongoing development activities. These agreements were signed after the reporting date and therefore represent non-adjusting events under IAS 10. The key arrangements are as follows:

- £6.7 million equity investment into Cindrigo at a price of 12 pence per share.
- €3 million been secured for the Fuelwood joint venture, this amount plus a €1 million development loan from Cindrigo, a total of €4 million which is sufficient to support Fuelwoods establishment and initial operational phase.
- Up to £2 million under a separate subscription arrangement, which will be drawn if the Company's warrants due for exercise at the end of July are not exercised.

No other adjusting or non-adjusting events requiring disclosure have occurred between the reporting date and the date of approval of these financial statements.

### 35. ULTIMATE CONTROLLING PARTY

As of 31 December 2025, no one entity owns more than 50% of the issued share capital. Therefore, the Group does not have an ultimate controlling party.