Emergers

Cindrigo Holdings Ltd: Strategic investor backing and pellet integration strengthen the case

Johan Widmark | 2026-05-13 08:00

Executive Summary

Following its listing on the LSE Main Market in October 2025, Cindrigo has now moved into an execution phase supported by a materially strengthened funding position and a broadened industrial scope. The recently announced funding package comprises GBP 6.7m in new equity at 12 pence per share, alongside up to GBP 2m in additional committed capital and EUR 3m directed into the Fuelwood Finland joint venture, implying total funding and guarantees exceeding GBP 11m. The investment was secured at a premium to recent trading levels, signaling improved investor confidence while extending financial runway. At the same time, the launch of Fuelwood introduces a new high-potential biomass product line, expanding Cindrigo's role from energy producer to an integrated biomass platform including heat, power and pellets.

In Finland, the integration of pellet production alongside the Kaipola CHP plant implies a slower near-term ramp-up than previously anticipated, but with a significantly enhanced long-term earnings profile. Fuelwood is expected to reach an initial production run-rate of ~80,000 tonnes annually during 2026, scaling towards ~400,000 tonnes, corresponding to revenue potential of GBP 20m in the near term and up to GBP 100m at full capacity based on current prices of GBP 240/tonne. In addition, Cindrigo will generate recurring management service revenues of EUR 75k per month (EUR 1m annually), while the pellet facility becomes the primary off-taker of 30–50MW of heat at EUR 70/MWh, above prior assumptions. The integrated structure reduces reliance on third-party customers and supports a combined business with targeted margins of around 30% at full scale (including ~50MW heat, ~15MW power and pellet output), albeit with full ramp now expected closer to 2029.

In Germany, Cindrigo continues to advance its geothermal portfolio, where recent developments further improve the project risk-reward balance. The strategy centres on its 85%-owned portfolio in the Upper Rhine Valley, comprising three licences targeting around 300MW of combined heat, power and lithium production over the next decade. This positions Cindrigo to capitalise on Europe's elevated energy prices, decarbonisation and energy security trends, supporting potential group EBITDA of over EUR 90m by 2030, including an initial >EUR 10m contribution from lithium. The project structure remains highly attractive, with the Kaishan partnership deferring 70% of on-surface EPC costs until six months after commercial operation, complemented by substantial public support including a 50% subsidy on pre-drilling costs, 30–40% CAPEX subsidies for heat infrastructure, government-backed project financing and a 20-year power off-take tariff of EUR 250/MWh.

In addition, state-backed drilling insurance combined with Munich Re coverage materially reduces exploration risk by securing up to 90% of drilling capital, while successful wells unlock access to approx. EUR 25m in soft loans and require only around EUR 10m in upfront equity to support a EUR 30m plant build. At the same time, revised assumptions for lithium extraction, requiring approximately EUR 5m in additional CAPEX, indicate recoverable volumes of around 2,500 tonnes of lithium carbonate equivalent (after conversion), with an assumed realized price of EUR 11,000 per tonne.

In our revised model, taking the 17% dilution from the recent raise into account, we now find support for a risk-adjusted near-term valuation of around GBP 0.25-0.50 per share (underpinned by the new strategic investor's willingness to invest at GBP 0.12). With the startup of the pellets production we find support for a stepwise revaluation (only illustrative, intended to show the potential valuation effect of

Cindrigo

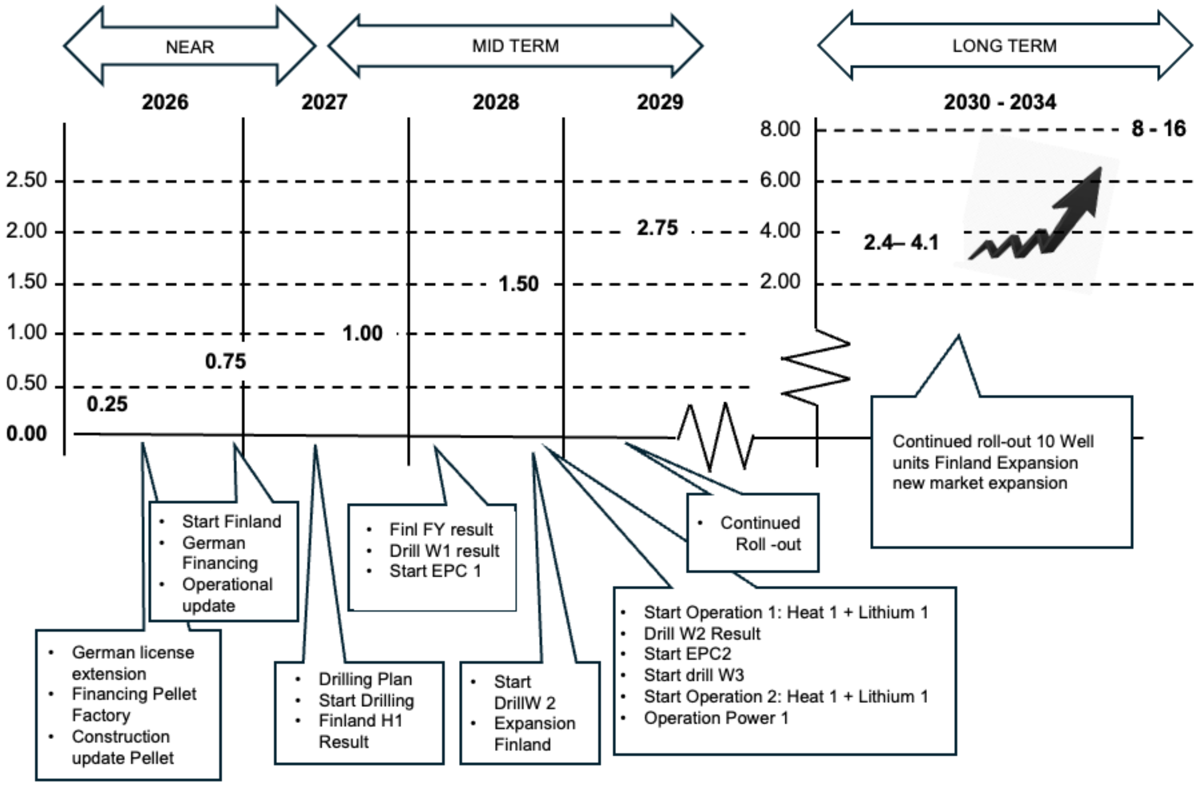
Price (GBP)	0,065
Near-term target (GBP)	**0,25**
Mid term revaluation potential (GBP)	**1,00-2,75**
Shares Basic (m)	389,6
Mkt Cap (GBPm)	25,3
Net Debt (GBPm)	2,8
Enterprise Value (GBPm)	28,1
Market	LSE Main Market

GBPm	2025	2026e	2027e
Revenue	0,3	3,6	11,2
EBITDA	-2,7	-6,7	-6,2
EBIT	-5,9	-6,8	-6,2
EPS Adjusted	-0,02	-0,02	-0,01
Sales Growth, %	-	1373%	311%
EBITDA Margin, %	neg.	neg.	neg.
EBIT Margin, %	neg.	neg.	neg.
EV/Sales	106,9	7,8	2,5
EV/EBITDA	-10,3	-4,2	-4,5
EV/EBIT	-4,7	-4,1	-4,5
P/E	0,0	0,0	0,0

Source: Emergers

successful de-risking initiatives) towards 0.75 by the end of 2026, GBP 1.00 in 2027 with a longer-term upside supported by potential EBITDA of >EUR 90m by 2030 and a peer-based multiple valuation of around GBP 2.4-4.1 per share. In a longer-term perspective to 2034, we continue to find that growth, structure and profitability improvements could support a share price in the GBP 8–16 range.

Illustration of Key Risk Reduction and Value Creation Events
Fair Value Potential, GBP/Share



Taken together, the strengthened funding position, improved industrial integration in Finland and enhanced risk profile in Germany support the core investment case of Cindrigo as a developer of scalable, clean baseload energy, with increasing visibility on both execution and long-term value creation.

Listing on the LSE Main Market

Cindrigo's move to a listing on the LSE Main Market under the Commercial Companies category reflects a commitment to higher standards of governance, transparency, and scrutiny. While this upgrade entails additional costs and time, it significantly enhances the company's credibility. Importantly, the commercial listing increases credibility, ambitions, eligibility for index inclusion and opens avenues for institutional investors to invest, further solidifying the company's long-term funding prospects.

As for the long-term growth strategy, the German geothermal portfolio, comprising three licenses in the Upper Rhine Valley with a combined potential capacity exceeding 300MW, remains a cornerstone. Development will produce first meaningful revenues in 2029. Financing for these projects benefits from a robust framework, including:

- **Government Incentives:** Feed-in tariffs of €250/MWh for electricity from geothermal, 40% CAPEX grants for heat production, and an attractive Lithium potential, and exploration insurance to de-risk drilling, plus a EUR 25m loan to fund development.

- **Kaishan Group Support:** A turnkey EPC partner, Kaishan has committed to finance 70% of EPC costs, equivalent to 40% of total CAPEX, on deferred payment terms.
- **Possibility for 50% subsidy on pre development costs**, already in place, which shows that all support is "real".
- **Robust cash flows from Kaipola** underpinning the prospects of raising long-term debt to finance on surface project development in Germany.
- **LSE listing** will add another layer of credibility to the case with higher standards of governance, transparency, and scrutiny.

Cindrigo Group Financials

INCOME STATEMENT		2026	2027	2028	2029	2030	2031	2032	2033	2034
Group Revenue	**GBPm**	**3,6**	**11,2**	**47,7**	**133,4**	**213,8**	**275,8**	**374,2**	**439,8**	**503,8**
growth	%	-	2,1	3,2	1,8	0,6	0,3	0,4	0,2	0,1
Other Income										
Cost of Material										
OPEX Plants	GBPm	-4,4	-10,4	-43,8	-93,3	-128,7	-148,5	-180,7	-208,2	-227,9
G&A	GBPm	-6,0	-7,0	-8,0	-9,0	-9,4	-9,5	-9,7	-9,9	-10,1
Other inc: Govt subsidies	GBPm	0,0	0,0	0,0	16,2	16,2	16,2	0,0	0,0	0,0
EBITDA	**GBPm**	**-6,7**	**-6,2**	**-4,2**	**47,2**	**91,9**	**133,9**	**183,7**	**221,7**	**265,8**
EBITDA-margin %		*-186,6*	*-55,1*	*-8,8*	*35,4*	*43,0*	*48,6*	*49,1*	*50,4*	*52,8*
Depr	GBPm	-0,1	-0,1	-1,4	-1,4	-2,5	-2,8	-1,7	-2,5	-0,6
Impairment and other										
EBIT	**GBPm**	**-6,8**	**-6,2**	**-5,6**	**45,9**	**89,5**	**131,1**	**182,0**	**219,2**	**265,1**
EBIT-margin	*%*	*-188,0*	*-55,6*	*-11,7*	*34,4*	*41,8*	*47,6*	*48,6*	*49,8*	*52,6*
Fin. Income										
Fin. Costs	GBPm	-1,0	-1,0	-1,0	-1,0	-1,0	-1,0	-1,0	-1,0	-1,0
PTP	GBPm	**-7,7**	**-7,2**	**-6,5**	**44,9**	**88,5**	**130,2**	**181,1**	**218,2**	**264,2**
tax	GBPm	0,0	1,4	1,3	-9,0	-17,7	-26,0	-36,2	-43,6	-52,8
Minority		0,8	0,6	-0,1	-4,7	-9,3	-14,0	-19,7	-24,1	-29,5
Net Income	**GBPm**	**-7,0**	**-5,2**	**-5,3**	**31,3**	**61,5**	**90,2**	**125,1**	**150,5**	**181,9**
EPS	**GBP**	**-0,02**	**-0,01**	**-0,01**	**0,08**	**0,16**	**0,23**	**0,32**	**0,39**	**0,47**

* Does not include the interest-free convertible loan note to Danir, as it is unlikely to be converted into shares.

Source: Emergers

Valuation and risk outlook

With the LSE Main Market listing, Cindrigo has lowered its risk profile. The transition from pre-revenue to solid cash generation in Kaipola and the raised capital, coupled with transparent governance and institutional credibility, underpins a positive outlook for the stock as well as the prospects to a high degree of long-term debt in the future financing mix. Based on a post-money valuation of the company, we see potential for significant value creation as the future milestones are achieved.

However, our valuation and fair value assessment are based on several assumptions and uncertainties, including the pellets venture in Finland, lithium production in Germany, and the ability and speed to secure funding for the projects in Germany. Any delays or changes to these activities could derail our forecast and significantly impact the valuation outlook. The listing also involves share price risk, which is especially heightened during the first period of trading, but still hold a significant up-side potential even with some delays. Futhermore, the current analysis only include assets under control, and no other expansions are included, which would be anticipated to be happening.

It's also important to note that our forecast is based on a significant EBITDA contribution from the Lithium production in Germany, although this is associated with a higher level of technical uncertainty compared to the other planned activities, that involve more established technologies.

With that in mind, we now see a solid plan for Cindrigo to raise group EBITDA to around GBP 90m by 2030, as the German geothermal projects and production of Lithium come online. One can also compare to Vulcan who are in the same area and been able to capture such opportunity.

Based solely on the ramp-up of production in Kaipola, and the new basic number of shares at 390m (fully diluted at 546m), we find support for a near-term price target of GBP 0.25 per share.

Financial Model and NPV for Kaipola WTE plant in Finland

Kaipola Finland		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
HEAT											
Capacity Heat	MW	25	35	50	50	60	65	75	75	75	75
Production	MWh	40 000	140 000	208 000	272 000	408 000	468 000	540 000	540 000	540 000	540 000
Price	EUR/MW	70	71	73	74	76	77	79	80	82	84
Revenue	**EURm**	**2,8**	**10,0**	**15,1**	**20,2**	**30,9**	**36,2**	**42,6**	**43,4**	**44,3**	**45,2**
POWER											
Capacity Power	MW	8	11	15	15	18	20	23	23	23	23
Production	MWh	7 800	42 000	78 000	90 000	144 000	156 000	180 000	180 000	180 000	180 000
Price	EUR/MW	45	46	47	48	49	50	51	52	53	54
Revenue PWR	**EURm**	**0,4**	**1,9**	**3,7**	**4,3**	**7,0**	**7,8**	**9,1**	**9,3**	**9,5**	**9,7**
PELLETS		(not consolidated 26/27)									
Tonnes per Year	000 Tonnes	15	50	150	335	440	440	440	440	440	440
Price	EUR/Tonne	240	240	240	245	250	255	260	265	270	276
Revenue	**EURm**	**4**	**12**	**36**	**82**	**110**	**112**	**114**	**117**	**119**	**121**
Ownership	%	20	40	55	100	100	100	100	100	100	100
Revenue	EURm	**4,2**	**12,9**	**54,8**	**106,5**	**147,8**	**156,0**	**166,0**	**169,3**	**172,7**	**176,2**
OPEX	EURm	-5,0	-12,0	-40,4	-80,0	-102,9	-103,4	-104,9	-105,3	-105,6	-106,9
EBITDA	EURm	**-0,8**	**0,9**	**14,4**	**26,5**	**44,9**	**52,6**	**61,1**	**64,0**	**67,1**	**69,2**
EBITDA-margin	*%*	*-20%*	*7%*	*26%*	*25%*	*30%*	*34%*	*37%*	*38%*	*39%*	*39%*
CAPEX	EURm	-1	-1	-1	-1	-1	-2	-2	-2	-3	-4
NPV											
Discount Period		1	2	3	4	5	6	7	8	9	10
Discount factor	10,3%	1,000	0,907	0,822	0,745	0,676	0,613	0,555	0,503	0,456	0,414
											Terminal Value
Operating Profit	EURm	-0,8	0,9	14,4	26,5	44,9	52,6	61,1	64,0	67,1	G: 2%
CAPEX	EURm	-1,0	-5,0	-1,0	-1,2	-1,4	-1,7	-2,1	-2,5	-3,0	r: 10%
Deferred Paym & Earn-out			-3,0								
FCF	EURm	-1,8	-7,1	13,4	25,3	43,5	50,8	59,1	61,5	64,1	788
PV	EURm	-2	-6	11	19	29	31	33	31	29	326
NPV	EURm	501,1									
NPV Cindrigo's Share (90%)	GBPm	392,4									
NOS Basic	m	389,6									
NPV per share*	GBP	1,01									

* NPV per share is before project specific execution risk-adjustment. Source: Emergers

Taking also the German geothermal portfolio into account we model a ramp-up where each unit has a net cost of ca EUR 30M (1 production & 1 re-injection well of about 4000 meters), although only EUR 10m is needed upfront, producing 30MW Heat, 6,800 hours per year at a price of around EUR 50/MWh. We also add Lithium extraction, adding investment of ca EUR 5M, producing up to 2500 ton lithium carbonate per year with a price of EUR 11k/ton. In parallel, the company will initiate power production on the first unit of 5 MW of power, with a fixed price of 250 EUR/MWh. The power production will add CAPEX of some EUR 12m. After the sequential build out, Cindrigo will have 10 units with a targeted capacity of 300 MW of planned resources, provided that everything goes smooth and according to plan.

Financial Model and NPV for German Geothermal Projects

Germany		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Wells		**0**	**0**	**1**	**2**	**3**	**5**	**7**	**8**	**10**	**10**
Holes		**0**	**0**	**1**	**3**	**5**	**9**	**13**	**15**	**19**	**19**
HEAT											
Capacity Heat	MW	-	-	-	60	90	150	210	240	300	300
Production	MWh	-	-	-	204 000	510 000	816 000	1 224 000	1 530 000	1 836 000	2 040 000
Price	EUR/MWh	-	-	-	50	51	52	53	54	55	56
Revenue Heat	**EURm**	**0**	**0**	**0**	**10**	**26**	**42**	**65**	**83**	**101**	**115**
POWER											
Capacity Power	MW	-	-	-	5	10	20	30	35	45	45
Production	MWh	-	-	-	20 000	60 000	120 000	240 000	280 000	360 000	360 000
Price	EUR/MWh	-	-	-	250	250	250	250	250	250	250
Revenue Power	**EURm**	**0**	**0**	**0**	**5**	**15**	**30**	**60**	**70**	**90**	**90**
LITHIUM											
Lithium Production	tonnes	-	-	-	2875	5175	8050	12650	16675	19550	23000
Lithium Price	000 EUR/tc	-	-	-	11	11	11	11	11	11	11
Lithium Revenue	**EURm**	**0**	**0**	**0**	**32**	**57**	**89**	**139**	**183**	**215**	**253**
Total Revenue		**0**	**0**	**0**	**47**	**98**	**161**	**264**	**336**	**406**	**458**
OPEX	EURm	0	0	-10	-27	-45	-67	-103	-134	-156	-181
Other inc: Govt subsidies	EURm				19	19	19				
EBITDA	**EURm**	**0**	**0**	**-10**	**38**	**72**	**112**	**161**	**202**	**250**	**277**
EBITDA-margin ex subs.	*%*	0	0	0	*42%*	*54%*	*58%*	*61%*	*60%*	*62%*	*60%*
CAPEX		0	0	-27	-27	-49	-54	-32	-49	-10	0
NPV											
Discount Period		1	2	3	4	5	6	7	8	9	10
Discount factor	10,3%	1,000	0,907	0,822	0,745	0,676	0,613	0,555	0,503	0,456	0,414
											Terminal Value
Operating Profit	EURm	0,0	0,0	-10,0	38,1	71,5	112,3	161,2	202,2	250,1	G: 2%
CAPEX	EURm	0,0	0,0	-27,0	-27,0	-49,0	-54,0	-32,0	-49,0	-10,0	r: 10%
FCF	EURm	0,0	0,0	-37,0	11,1	22,5	58,3	129,2	153,2	240,1	2950
PV of CF	EURm	0	0	-30	8	15	36	72	77	110	1221
Pre-tax NPV	EURm	1508									

* NPV is before project specific execution risk-adjustment. Source: Emergers

Most pieces in place for a transparent valuation of long-term potential

Our model now gives support for an Unlevered Post-tax NPV, Net of IB Debt for the group of around GBP 1100m, before any project specific execution risk-adjustment. Cindrigo currently has a convertible amounting to EUR 5m, with an interest rate of 3%, which is unlikely to be converted as this would push Danir's holding above the 30% threshold. With an estimate for additional Equity need of EUR 30m, and current 390m shares, this translates to a fair value of around GBP 2.75 per share.

To materialize the Company's long-term target of 1,000MW we believe that additional external financing will be needed. Given the sturdy cash flows from Kaipola, robust government support and Kaishan's involvement in Germany we see a good chance for Cindrigo to finance further expansion with a high degree of long-term debt in the financing mix.

Cindrigo Group Valuation

NPV (adjusted for minorities)		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Discount Period		1	2	3	4	5	6	7	8	9	10
Discount factor	10,3%	1,000	0,907	0,822	0,745	0,676	0,613	0,555	0,503	0,456	0,414
											Terminal Value
EBITDA	GBPm	-6,1	-5,6	-4,2	41,1	79,9	116,0	158,7	191,1	228,7	G: 2%
CAPEX	GBPm	-0,8	-0,8	-20,7	-20,9	-37,4	-41,3	-25,3	-38,2	-9,7	r: 10%
Deferred Paym & Earn-out			-3,0								
Tax	GBPm	0,0	1,2	1,1	-7,7	-15,3	-22,5	-31,3	-37,7	-45,6	
FCF	GBPm	-6,8	-8,1	-23,9	12,5	27,3	52,2	102,1	115,3	173,4	2131
PV of CF	GBPm	-6,8	-7,4	-19,6	9,3	18,4	32,0	56,7	58,0	79,1	881,8
Post-tax NPV	GBPm	1101,6									
Net IB Debt, Dec '25	GBPm	2,8									
NPV net of Debt	GBPm	1098,8									
New Equity	GBPm	26,1									
Equity Attributable to current shareholde		1072,7									
NOS*		389,6									
NPV per share	**GBP**	**2,75**									
NPV per share**	**EUR**	**3,16**									

* Does not include the convertible loan note to Danir, as it is unlikely to be converted into shares. Source: Emergers
* NPV per share is before project specific execution risk-adjustment.

GBP 2.5 Implied Value per share in 2030

To assess the long-term prospects for investors we apply present day peer group valuation multiples, to our forecast.

Peer Comparsion	Share price YTD%	Mkt Cap	EV	EBITDA	EV/ EBITDA	Report Curr	Share Curr	Year
A2A SpA	3%	7420	7420	189	39,3	EUR	EUR	L12M '26
China Everbright	17%	3698	12856	8741	13,6	CNY	CNY	L12M '26
La Francaise de l'Energie	18%	197	276	10	27,4	EUR	EUR	L12M '26
Ormat Technologies	4%	6 973	9 682	990	20,4	USD	USD	L12M '26
Veolia Environment SA	22%	26390	37015	6574	5,6	EUR	EUR	L12M '26
Vulcan Energy Res. Ltd	17%	555	68	-78	-0,9	EUR	EUR	L12M '26
Cindrigo (implied in 2030)*	-21%	26	29	80	-	EUR	GBP	2030e

* Excluding subsidies and minorities Source: Factset, Emergers

Seeing how the peer group trades at around 15-25x EBITDA, we first apply a 15x EBITDA multiple to our long-term forecast to 2030, adjusted for EUR 19m in government subsidies. This supports an increase in valuation to around GBP 2.4 by that year.

Valuation Potential 2030 / 2034 at 15x		2030	2034
EBITDA ex Govt. Subsidy and monorities	GBPm	65	229
Implied EV at 15x EBITDA	GBPm	981	3441
Net IB Debt	GBPm	3	3
New Equity	GBPm	26,1	26,1
Implied Mkt Cap	GBPm	952	3412
NOS		390	390
Implied Value per Share	GBP	2,4	8,8
Implied Value per Share	EUR	2,8	10,1

Source: Emergers

However, the steep earnings growth we expect Cindrigo will deliver in the years up to 2030 will motivate a premium to peer average at that point. If we instead apply a multiple in the upper end of the peer range, at 25x EBITDA, we find support for an increase in fair value to over 4 GBP in 2030.

Valuation Potential 2030 / 2034 at 25x		2030	2034
EBITDA ex Govt. Subsidy and monorities	GBPm	65	229
Implied EV at 25x EBITDA	GBPm	1635	5734
Net IB Debt	GBPm	3	3
New Equity	GBPm	26,1	26,1
Implied Mkt Cap	GBPm	1606	5706
NOS		390	390
Implied Value per Share	GBP	4,1	14,6
Implied Value per Share	EUR	4,7	16,8

Source: Emergers

In a longer perspective, to 2034, we find that the further growth and profitability measures will more than double EBITDA again, giving support to a share price in the GBP 8-16 per share range (again, adjusted for government subsidies and in minorities), pretty much based on current already acquiered portfolio, but one can expext that management will not slow down their growth ambitions.

It is, however, important to note that our model is associated with a high degree of uncertainty, and that several factors exist where small changes in assumptions can have a significant impact on the outcome. One of these is the discount rate. Below is a detailed table showing how this rate is calculated.

WACC	
Equity Beta	
Unlevered beta (Est.)	0,70
Debt to Total Capital (D/(D+E))	70,0%
Equity to Total Capital ratio (E/(D+E))	30,0%
Debt to Equity (D/E)	233,3%
Tax rate	20,0%
Relevered beta	2,01
Capital Asset Pricing Model	
Risk-free rate (20 yr. U.S. gov. bond yield)	4,00%
Market Risk Premium (Damodaran for UK)	5,10%
Size premium	5,00%
Cost of equity	19,23%
WACC	
Cost of Equity	19,2%
Pre-tax cost of debt	8,0%
Post-tax cost of debt	6,4%
% net debt	70,0%
Discount Rate	10,3%

Source: Emergers

Sensitivity analysis

The below analysis shows how Fair Value is affected by changes in key model assumptions, WACC, Additional Equity requirement and peer valuation multiple 2030.

Fair Value, as a function of WACC and Additional Equity Required
GBP per share

		WACC				
		8,5%	**9,0%**	**9,4%**	**10,0%**	**10,5%**
	10	4,0	3,6	3,3	2,9	2,7
Additional	**30**	3,9	3,5	3,2	2,9	2,6
Equity	**50**	3,9	3,5	3,2	2,8	2,6
Required	**75**	3,8	3,4	3,1	2,8	2,5
EUR M	**100**	3,7	3,3	3,1	2,7	2,5

Fair Value, as a function of Peer Value Multiple and Additional Equity Required
GBP per share

		Peer EBITDA multiple				
		11	**13**	**15**	**17**	**19**
	10	1,8	2,1	2,5	2,8	3,2
Additional	**30**	1,8	2,1	2,4	2,8	3,1
Equity	**50**	1,7	2,0	2,4	2,7	3,1
Required	**75**	1,6	2,0	2,3	2,7	3,0
EUR M	**100**	1,6	1,9	2,3	2,6	2,9

Source: Emergers

A brief history

Cindrigo is a renewable energy company bringing together a team that has a long track record of delivering high quality power plants and investment returns. The team is led by former CEO of Eniro Lars Guldstrand who has over 35 years of global executive experience. He is supported not least by the investment company of Swedish IT-entrepreneur Dan Olofsson, Danir, that has an ownership stake just shy of 30%, and whose son Johan Glennmo also serves on the Cindrigo board.

The current Cindrigo management and team have experience in drilling, geothermal, specifically from Iceland, and WTE projects. They have a vision for Cindrigo to become a solid player within renewable energy, with several projects in different niches, based on a core of geothermal plants in Europe. Other prioritized projects include renewable energy projects, this allows Cindrigo to utilize its experience from managing various projects and to focus on plants where the technical competence is of importance and personnel intensity is low.

The geothermal power industry

Producing energy through utilizing steam from heat reservoirs deep in the earth, geothermal is a stable and independent power source. As a clean source of baseload power, growth is driven by implementation of new and tighter regulations related to climate change. Fossil fuel power plants will be phased out, but the demand of reliable power production will increase along with further electrification driven by industrial and population growth.

According to the IEA, geothermal energy costs could drop by 80% to USD 50/MWh by 2035, making it the cheapest dispatchable low-emissions power source, comparable to hydropower and nuclear. With costs declining, geothermal could meet 15% of global electricity demand growth by 2050, deploying up to 800 GW of capacity. Total investment could hit USD 1 trillion by 2035 and USD 2.5 trillion by 2050. The IEA notes geothermal can benefit from oil and gas drilling expertise to unlock vast clean energy resources globally.

Cindrigo differs from peers in the sense that they are more of a project- based company, owning project rights in areas where geothermal needs are high, and a large number of wells are drilled already, reducing the risk. Running a very slim and cost-efficient type of business, margins are estimated at higher levels than industry peers. Despite the high projected growth Cindrigo will operate their geothermic plants mainly in EU or select non-EU jurisdictions with strong energy sectors and suitable for project finance, but are still associated with some uncertainty.

Risks

Financing risk: While the geothermal projects in Germany are dependent on additional financing, the Kaipola plant in Finland is fully financed to start production, and even reach self-financing. As for Germany, we judge that the risk is mitigated by the vast experience, the network of the Cindrigo management team and that it is a sector with appreciated good returns. Furthermore, the engagement in Germany enjoys considerable support from the federal government, making the risk profile for investors appealing, which is also reflected in our WACC. We also note that grant subsidies, both pre and on case, insurance, underwriting, and long-term attractive tariffs support the risk profile of the case.

Country risk: The country risk is low as Cindrigo's projects are now in markets with high credit ratings, deemed highly stabile in a political and financial perspective.

Construction risk: While the Kaipola plant is already built, there is construction risk associated with the projects in Germany. The partners in this area will be of most importance. Here Cindrigo collaborates with Kaishan as a full turnkey partner, that also defers 70% of their costs to 6 months after the Commercial Operational Date (COD) or start of operations. Kaishan is a major, stable player in the geothermal sector, which should limit construction risk to a minimum.

Key positions: The success of Cindrigo's future projects and future expansion into other markets is tightly linked to a few key people, based on these people's network. Therefore, the company is sensitive to personnel and management turnover.

Corporate Governance

The Board of Directors combines deep expertise across energy policy, large-scale industrial operations, corporate finance, capital markets, and technology. The composition reflects a blend of public sector experience, financial discipline, and entrepreneurial track records, providing both strategic oversight and operational relevance as the company advances its projects. Collectively, the Board brings experience from leading global corporations, government institutions, and high-growth technology environments, supporting both governance and execution.

Chairman of the Board: Jörgen Andersson is the former Minister of Energy and former Minister of Interior of the Swedish government. He brings strategic knowledge of the energy sector both from the business and a state policy perspective. He was previously the Chairman of Vattenfall and a Director of Sydkraft.

CEO & Director: Lars Guldstrand has more than 35 years of experience in corporate leadership and international investing in the energy, telecom and media sectors. He has held executive positions in a number of private and public companies in Europe, USA, Middle East and Asia.

CFO & Director: Dag Andresen has an extensive banking background and industry experience. Previously Group CFO & Deputy CEO of Vattenfall (Sweden), one of the largest European power companies, Group CFO at Vestas Wind Systems (Denmark), a leading manufacturer of wind turbines, and banking background with several executive positions at Nordea, e.g. head of Internal Audit and Business Area Transaction and Finance Banking.

Director: Alan Boyd is a specialist in technology, media, and intellectual property with extensive experience in startup, high-growth, and listed technology companies across Europe, America, Australia, and Asia. He began his career at Microsoft as its first Manager of Product Development, reporting directly to Bill Gates, and led the creation of global software staples including MS-DOS, Word, Excel, Windows, and Microsoft Office. He later headed Microsoft's Acquisitions Group, shaping the company's early licensing and acquisition strategy that helped define the global tech and investment landscape of the 1980s. After leaving Microsoft post-IPO in 1986, Mr. Boyd invested in and advised technology and infrastructure ventures worldwide, serving as an advisor to the US Treasury and China's State Council. He co-founded St Banks International Group and Smartcity Investments, contributing to smart city developments such as Singapore-Tianjin EcoCity and Gujarat International Financial TechCity. Mr. Boyd has also served as a non-executive director in IT, AI, CleanTech, and Financial Services, and is currently Founder and Chairman of Metadventures Global, a venture capital firm focused on WEB3 technologies, as well as an advisor to the World Smart City Forum.

Non-Executive Director: Jack Clipsham is a corporate finance specialist with more than 35 years of experience across a wide range of sectors. His background spans both advisory and transaction services, including strategic development, M&A, debt and private equity financing, and management buyouts, as well as pre-acquisition due diligence and pre-lending reviews. He has acted on more than 40 capital market IPOs as Reporting Accountant, often supporting companies in preparing for public listings.

He has built and led corporate finance teams at firms including BDO, Mazars—where he served as Head of Corporate Finance AsiaPac based in Hong Kong—and Kreston Reeves. During this time, he also founded and chaired the Kreston International Network Corporate Finance Group. He is currently a Senior Consultant to K3 Advantage, part of the K3 Group. In addition, he has experience as Group CFO of a Malaysian-founded med-tech company and as a Non-Executive Director and Chair of the Audit Committee of Totally Plc.

Non-Executive Director: Johan Glennmo is Chairman of Danir AB, the largest shareholder in Cindrigo, and previously served as President of the company for nearly a decade. He brings extensive experience from investment activities and active ownership across a range of technology-driven businesses.

Prior to joining Danir, he was Corporate Manager and Vice President of Epsilon AB, where he was responsible for seven subsidiaries with approximately 160 employees across 14 locations. He currently serves as a director of several Danir portfolio companies and has broad expertise within the technology sector. Mr. Glennmo holds a degree in Business Economics and Computer Science from the University of Tampa.

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