Translation from Romanian

GREEN TECH INTERNATIONAL SA

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON

31 DECEMBER 2024

Issued in accordance with the Order of the Ministry of Finance No 2844/2016

I, **CRISTINA MANUELA CIUBLAN**, certified Translator/ Interpreter for English and French pursuant to Authorization no. 5464 issued on July 29, 2010 by the Ministry of Justice of Romania, I hereby certify the accuracy of this translation from Romanian into English and that the meaning of the original text has not been altered by the translation.

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GENERAL INFORMATION

Directors:

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Gabriel Dumitrascu

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Headquarters:

Str. Sofia nr 5, et.2, sector 1, Bucharest, Romania

Auditors:

AUDIT CONSULT GROUP SRL

Auditor Adriana Diaconescu

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GREEN TECH INTERNATIONAL SA
CONSOLIDATED STATEMENT OF FINANCIAL STATUS
31 December 2024
(all amounts are in thousands of RON, unless otherwise specified)

thousand RON	Notes	31 Dec 2024	31 Dec 2023
ASSETS			
Property, plant and equipment	4	642,814	237,685[1]
Right of use assets	4	69,177	49,906[1]
Intangible assets	4	301	0
Investment property	4	604	-
Goodwill	5	67,196	-
Financial assets	6	131	1,462
Total non-current assets		**780,223**	**289,053**
Inventories		36	36
Trade receivables		3,255	1,687
Other current assets	7	16,764	12,085
Cash and cash equivalents	8	284	92
Total current assets		**20,339**	**13,899**
Total assets		**800,563**	**302,952**
Equity and liabilities	9		
Share capital		7,939	4,671
Reserves		646,483	264,989
Retained earnings		5,572	5,235
Current result		2,428	483
Non-controlling interests	10	14,154	15,290
Total equity		**676,576**	**290,668**
Long-term financial liabilities	4	302	-
Long-term lease liabilities	11	3,500	75[1]
Related parties loans	14	2,904	2,685[1]
Deffered tax liabilities	12	109,547	-
Provisions		540	533[1]
Total non-current liabilities		**116,793**	**3,293**
Trade payables	13	2,410	1,722[1]
Short-term financial liabilities		715	- [1]
Short-term lease liabilities	11	1,024	1,452[1]
Fiscal payables		861	(24)
Other payables		2,183	5,841
Total current liabilities		**7,194**	**8,991**
Total equity and liabilities		**800,563**	**302,952**

[1] In order to comply with the principle of comparability of presentation, reclassifications have been made as at 31 December 2024 of certain items initially presented in other balance sheet items in the Consolidated Financial Statements as at 31 December 2023. For details see the respective Notes.

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thousand RON	Notes	2024	2023
Income from sale of services	15	9,935	7,744
Other revenue	15	2,784	3,957[1]
Total operating revenue		**12,719**	**11,701**
Material expenses		(188)	(160)
Amortisation		(2,592)	(2,571)
Other operating expenditure	16, 17	(6,469)	(7,307)[1]
Total operating expenditure		**(9,250)**	**(10,038)**
Operating result		**3,469**	**1,664**
Financial revenue	18	1,225	578
Financial expenses	18	(1,282)	(1,361)
Profit before income tax		**3,413**	**881**
Corporate income tax	12	(857)	(466)
Net profit		**2,556**	**415**
Attributable:			
Owners		*2,428*	*288*
Non-controlling interests		*127*	*(127)*

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GREEN TECH INTERNATIONAL SA
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
As at 31 December 2024
(all amounts are in thousands of RON, unless otherwise specified)

Thousand RON	Share capital	Capital premium	Revaluation reserve	Retained earnings	Other reserves	Total equity attributable to owners of the Company	Minority interests	Total own capital
Balance as at 1 Jan 2024	**4,671**	**283**	**264,033**	**5,718**	**673**	**275,378**	**15,290**	**290,668**
Comprehensive result for the year								
Profit for the year	-	-	-	2,428		2,428	127	2,556
Other items in retained earnings	-	-		(250)	(61)	(311)	(100)	(412)
Revaluation amortisation transfer	-	-	(1,384)	1,384		-	-	-
Error correction*	-	-	(41,516)	(1,191)	-	(42,755)	(1,163)	(43,918)
Transactions with owners recognised directly in equity								
Issuance of shares (Note 9)	334	4,838	-	-	-	5,172	-	5,172
Changes in shareholdings in subsidiaries								
Issuance of shares to minority shareholders (Note 5)	2,934	419,666	-	(89)	-	422,511	-	422,511
Balance as at 31 Dec 2024	**7,939**	**424,787**	**221,084**	**8,000**	**612**	**662,422**	**14,154**	**676,576**

* Deferred tax has been calculated and recorded at 31 December 2024. The impact relating to the prior reporting period has been included in Revaluation reserve (for temporary differences from revaluations) and Retained earnings (for other items that gave rise to temporary differences)
As at 31 December 2024, the portion of reserves relating to non-controlling interests from consolidations prior to the reporting period has been corrected. The difference has been recognised in Temporary result.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
31 December 2024
(all amounts are in thousands of RON, unless otherwise specified)

Thousand RON	Share capital	Capital premiums	re-evaluation reserves	Retained earnings	Other reserves	Total equity attributable to owners of the Company	Minority interests	Total own capital
Balance as at 1 Jan 2023	**4,761**	**283**	**265,417**	**3,090**	**614**	**274,080**	**15,148**	**289,228**
Comprehensive result for the year								
Profit for the year	-	-		483		**483**	**(127)**	**356**
Other items in retained earnings	-	-		756	59	**814**	**269**	**1,084**
Revaluation amortisation transfer	-	-	(1,384)	1,384	-	-	-	
Transactions with owners recognised directly in equity								
Share issuance	-	-	-	-	-			
Changes in shareholdings in subsidiaries								
Issuance of shares to minority shareholders	-	-	-	-	-	-	-	
Balance as at 31 Dec 2023	**4,671**	**283**	**264,033**	**5,718**	**673**	**275,378**	**15,290**	**290,668**

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thousand RON	2024	2023
Cash flows from operating activities		
Net profit	2,556	415
Net profit reconciliation adjustments for non-monetary items	-	-
Amortisation and depreciation	2,592	3,031
Impairment gains	(2,099)	-
Fair value adjustments	183	-
Other non-monetary items	7	(177)
Error correction	41,330	-
Changes in assets and liabilities:		
Trade receivables, net	(1,569)	(849)
Other assets	(2,470)	3,904
Trade liabilities	653	1,260
Current tax liabilities and current tax assets	3,838	(195)
Cash generated from operating activities	**45,020**	**7,389**
Corporate income tax	(409)	(125)
Net cash flow from operating activities	**44,611**	**7,264**
Cash flow from investing activities		
Acquisitions of tangible fixed assets	(4,489)	(1,555)
Acquisitions of intangible fixed assets	(36,804)	-
Sales/Purchases of financial assets	-	121
Interest/penalties	-	(447)
Net cash flow from investing activities	**(41,293)**	**(1,881)**
Cash flow from financing activities		
Drawings/loan repayments	1,572	(4,032)
Finance lease drawdowns/refunds	(4,200)	(1,199)
Issuance of shares	-	-
Dividends	(200)	-
Interests	(297)	(131)
Net cash flow from financing activities	**(3,125)**	**(5,363)**
Net increase (decrease) in liquid assets	**192**	**21**
Cash at beginning of period	92	71
Cash at the end of the period	**284**	**92**

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1. GENERAL ASPECTS

GREEN TECH INTERNATIONAL S.A. ("the Company" or "the Company") was established in Bucharest and has its registered office in Bucharest, Sofia Street, No. 5, Sector 1, Romania. The Company's main activity consists in the exploitation of geothermal waters in Bucharest, Ilfov County, Valcea, Arad and Timiș.

2. GROUP DESCRIPTION

The company has holdings in various companies with similar or complementary activities.

The company holds controlling interests in several subsidiaries (together referred to as the "Group").

The following companies have entered the consolidation perimeter:

	2024			2023		
	Share capital ownership	**Control type**	**Consolidation type**	**Share capital ownership**	**Control Type**	**Consolidation type**
Geotherm Distribution SA	85%	Direct	Full	85%	Direct	Full
Apoterm Nadlac SRL	72.73%	Direct & indirect	Full	30%	De facto	Full
Horti Green Invest SA	100%	Direct	Full			

Related parties have been identified with which the Company and the Group had transactions during the reporting period. These are described below:

Alpeurope Investment Gmbh
MBE Mineral Resources
Antrepriza de Constructii CCR SRL
SSIF Swiss Capital
Foradex Vest SA
Instyle Design & Communication
Transporturi Auto Giulesti SA
HP Management Services Ltd
Green Advanced Technologies SRL

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 MAIN ACCOUNTING POLICIES

a) The basics

The Company has prepared the individual financial statements in accordance with OMFP 1802/2014 as at 31 December 2024. In order to prepare the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") (Ministry of Finance Order No 2844/2016), the individual financial statements under OMFP 1802/2014 of the Company and each subsidiary have been restated to IFRS. The IFRS consolidated financial statements are required for reporting to the Bucharest Stock Exchange.

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b) Declaration of conformity

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), as amended and supplemented. The primary purpose of preparing these consolidated financial statements is to provide comprehensive financial information about the Group to assist with its financing needs and reporting requirements, as well as potential future capital markets transactions. These are not the Company's statutory financial statements.

c) Basis for evaluation

These consolidated financial statements have been prepared under the historical cost convention, except in the case of specific geothermal water mining equipment (classified under property, plant and equipment), which is stated at fair (revalued) value and investment property which is stated at fair value.

The Company maintains its accounting records in RON and prepares its statutory financial statements in accordance with Romanian accounting principles. The accompanying financial statements are based on the Company's statutory financial statements, adjusted to comply with International Financial Reporting Standards as adopted by the European Union (IFRS).

d) Going concern principle

The chief officers of the Company have prepared the IFRS consolidated financial statements on a going concern basis, which assumes that the business will continue in the foreseeable future, as the directors believe that the future prospects of the business will enable the Group to realise positive results and cash flows for the foreseeable future.

In recent years, the Group has realised significant investments in the development of equipment necessary for the geothermal water exploitation activity, managing to generate stable revenues mainly from the provision of energy supply services.

Equity is positive in both the current and prior periods presented in the financial statements.

The Group finances its activity on the basis of financial leasing, through loans from shareholders or other business partners.

The Group's directors closely monitor the evolution of income and financing, which gives them the speed and flexibility to take decisions to counter unexpected events.

In determining whether the use of the Going concern principle is appropriate, the Board of Directors has considered the following elements:

- Trade receivables and other consolidated assets
- Balance of cash at bank
- Current liabilities
- Short/long-term financial liabilities

Accordingly, the Board of Directors considers that the Group will continue in operation for at least 12 months from the date of approval of these consolidated financial statements and there is no material uncertainty. It has therefore considered it appropriate to prepare these consolidated financial statements using the going concern basis.

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e) Using estimates and rationale

In applying the Company's accounting policies described in this note, management is required to make judgements, estimates and assumptions about the book values of assets and liabilities that are not evident from other sources. The estimates and associated assumptions are based on historical experience and other factors considered relevant. Actual results could differ from those estimates.

Estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods, if the revision affects both current and future periods.

The main estimates and rationalisations recorded by the Company relate to:

Note	Subject	Rationale	Estimates
4	Fair value (revalued) of tangible fixed assets	X	X
4	Fair value (revalued) of investment property	X	X
	Provisions		X
12	Current profit tax and deferred tax	X	X
18	Fair value of financial instruments		X
18	Impairment of trade receivables and other current assets		X
11	Leasing liabilities	X	X
10	Non-controlling interests	X	X
5	Goodwill impairment testing		X

Using rationales

In addition to the accounting policies applied, management also uses certain rationale for certain accounting items and transactions:

Note	Subject	Rationale
4	Fair value (revalued) tangible fixed assets	Determining the classification of assets by purpose of use by the Group
4	Fair value (revalued) investment property	Determining asset classification as investment property
12	Current profit tax and deferred tax	Application of interpretations and legislative requirements regarding the classification of items within the scope of current income tax and the determination of temporary tax differences from deferred tax.
11	Liabilities from leasing agreements	Determining the duration of contracts for extension options, applying the exceptions to IFRS 16

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10	Non-controlling interests	Assessing control and evaluating the transfer of risks and rewards of ownership between the Group's owners and non-controlling interests

Using estimates

In preparing the financial statements, Management makes estimates for items that cannot be precisely measured. These estimates are revised as new information or circumstances arise.

The main estimates at 31 December 2024 are:

Note	**Subject**	**Estimates**
4	Fair value (revalued) tangible fixed assets	Assessment of the useful life, determining the fair value of land and buildings
4	Fair value (revalued) investment property	Determination of fair value
	Provisions	Determination of present value, discount rate
12	Current profit tax and deferred tax	Determination of temporary or permanent differences for the calculation of deferred tax
18	Fair value of financial instruments	Modelling, parameter selection, fair value hierarchy, non-performance risk assessment.
18	Impairment of trade receivables and other current assets	Assumptions used in determining the weighted average expected loss rate.
11	Leasing liabilities	Analysing the changes made to certain leasing contracts and classifying these changes as remeasurement or new leasing, duration of leasing contracts, marginal interest rate
5	Goodwill impairment testing	Setting discount rates, perpetual growth rates and estimated future business plans

f) Comparative information

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

g) Foreign currency conversion

i. Functional and presentation currency

The financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of these financial statements, the results and FINANCIAL STATUS of the Company are expressed in RON, which is the functional currency of the Company and the presentation currency for the financial statements.

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ii. Transactions and balances denominated in foreign currency

Transactions in currencies other than the Company's functional currency (foreign currencies) are translated into the functional currency using the exchange rates prevailing at the transaction dates. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the balance sheet date. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date at which fair value was determined.

Foreign exchange gains and losses arising on the settlement of these transactions and on the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, unless deferred in equity as cash flow hedges.

Translation differences on liabilities securities and other monetary financial assets measured at fair value are included in foreign exchange gains and losses.

The material accounting policies adopted in the preparation of the Company's financial statements are set out below.

The following exchange rates were used during the conversions.

Date	Exchange rates at the end of period RON/EUR	Average exchange rate RON/EUR 12-month period
31 December 2024	4.9741	4.9746
31 December 2023	4.9756	4.9467

h) Consolidation basis

The Group's consolidated financial statements comprise the financial statements of the parent company GREEN TECH INTERNATIONAL S.A. and the financial statements of its subsidiaries as well as the Group's interests in associates as disclosed in Note 2. Where necessary adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group and with financial reporting standards. The statutory financial statements of the Group from which the restatement to IFRS has been initiated are audited or unaudited in accordance with the legal regulations in Romania.

Business combinations

The Group accounts for business combinations using the acquisition method of accounting when the acquired businesses and assets represent a business and control is transferred to the Group. To determine whether particular assets and activities qualify as an enterprise, the Group assesses whether the acquired assets and activities include at least one input process ("input") and whether they have the capacity to produce ("outputs").

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. For consolidations of subsidiaries in periods prior to 2024, the measurement of the consideration transferred and the identifiable net assets acquired has been measured at cost.

Any gain on a bargain purchase is recognised in the profit or loss account. Any goodwill arising as a result of acquisition is tested annually for impairment. Transaction costs are recognised as an expense when incurred, unless they relate to the issue of equity securities.

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The consideration transferred does not include amounts related to the settlement of previously existing relationships. If the business combination in effect settles a previously existing relationship, the acquirer recognises a gain or loss.

Subsidiaries

Subsidiaries are those entities that the Group controls because the Group (i) has the power to direct the relevant activities of the investees that materially affect their returns, (ii) has exposure or rights to variable returns from its involvement in the investees, and (iii) has the ability to use its power over the investees to affect the value of the investor's return. The existence and effect of substantive rights, including potential substantive voting rights, are considered when assessing whether the Group has power over another entity.

The Group may have power over an investee, even when it holds less than a majority of the voting power of an investee. In such a case, the Group assesses the size of its voting rights in relation to the size and dispersion of the holdings of the other voting interests to determine whether it has de facto power over the investee. Subsidiaries are consolidated from the date control is transferred to the Group (acquisition date) and are deconsolidated from the date control ceases.

Non-controlling (minority) interests

For each business combination, the Group elects to value the non-controlling interests in the acquired entity either:

- at fair value; or
- the proportionate share of the net identifiable assets of the borrowed entity, which are generally at fair value.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Losses applicable to non-controlling interests in a subsidiary are allocated to the non-controlling interests, even if this results in a negative balance of the non-controlling interests.

Transactions eliminated on consolidation

Balances and transactions with companies within the group and any unrealised income and expenses arising from transactions with companies within the group are eliminated in the special purpose consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated in relation to the investment to the extent that the group has an interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

i) Tangible fixed assets

Tangible fixed assets are recorded:

- using the cost-based model, at acquisition or construction cost less accumulated depreciation and accumulated impairment losses: technological equipment, measuring apparatus and installations, office furniture and equipment, means of transport; and
- using the fair value model, less accumulated amortisation and subsequent accumulated impairment losses: land, buildings/extraction equipment.

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Property, plant and equipment using the cost model

The initial value of property, plant and equipment includes the acquisition cost, including import duties and other non-refundable taxes, and any directly attributable costs of bringing the asset to its working condition and location for use.

Tangible fixed assets using the revaluation model

From the financial year 2022 the company has opted for the revaluation of property, plant and equipment of the construction and extraction equipment type in accordance with IAS 16, treatment based on revalued amounts. The revaluation was performed by an authorised valuer as at 31 December 2022. At 31 December 2023 and 31 December 2024 the revaluation has not been updated, as management considers that for the type of assets the Group owns (geothermal water exploitation) market conditions have not changed significantly. Revaluation differences are recognised in equity and presented in the *Statement of Comprehensive result,* net of deferred tax.

Revaluations are performed with sufficient regularity to ensure that the book value is not materially different from that which would be determined using fair value at the end of the reporting period.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the book value of the asset and is recognised in the income statement.

Future expenses are capitalised only if it is probable that there will be future economic benefits associated with the expenditure.

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of the assets from the date they are available for use. The estimated useful lives are as follows:

	Years
Construction	50
Equipment	10 - 15
Other tangible fixed assets	3 - 10

j) Property investment

Investment property is initially measured at cost and subsequently at fair value, with the difference recognised in the income statement. Any gain or loss on disposal of investment property (calculated as the difference between the net disposal proceeds and the net book value of the investment) is recognised in the income statement. The Group holds investment property for rental purposes.

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k) Intangible fixed assets

Intangible fixed assets are initially measured at cost. Intangible assets are recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

After initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

Intangible fixed assets are amortised using the straight-line method over 3 years.

l) Goodwill

Goodwill arising on acquisition of subsidiaries is the measurement of goodwill on initial recognition, see Note 3 (h). Goodwill is not amortised and is subsequently measured at cost less accumulated impairment losses and is tested for impairment at least annually.

m) Asset utilisation rights

The Group recognises a right-of-use asset at the inception of the lease.

The Group allocates the lease consideration to each lease component based on the relative stand-alone prices at inception or modification of a lease containing a lease component.

Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date.

The recognised asset related to the right of use is depreciated on a straight-line basis over the lease term, if ownership of the leased asset will not pass to the Group at the end of the lease term.

n) Financial assets

Financial assets are classified on initial recognition as subsequently measured at amortised cost, at fair value through other comprehensive result and at fair value through profit or loss.

The Group classifies financial assets in the following categories: cash and cash equivalents, financial assets at amortised cost, and financial assets at fair value through profit or loss.

n.i) Financial fixed assets

The Company holds investments in various companies initially presented at acquisition cost within the financial fixed assets heading. Impairment adjustments are recognised to measure the investments at fair value with the difference recognised through the income statement.

n.ii) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank current accounts and short-term bank deposits valued at cost.

n.iii) Financial assets measured at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective of holding financial assets to collect contractual cash flows, and

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- the contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortised cost are subsequently measured using the effective interest method (EIR) and are subject to impairment testing. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired. The Group's financial assets measured at amortised cost are mainly trade receivables and receivables from other debtors.

Other receivables are stated at their nominal value.

o) Inventories

Inventories, consisting mainly of spare parts and consumables, are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and selling expenses.

The cost of inventories is based on the first-in-first-out method and includes the expenses incurred to purchase the inventories and bring them to their existing location and condition.

p) Impairment of assets

p.i) Depreciation of non-financial assets

Tangible fixed assets, investment property, rights of use and intangible assets other than goodwill

The net book value of the Group's property, plant and equipment, investment property, rights of use and intangible assets other than goodwill is reviewed annually at each reporting date to determine whether there is any indication of impairment. If such indications are identified, the recoverable amount of the asset is estimated.

The impairment test

The recoverable amount of an asset or cash-generating unit is the higher of the asset or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

In measuring value in use, the estimated future cash flows are measured at their present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset.

When an asset's book value exceeds its recoverable amount, the asset is considered impaired and its net book value is written down to its recoverable amount.

Impairment losses are recognised in the profit or loss account, except for revalued property, plant and equipment, for which the revaluation has been recognised in other comprehensive result.

p.ii) Goodwill depreciation

The goodwill is tested for impairment at least annually, based on the recoverable amounts of the cash-generating unit to which the goodwill has been allocated.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated, from the date of acquisition, to each cash-generating unit or group of cash-generating units of the Group that is expected to benefit from the combination,

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regardless of whether other assets or liabilities of the acquired entity are allocated to those units or groups of units. Each unit or group of units to which goodwill is allocated represents the lowest level within the Group at which goodwill is monitored for internal management purposes and should not be larger than an operating segment.

Impairment is determined by assessing the recoverable amount of each cash-generating unit (group of cash-generating units) to which goodwill relates. An impairment loss is recognised in the income statement when the recoverable amount of the cash-generating unit (group of cash-generating units) is less than its net book value.

Impairment losses recognised for goodwill cannot be subsequently reversed.

p.iii) Depreciation of financial assets

The Group recognises value adjustments for expected credit losses ("ECL") on financial assets that are not held at fair value through profit or loss. Credit risk is the risk of financial loss to the Group if a customer or third party to a financial instrument fails to fulfil its contractual obligations and arises principally from the Group's receivables due from customers from other current financial assets (other debtors).

In respect of trade receivables, contract assets and other current financial assets, the Group applies a simplified approach in calculating ECL. Therefore the Group does not keep a record of changes in credit risk, but instead recognises a loss in the form of a provision based on expected credit losses on a historical statistical basis at each reporting date. The Group has established provisioning matrices that contain groupings of customers based on similar patterns of non-recoverability.

For trade receivables past due by more than 12 months, a value adjustment is recognised for 65%-100% of their value. The Group considers a financial asset to be in default when payments under the contract are more than 60 days overdue.

In certain situations, the Group may consider a financial asset to be in default when internal or external information indicates that the Group will, more likely than not, not receive all or part of the outstanding contractual amounts.

Adjustments for losses on financial assets measured at amortised cost are deducted from the gross book value of the assets.

q) Financial liabilities

Financial liabilities are classified, on initial recognition, as interest-bearing loans, liabilities, other financial liabilities.

All financial liabilities are initially recognised at fair value and, in the case of loans, loans, liabilities and other financial liabilities, net of directly attributable transaction costs.

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method ("EIR"). Gains and losses are recognised in the income statement when the liabilities are also derecognised through the EIR amortisation process.

A financial liability is derecognised when the contractual obligation is discharged, cancelled or expires.

r) Trade and other liabilities

Trade and other liabilities bear no interest and are stated at their nominal value.

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s) Leasing contracts

At the coming into effect of a contract, the Group assesses whether the contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control an identifiable asset for a period of time in exchange for consideration.

The accounting policy for the recognition of Rights of Use of Assets is disclosed in Note 3 m).

Leasing liabilities

At the effective date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments that are unpaid at the effective date of the lease, discounted using the interest rate implicit in the lease or, if this rate cannot be easily determined, using a marginal rate approximating the value of the interbank reference rate of the National Bank of Romania.

After the effective date, the amount of the lease liability is increased to reflect the accrual of interest and reduced for lease payments made. The book value of the lease liability is also remeasured if there is a change in the lease term, a change in the lease payments or a change in the measurement of the purchase option of the underlying asset.

The Group determines the lease term as the non-cancellable lease term, together with any periods covered by an option to extend the lease term if it is reasonably certain that it will be exercised, or any periods covered by an option to terminate the lease

The Company has elected to use the exceptions in the standard for leases for which the lease term is 12 months or less from the date of initial application and for leases for which the underlying assets are of low value.

t) Provisions

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability, approximated to be at the value of the National Bank of Romania's interbank reference rate.

u) Share capital

Ordinary shares are classified in equity. Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

Transactions in the Company's shares between shareholders are deemed to be finalised on the date on which the transfer of ownership has been agreed between the parties in a written contract.

Transactions with non-controlling interests that result in a surplus or deficit related to the transaction are credited or debited to retained earnings.

v) Reserves

Legal reserves

Under Romanian law, the legal reserve is established as a net profit transfer. The transfer can be up to 5% of the gross profit up to the threshold of 20% of the share capital. The reserve cannot be distributed to shareholders, but can be used to cover losses.

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Revaluation reserves

Revaluation reserves are recognised for the difference between the fair value of non-current assets and the net book value at the date of revaluation. Revaluation is performed with sufficient regularity to ensure that significant changes in fair value are captured in the financial statements.

Other reserves

Other reserves have been created on the basis of the decision of the members and may be distributed or utilised according to the decisions of the members.

w) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is net of estimates for customer returns, rebates and similar concessions.

The group carries out activities related to the exploitation of geothermal water and supplies geothermal water and thermal energy to private and corporate end customers.

w.i) Provision of services

Revenue from the rendering of services is recognised in the accounting period in which the services are rendered.

w.ii) Interest income

Interest income is accrued on a time accrual basis by reference to the principal amount outstanding and the applicable effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to its net book value.

x) Taxation

Income tax expense is the sum of current and deferred tax.

x.i) Current income tax

The company records income tax based on the net income according to the statutory financial statements in accordance with Romanian tax legislation.

Current tax payable is based on taxable profit for the year. Taxable profit differs from the profit reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and also excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

x.ii) Deferred income tax

Deferred tax is recognised on the differences between the book values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither taxable profit nor accounting profit.

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Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

The book value of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which all or part of the asset can be utilised.

Deferred income tax is recognised on temporary differences arising on investments in subsidiaries unless the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognised only to the extent that it is probable that sufficient taxable profits will be available against which the benefits of the temporary differences can be utilised and are expected to reverse in the foreseeable future.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes imposed by the same taxation authority and the Company intends to settle its current tax assets and current tax liabilities on a net basis.

y) Related parties

Parties are considered related when one party, whether through ownership, contractual rights, family relationship or otherwise, has the ability to directly control or significantly influence the other party.

Related parties also include individuals such as associates who have control or significant influence, members of the Group's key personnel and their immediate family members.

z) Loan costs

All loans and loans are initially recognised at the fair value of the consideration received less directly attributable transaction costs. Transaction costs incurred in issuing the liabilities are amortised over the life of the loan.

3.2 NEW ACCOUNTING AMENDMENTS

Mandatory standards and amendments in force from 1 January 2024

Supplier Financing Arrangements - Amendments to IAS 7 and IFRS 7

The IASB has issued new disclosure requirements about supplier financing arrangements ('SFAs'), following feedback on a decision on the agenda of the IFRS Interpretations Committee that highlighted that the disclosures required by IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures are not sufficient to meet users' information needs.

The objective of the new disclosures is to provide information about the SFA that enables investors to assess the effects on the entity's liabilities, cash flows and exposure to liquidity risk. The new disclosures include information about the following:

Lease Obligation in a Sale and Leaseback - Amendments to IFRS 16 (January 2024)

In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases that explain how an entity accounts for a sale and leaseback after the transaction date. The amendments specify that, in measuring the lease obligation subsequent to the sale and leaseback, the seller determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller recognising any part of the gain or loss that relates to the right of use that it retains. This could particularly affect

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sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or rate.

Classification of Liabilities as Current or Non-current - Amendments to IAS 1 Non-current Liabilities with Conventions - Amendments to IAS 1 (January 2024)

Amendments to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are categorised as current, or non-current, depending on the rights that exist at the end of the reporting period. The classification is not affected by the entity's expectations or by events after the reporting date (e.g. receipt of a waiver or a breach of convention).

Loan arrangement conventions will not affect the classification of a liability as current or non-current at the reporting date if the entity is required to comply with the conventions only after the reporting date. However, if the entity is required to comply with a convention either before or at the reporting date, this will affect the classification as current or non-current, even if the convention is not tested for compliance until after the reporting date. The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to conventions that the entity must comply with within 12 months after the reporting date.

Classification of Contingent Liabilities under Contingent Loan Contracts as Current or Non-current - Amendments to IAS 1

Subsequent to the publication of amendments to IAS 1 Classification of Liabilities as Current or Non-current, the IASB further amended IAS 1 in October 2022. If an entity's right to defer a liability is subject to compliance by the entity with specified conditions, such conditions affect whether the right to defer exists at the end of the reporting period. The amendments also clarify the meaning of the term 'settlement' for the purpose of classifying a liability as current or non-current.

Standards and amendments in force from 1 January 2025

Amendments to IAS 21 regarding the lack of convertibility of certain currencies

IAS 21, prior to these Amendments, did not include explicit requirements for determining the exchange rate when a currency is not convertible into another currency, which led to diversity in practice. The amendments introduce requirements for assessing when a currency is convertible into another currency and when it is not. The amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not convertible into another currency.

Amendments on Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

The amendments modify the following requirements in IFRS 9 and IFRS 7:

- Derecognition of financial liabilities settled by electronic transfers
- Recognising interest in a loan contract (SPPI test)
- Contract terms that change the timing or amount of contractual cash flows
- Non-recourse financial assets
- Investments in related financial instruments

The amendments may significantly affect how entities account for derecognition of financial liabilities and how financial assets are classified.

Nature-dependent energy contracts (Amendments to IFSR 9 and IFSR 7)

Nature-dependent electricity contracts help companies secure their electricity supply from wind and solar energy.

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Because the amount of electricity generated under these contracts can vary depending on uncontrollable weather-related factors, current accounting requirements cannot adequately capture how these contracts affect a company's performance. In response, the IASB has made amendments to IFRS 9 and IFRS 7:

- Clarifying the application of "own use" requirements.
- Allow hedge accounting for contracts that are held for this purpose
- Adding disclosure requirements that allow investors to understand the impact of these contracts on the company's cash flows and financial performance.

Other changes to the standards:

- Accounting for hedging instruments on first-time adoption of IFRS (amendments to IFRS 1)
- Disclosures required in relation to the difference between fair value and transaction price (amendments on the implementation of IFRS 7)
- Gains and losses on derecognition (IFRS7 implementation amendments)
- Presentations on Credit Risk (IFRS7 implementation amendments)
- Derecognition of lease liabilities (IFRS9 amendments)
- De facto Agent Determination under IFRS 10
- Historical cost method (Amendments to IAS7)

Standards and amendments in force from 1 January 2027

IFRS 8 Presentation of Financial Statements

IFRS 18, which was published by the IASB on 9 April 2024, sets out significant new requirements on how financial statements are presented, with particular emphasis on:

- Income statement, including requirements for mandatory subtotals to be presented. IFRS 18 introduces requirements for the classification of items of income and expense into one of five categories in the income statement.
- Aggregation and disaggregation of information, including the introduction of general principles for how information should be aggregated and disaggregated in financial statements
- Presentations related to management-defined performance measures (MPMs), which are financial performance indicators based on a total or subtotal required by IFRS Standards with certain adjustments (e.g. "adjusted profit or loss").

IFRS 19 Disclosures for Non-public Interest Entities

Stakeholders have asked the IASB to permit a subsidiary that reports to a parent that applies IFRS accounting standards in its consolidated financial statements to apply IFRS with reduced presentation requirements in its financial statements.

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3.3 DETERMINATION OF FAIR VALUES

Some of the Group's accounting policies and disclosures involve the determination of fair value for financial and non-financial assets and liabilities.

When measuring an asset or liability at fair value, the Group utilises observable market information to the extent possible. Fair values are categorised into different levels of a fair value hierarchy based on the information used in the valuation techniques as follows:

Level 1 : quoted market prices (unadjusted) on active markets for identical assets or liabilities

Level 2: information, other than quoted market prices included in Level 1, that is observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: asset or liability information that is not based on observable market data (unobservable information).

If the information used to measure an asset or a liability at fair value could be categorised at different levels of the fair value hierarchy, the fair value measurement is categorised entirely at the same level of the fair value hierarchy as representing the lowest level significant to the entire measurement.

The Group recognises transfers between levels in the fair value hierarchy at the end of the reporting period in which the change occurs.

Fair values have been determined for measurement and/or disclosure based on the following methods, where appropriate, more information about the assumptions made in determining fair values is disclosed in the specific notes for the specific asset or liability.

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4. TANGIBLE AND INTANGIBLE FIXED ASSETS AND RIGHTS OF USE

4.1 Tangible fixed assets

Net book value	Land	Buildings	Equipment and other fixed assets	Ongoing investments and advance payments	Total
On 1 January 2024	**23,758**	**210,864**	**1,313**	**1,750**	**237,685**
Entries	5,897	414,500	134	13,635	434,165
Transfers from ongoing investments	-	-	-	(7,177)	(7,177)
Transfers in rights of use/leasing	-	(20,971)	-	-	(20,971)
Amortisation	-	(730)	(158)	-	(888)
Until 31 Dec 2024	**29,655**	**603,663**	**1,288**	**8,208**	**642,814**

1 January 2023	**23,758**	**262,798**	**1,317**	**-**	**287,873**
Entries	-	-	219	1,750[2]	1,969[2]
Transfers in rights of use/leasing	-	(49,586)[3]	-	-	(49,586)[3]
Amortisation	-	(2,348)	(223)	-	(2,571)
As at 31 Dec 2023	**23,758**	**210,864[3]**	**1,313**	**1,750[2]**	**237,6852**

In July 2024, the Company acquired the majority shareholding in Horti Green Invest S.A. The additions of property, plant and equipment are the result of the business combination using the purchase method of accounting. At the acquisition date the fair value of the subsidiary's net assets was assessed, which resulted in a surplus in the value of fixed assets. For further details, see Note 5.

On 15 Feb 2024, Geotherm Distribution S.A. entered into a sale & leaseback transaction with Unicredit Leasing Corporation IFN S.A. (financing agreement no. 30364428/15 Feb 2024), having as object the Probe 1009, year of construction 1996, in Călimănești, with a value of EUR 1,444,100 for a period of 60 months. The contract is secured by a mortgage on the real estate owned by Green Tech International SA, consisting of 1050 square metres of land in Balotești commune, Ilfov county and the construction of the geothermal probe in Balotești, with a depth of 3,304 metres. Green Tech International S.A. guarantees the payment obligations assumed by Geotherm Distribution S.A.

As at 31 December 2024, the amount of RON 493 thousand was reclassified from Property, plant and equipment to Provisions, in accordance with its nature. In order to respect the principle of comparability of presentation, the amount was also reclassified from the opening balance as at 31 December 2023.

[2] As at 31 December 2024, the amount of RON 493 thousand was reclassified from Property, plant and equipment to Provisions, in accordance with its nature. In order to comply with the principle of comparability of presentation, the amount was also reclassified from the opening balance as at 31 December 2023.
At 31 December 2024, the rights to use assets were presented separately from property, plant and equipment. In order to comply with the principle of comparability of presentation, this balance has also been reclassified from the opening balance as at 31 December 2023.

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At 31 December 2024, the rights to use assets were presented separately from property, plant and equipment. In order to respect the principle of comparability of presentation, this balance has also been reclassified from the opening balance as at 31 December 2023.

4.2 Intangible fixed assets

The company Apoterm Nadlac SA holds a concession contract signed with the Nadlac Local Council in 2008 for the production, transport, distribution and supply of thermal energy in Nadlac.

Below are the main provisions of the contract:

Main contractual terms	**Concession contract since 2008**
Contract	Concession contract for the delegation of the management of the public service of production, transport, distribution, supply of thermal energy
Concession period	49 years old
Pricing basis	The price and tariff for the public service shall be established in accordance with the calculation methodologies of the competent authorities, on the basis of the operator's costs and expenses related to this activity Annual fee for the operator of 1.000 EUR/year, updated annually with the inflation rate or whenever there are changes in the legislation
Nature of the concession	
Right to use certain assets	Authorisation for the commercial operation of thermal energy production units, thermal energy transport through networks, thermal energy distribution through concessionary installations (thermal stations, thermal points, distribution networks), thermal energy supply activities
Obligation to provide services	Obligation to provide the above services within the town of Nadlac
Obligation to purchase/build/develop tangible fixed assets	Investments for expansion, modernisation and modernisation
Renewal and termination option	There is an option to renew, under certain conditions
Classification of the concession commitment	Concession has been classified under the scope of IFRIC 12 Service Concession Arrangements

The liability related to the concession commitment is treated as long-term financial liabilities in the Consolidated Statement of FINANCIAL STATUS.

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4.3 Right of use of assets

The Group entered into leasing contracts for operating equipment, office premises and other fixed assets (cars).

The Group has applied the exceptions from the minimum amount of IFRS 16 Leases in analysing the contracts that fall within the scope of the standard (for example the land concession contract between Geotherm Distribution SA and Calimanesti City Hall).

	Construction	Other property	Total
As at 1 Jan 2024	**49,841**	**64**	**49,906**
Input	20,971	-	**20,971**
Output	-	-	-
Amortisation	(1,684)	(16)	**(1,700)**
As at 31 Dec 2024	**69,128**	**48**	**69,177**
As at 1 Jan 2023	**51,110**	**-**	**51,110**
Input	-	64	**64**
Output	-	-	-
Amortisation	(1,262)	(7)	**(1,268)**
As at 31 Dec 2023	**49,848**	**58**	**49,906**[4]

At 31 December 2024, the rights to use assets were presented separately from property, plant and equipment. In order to respect the principle of comparability of presentation, this balance has also been reclassified from the opening balance as at 31 December 2023.

4.4 Property investment

The Group owns several apartments for rental purposes. These are measured at revalued amount (fair value) and are classified in accordance with IAS 40 Investment Property.

In 2022 the fair value of these assets was determined by an independent external valuer. The fair value assessment for the investment property has been categorised as Level 2 fair value based on the valuation technique inputs used, in particular observable observed market sales data.

[4] At 31 December 2024, the rights to use assets were presented separately from property, plant and equipment. In order to comply with the principle of comparability of presentation, this balance has also been reclassified from the opening balance as at 31 December 2023.

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5. GOODWILL

	Goodwill
Cost	
On 1 January 2024	-
Input	**66,779**
Prior period corrections	**417**
Output	-
As at 31 Dec 2024	**67,196**
Depreciation	-
As at 1 January 2024	-
Depreciation	-
Output	-
As at 31 Dec 2024	-
Net book value	-
As at 1 January 2024	-
As at 31 Dec 2024	**67,196**

During 2024, the Company acquired majority stakes in Horti Green Invest SA and acquired an additional stake in Apoterm Nadlac SA.

5.1 Acquisition of stake in Horti Green Invest SA

On 17 July 2024, the Company acquired 100% of the net assets of Horti Green Invest SA from the shareholders. The price of the transaction consisted of a contribution in kind to the Company's share capital from the selling shareholders, totalling 621,070 shares with a nominal value of RON 10.

The transaction price was RON 422,600 thousand, based on the fair value of the net assets of Horti Green Invest SA at the acquisition date.

At the acquisition date, in accordance with the requirements of International Financial Reporting Standards, the net assets of Horti Green Invest SA were valued by an independent external valuer authorised by ANEVAR. The valuation was performed using the income - discounted cash flow approach at a discount rate of 14.66% and a terminal value of 2.1%.

The transaction price was allocated on the identifiable assets and liabilities at the transaction date, and the remaining difference between the transaction price and the fair value of the identified assets and liabilities was recognised as positive goodwill in the amount of MDL 66,779 thousand.

5.2 Phased acquisition of the stake in Apoterm Nadlac SA

On 14 February 2023, the Company acquired 21.05% of the net assets of Apoterm Nadlac SA. The estimated transaction price at cost of the net assets was RON 336 thousand.

As at 31 December 2023, the Company had direct and indirect de facto control and the purchase method of accounting has been applied through business combinations.

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The generated goodwill totalled 417 thousand lei.

On 14 June 2024, the Company acquired an additional 44.66% interest in the net assets of Apoterm Nadlac SA. The transaction price estimated at the cost of the net assets was RON 715 thousand.

At 31 December 2024 the Company directly and indirectly holds the majority of the shares (72.73%).

As Green Tech International SA had de facto control prior to the date of the acquisition of the majority stake, it was considered that this step acquisition was realised under conditions of existing control. The financial impact was reflected in equity held by owners and non-controlling interests. For details, see Note 10.

5.3 Acquisition of stake in Geotherm Distribution SA

On 28 May 2021, the Company acquired a 20% stake in the net assets of Geotherm Distribution SA. On 20 July 2021, the Company acquired an additional 65% stake in the net assets, holding the majority stake (85%).

The total price of holdings, determined on the basis of the cost of net assets, was 4,433 thousand lei.

The difference between the transaction price and the net asset value was recognised in a negative goodwill in the amount of RON 2,364 thousand. Negative goodwill was recognised as income and reversed to equity (retained earnings) in subsequent financial periods.

For details on Non-controlling interests, see Note 10.

Impairment testing of cash-generating units containing goodwill

In accordance with the requirements of the International Financial Reporting Standard IAS 36 - Impairment of Assets, impairment testing of cash-generating units including goodwill has been performed.
The testing consisted of:

- The identification of the relevant cash-generating units (CGUs), i.e. those entities within the group to which the recorded goodwill is allocated.
- Determination of the recoverable amount for each identified NBU, which is the higher of fair value less costs to sell and value in use (present value of estimated future cash flows).
- Estimate future cash flows based on financial plans approved by management, adjusted to reflect reasonable and supportable market conditions.
- Application of an appropriate discount rate, reflecting the specific risks of the NBU tested.
- Comparison of the recoverable amount with the book value of the NGU, including related goodwill.

As a result of the testing, no indications of impairment leading to an impairment loss were identified for the goodwill related to the analysed NBUs.

Note on goodwill impairment testing - Apoterm Nădlac SRL

In accordance with IAS 36 - *Impairment of Assets,* the company performed the annual impairment test of the goodwill related to the cash generating unit (CGU**) Apoterm Nădlac**

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This is necessary as goodwill is not amortised but tested annually for recoverable amount.

1. Methodology applied

The testing was performed using the Discounted Cash Flow (**DCF**) method, starting from the company's discounted budget for the period 2025-2028. The estimation of the firm's Discounted Discounted Free Cash Flow (DCF) was based on the following:

- Annual operating revenue growth in the range of 20%-50%, in line with new management forecasts.
- Operating expenditure maintained at previously planned levels.
- **16%** profit tax, annual CAPEX of **RON 50,000**, working capital changes of **RON 10,000/year**.
- Discount rate (WACC): **12%**
- Long-term growth rate (post-2028): **2%**

2. Test results and conclusions

Based on the results obtained, the recoverable amount of UGN is **significantly higher than its book value**, including goodwill. Thus, **it is not necessary to recognise an impairment loss** for goodwill related to Apoterm Nădlac SRL.

This assessment reflects revised financial plans and reasonable assumptions about future economic conditions.

Note on goodwill impairment testing - Horti Green Invest SA

In accordance with the requirements of IAS 36 - *Impairment of Assets,* the company performed the annual impairment test of the goodwill recorded as at 31 December 2024, amounting to **RON 66,778,571**.

1. Methodology used

The testing was performed by the Discounted Cash Flow (**DCF**) method, using the financial projections included in the **Horti Green Business Plan**, which covers the consolidated activities of the **Lovrin** and **Tomnatic** farms for the period 2025-2029.

Basic assumptions included:

- Operating cash flows based on annually discounted income and expenditure
- Discount rate (WACC): **12%**
- Perpetual growth rate post-2029: **2%**
- Annual investments (CAPEX): 10.000 RON
- Annual changes in working capital: 5.000 RON

2. Test results and conclusions

The results of the test indicate a **recoverable amount significantly higher** than the book value of the goodwill, demonstrating that it is **fully justified** by the entity's future economic performance.

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Therefore**, it is not necessary to recognise a** goodwill **impairment loss in** the financial statements as at 31.12.2024.

6. FINANCIAL IMMOBILISATIONS

	31 Dec 2024	31 Dec 2023
	-	1,345
Participations in companies	131	117
Guarantees	**131**	**1,462**

The Company holds investments in listed and unlisted companies. As at 31 December 2024 the Company valued the participations at fair value and the difference of RON 258 thousand was recognised in the income statement.

Payments to be made for the participations acquired during the year from the net assets of Apoterm Nadlac SA in the amount of 715 thousand MDL are presented under the item short-term financial liabilities in the Consolidated statement of FINANCIAL STATUS.

7. OTHER CURRENT ASSETS

	31 Dec 2024	31 Dec 2023
Sundry debtors	19,257	17,140
Impairment adjustments	(4,053)	(5,133)
Prepaid expenses	144	80
Other current assets	1,416	-
Total	**16,764**	**12,087**

Receivables from sundry debtors consist mainly of amounts receivable for transactions from sales or assignments of receivables on assets as well as loans granted.

The Group uses an expected credit loss (ECL) matrix for trade and sundry debtors. This is based on the likelihood of a receivable progressing through successive stages of non-collection to be recognised as an expense.

For details on impairment adjustments, see Note 18.

8. CASH AND CASH EQUIVALENTS

	31 Dec 24	31 Dec 23
Bank accounts	273	79
Home	11	13
Total	**284**	**92**

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9. EQUITY

Share capital

By EGMS Resolution no. 1/14 June 2024, it was approved to change the nominal value of one share of the Company from RON 10 to RON 0.1, resulting in a total share capital of RON 4,671,000 divided into 46,710,000 shares, each share having a nominal value of RON 0.1. It was also approved the increase of the Company's share capital by RON 333,642.80 from RON 4,671,000 to RON 5,004,642.80 by issuing 3,336,428 new shares with a nominal value of RON 0.1 each, with a total nominal value of RON 333,642.80.
On 31 December 2024, the increased share capital of Green Tech International consists of 79,386,706 shares with a total value of RON 7,938,671.

Reserves

Share premiums

The difference between the nominal value and the value of subsequent issues of new shares is recognised in Share premium in the Consolidated Statement of FINANCIAL STATUS.

Revaluation reserve

The revaluation reserve relates to the revaluation of buildings and land.

The transfer of the revaluation reserve through amortisation to retained earnings represents the surplus realised on revaluation reserves, created by transferring from the revaluation reserve the amounts corresponding to the revalued assets as they have been used by the Group. The surplus realised on revaluation reserves thus created is distributable, whereas the revaluation reserve is not distributable. In the event that the surplus realised on revaluation reserves is distributed, for tax purposes it will be taxed to the extent that, in accordance with the tax legislation applicable at the date of the revaluation, the depreciation expense relating to the revalued buildings was considered as a deductible expense for the calculation of income tax and the surplus realised on revaluation reserves has not already been treated as income for the calculation of income tax.

Retained earnings

Prior period financial results not distributed to shareholders are recognised in retained earnings and other reserves.

10. NON-CONTROLLING INTERESTS

The Group comprises several subsidiaries, control of which was obtained directly and indirectly through acquisitions in 2021, 2023 and 2024. For details, see Note 5.

The table below summarises the percentage of dent of non-controlling interests at 31 December 2024:

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	31 Dec 2024		
		Control Type	
	Parental shareholding		**Owning non controlling interests**
Geotherm Distribution SA	85%	Direct	15%
Apoterm Nadlac SRL	72.73%	Direct & indirect	27.27%
Horti Green Invest SA	100%	Direct	-

For details of the portion attributable to non-controlling interests of profit or loss for the period and other comprehensive result, see Consolidated statement of profit or loss and other comprehensive result.

11. LEASING LIABILITIES

The Group entered into leasing contracts for operating equipment, office premises and cars (through Geotherm Distribution SA).

	31 Dec 2024	31 Dec 2023
On 1 January	**1,527**	**2,308**[5]
Entries	7,305	385
Interest expenses	310	137
Interest payments	(297)	(131)
Principal payments on leasing liabilities	(4,342)	(1,199)
The effect of exchange rate changes	22	27
At 31 December	**4,524**	**1,527**
Short-term	*1,025*	*1,452*
Long-term	*3,500*	*75*

At 31 December 2023 lease liabilities and loans from related parties were presented in total financial liabilities. At 31 December 2024 these liabilities were presented separately. For comparability of presentation, the presentation of the opening balance as at 31 December 2023 has also been reclassified.

[5] At 31 December 2023 lease liabilities and loans from related parties were presented in total financial liabilities. At 31 December 2024 these liabilities were presented separately. For comparability of presentation, the presentation of the opening balance as at 31 December 2023 has also been reclassified.

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The amounts shown in the table below represent the amounts recognised in the consolidated statement of profit or loss:

	2024	2023
Expenditure on amortisation of rights of use	1,700	1,268
Interest expense on lease liabilities	13	6

12. CORPORATE INCOME TAX

The table below shows the movements in deferred tax at the reporting date:

Description	**31 Dec 24**
Initial balance	
Correction of errors from previous years:	
Fair value adjustments consolidation	43,918
Other comprehensive result	65,313
Deferred tax expense / (income)	316
Final balance	**109,547**

The deferred tax relating to the various categories of assets and liabilities giving rise to the temporary differences is shown in the table below:

	31 Dec 24
Fixed assets	99,374
Rights of use	11,068 25
Investment property	(80)
Financial investments	(92)
Receivables	(648)
Other current assets	(13)
Liabilities	(86)
Provisions	
Total	**109,547**

Deferred income tax represents the tax that would be due as the assets are realised (sold or used).

Below are the expenses and/or income for the periods reported for income tax and deferred income tax:

	2024	**2023**
Income tax expense	541	466
Deferred tax expense	316	-
TOTAL EXPENDITURE	**857**	**466**

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13. TRADE LIABILITIES

	31 Dec 2024	31 Dec 2023
Advances received from customers	61	-
Suppliers	2,337	1,568
Invoices to receive	13	154
Total	**2,410**	**1,722**

14. RELATED PARTIES

The consolidated financial statements of the Group include the financial statements of Green Tech International and its subsidiaries (presented in Note 2).

The table below shows the balances and transactions with related parties. Group transactions and balances have been eliminated on consolidation.

Balances with related parties	**31-Dec-24**	**31-Dec-23**
Loans taken from shareholders		
Madalina Cionca	2,089	2,209
ALPEUROPE INVESTMENTS GMBH	18	20
SAI SWISS CAPITAL ASSET MANAGEMENT SA	-	424
SSIF SWISS CAPITAL SA	766	-
FORADEX VEST SA	19	-
HENRI MAILLARDET AG	12	-
	2,904	**2,653**
Amounts owed to related parties		
INSTYLE DESIGN AND COMMUNICATION	649	56
FORADEX VEST SA	224	222
ANTREPRIZA CONSTRUCTT CCR SRL	-	20
SSIF SWISS CAPITAL SA	-	4,066
TRANSPORTURI AUTO GIULESTI SA	1,140	1,052
	2,013	**5,416**
Loans and other claims granted to related parties		
INSTYLE DESIGN AND COMMUNICATION	425	132
ALPEUROPE INVESTEMNTS GMBH	3,692	3,594
ANTREPRIZA CONSTRUCTII CCR SRL	4,608	3,808
FORADEX VEST SA	450	357
GREEN ADVANCED TECHNOLOGIES SRL	8	7
MBE MINERAL RESOURCES SRL	6,454	6,360
	15,637	**14,116**

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Related party transactions	2024	2023
Income from services		
FORADEX VEST SA	**1,492**	-
Financial revenue[6]		
ANTREPRIZA CONSTRUCTII CCR SRL	194	5
INSTYLE DESIGN AND COMMUNICATION	48	101
ALPEUROPE INVESTEMNTS GMBH	98	92
MBE MINERAL RESOURCES SRL	94	97
FORADEX VEST SA	22	6
GREEN ADVANCED TECHNOLOGIES SRL	2	2
	458	**303**
Financial expenses		
FORADEX VEST SA	2	1
INSTYLE DESIGN AND COMMUNICATION	16	7
SAI SWISS CAPITAL ASSET MANAGEMENT SA	16	25
TRANSPORTURI AUTO GIULESTI SA	88	60
SSIF SWISS CAPITAL	166	304
CIONCA MADALINA ELENA	5	420
ANTREPRIZA CONSTRUCTII CCR SRL	1	1
	294	**818**
Services & royalties		
HP MANAGEMENT SERVICES S.R.L.	29	187
FORADEX VEST SA	233	-
NADLAC PRIMARY SCHOOL	9	-
	271	**187**

15. INCOME FROM OPERATING ACTIVITIES

	2024	2023
Operating revenue		
Income from services rendered	2,104	582[7]
Revenues from geothermal products supply activities	7,819	7,162
Revenue from the sale of goods	11	-
Total	**9,935**	**7,744**
Other revenue		
Income from provisions	401	241
Other revenue	2,383	3,716
Total	**2,784**	**3,957**

[6] Transactions related to related parties of Horti Green SA are presented for the period of 6 months after the acquisition date 30 June 2024 and until the reporting date 31 December 2024.

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The Group recognises the majority of its operating income from geothermal products and related services.

For the period ended 31 December 2024, expenses and income from own production are presented on a net basis. For comparability of presentation, amounts for the period ended 31 December 2023 have also been restated.

Revenue is recognised when the services are rendered.

16. OTHER OPERATING EXPENDITURE

	2024	2023
Utility expenses	384	465
Maintenance and repairs	42	22
Contributors	582	542
Staff costs	3,648	2,672
Costs of assets sold	-	923
Compensation, fines and penalties	37	449
Provisions	440	732
Taxes	536	294
Other operating expenditure	815	1,206[8]
Total	**6,469**	**7,307**

The item "Expenses with taxes and duties" includes also the mining royalty expense recorded by Geotherm Distribution, according to law 8518/2003.

For the period ended 31 December 2024, expenses and income from own production are presented on a net basis. For comparability of presentation, amounts for the period ended 31 December 2023 have also been restated.

17. EXPENDITURE ON EMPLOYEE BENEFITS

	2024	2023
Expenditure on salaries	3,409	2,497
Expenditure on meal vouchers	138	100
Expenses with employee taxes and contributions	101	74
Total	**3,648**	**2,672**

The average number of employees was 27 at 31 December 2024 (24 at 31 December 2023).

Management remuneration

[8] For the period ended 31 December 2024, expenses and income from own production are presented on a net basis. For comparability of presentation, amounts for the period ended 31 December 2023 have also been restated.

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	2024	2023
Management remuneration	828	701

18. FINANCIAL RESULT

		2024	2023
Financial revenue			
Financial assets sold - income		660	-
Exchange rate differences		46	141
Interest		519	437
	Total	***1,225***	***578***
Financial expenses			
Financial assets sold - cost		(600)	-
Exchange rate differences		(56)	(248)
Interest		(625)	(1,113)
	Total	***(1,282)***	***(1,361)***
Financial result		**(57)**	**(783)**

19. OTHER COMPREHENSIVE RESULT

Other comprehensive result		
Deferred tax related to differences on revaluation of tangible fixed assets	(43,918)	-
Other	(412)	1,084
TOTAL COMPREHENSIVE RESULT FOR THE YEAR	**(41,774)**	**1,499**
Attributable:		
Owners	*(40,638)*	*1,298*
Non-controlling interests	*(1,136)*	*201*

20. FINANCIAL RISK MANAGEMENT

By the nature of the activities carried out, the Group is exposed to a variety of risks including: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group does not use derivatives to hedge certain risk exposures.

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The Group manages its capital to ensure that it can continue to operate on a going concern basis while maximising returns for its stakeholders by optimising the balance between liabilities and equity.

The Group's capital structure consists of liabilities, which comprises loans, cash and cash equivalents and equity, which comprises issued share capital, reserves and retained earnings.

i) Market risk

The Group's activities expose it mainly to the financial risks of changes in interest rates and foreign exchange rates.

(a) ***Interest rate risk management***

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

Trade receivables and liabilities are financial assets and liabilities that are not interest-bearing.

Loans are exposed to cash flow interest rate risk through fluctuations in the market value of short-term and long-term interest-bearing credit facilities, as some of the loans have interest rates that may fluctuate (NBR interbank rate).

When loans are contracted, the Group's management uses judgment in deciding whether a fixed or variable interest rate is more favourable to the Group.

The table below shows the fixed and floating rate loans that the Group has at the reporting date:

	31 Dec 24	**31 Dec 23**
Flat interest rate loans	1,906	5,543
Floating rate loans (NBR)	530	11
TOTAL	**2,436**	**5,554**

The floating rate for most loans is set as the NBR interbank rate, with historical stability. Management estimates that the sensitivity analysis would not reveal a significant impact of interest rate changes.

Out of the balance of loans as at 31 December 2024, the Company has repaid in January 2025 principal loans in the amount of RON 1,265 thousand.

(b) ***Currency risk management***

The Group also carries out certain transactions denominated in foreign currencies. As a result, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters.

The Group considers the foreign currency risk to be low, as the exposure to foreign currency transactions is insignificant. Therefore, the Company does not take any formal actions to minimise the foreign currency risk related to its operations.

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ii) Credit risk

Credit risk is the risk of financial loss that arises as a result of a debtor or a third party defaulting on their obligation to the Group. Trade receivables presented in the balance sheet are reduced by impairment adjustments. The Group applies the simplified method under IFRS 9 to measure expected credit losses on trade receivables. To measure expected credit losses, trade receivables have been grouped on the basis of common credit risk characteristics and intervals determined by the number of days past due. The credit risk exposure of trade receivables is limited by setting a maximum payment period between 30 and 60 days.

A large part of the Group's exposure to credit risk arises in connection with loans granted to various companies. The Group assesses the impairment status of loans granted in accordance with IFRS 9. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, an allowance for losses, expected over the remaining life of the exposure, regardless of when the default occurred, is required.

Thus, the impairment adjustment is calculated based on the net present value of the estimated cash flows compared to those set out in the original contract.

The Group monitors the performance of individual credit risk exposures using several criteria.

- Financial assets by category - credit risk exposure

	31 Dec 24		
	Gross book value	**Depreciation**	**Net book value**
Loans granted	19,181	(4,053)	15,129
Commercial receivables	3,831	(576)	3,255
Total	**23,012**	**(4,628)**	**18,384**

	31 Dec 23		
	Gross book value	**Depreciation**	**Net book value**
Loans granted	17,091	(6,140)	10,952
Commercial receivables	2,113	(426)	1,687
Total	**19,204**	**(6,566)**	**12,638**

Geographical exposure is concentrated on companies in Romania.

The cash is placed in financial institutions, which are considered, at the time of deposit, to have a minimal risk of default.

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Impairment adjustment on financial assets

31 Dec 24	Provisioning percentage	Gross book value	Value adjustments	Net value
Current (not due)	0%	2,596	-	2,596
Overdue by less than 30 days	8%	221	(18)	203
Overdue 31- 90 days	6%	155	(9)	146
Overdue 91 - 180 days	21%	55	(12)	43
Overdue more than 360 days	67%	804	(537)	267
Total		**3,831**	**(575)**	**3,256**

iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting its obligations arising from its financial liabilities. Prudent liquidity risk management involves maintaining sufficient cash and the availability of funds through an adequate amount of committed credit facilities.

Cash flow forecasts are performed by the Company's finance department, which monitors forecasts of the Company's cash requirements to ensure that sufficient cash is available to meet operational needs

The following table presents financial assets and liabilities by contractual maturity dates, including contractual principal amounts and contractual interest, on an undiscounted cash flow basis.

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31 Dec 24

	Book value	Contractual cash flows	6 months or less	Between 6 and 12 months	Between 1 and 2 years	More than 5 years
Underived financial liabilities						
Loans from related and unrelated parties	**2,841**	**2,841**	1,618	1,158	66	-
Financial liabilities	**1,017**	**1,017**	715	10	10	282
Trade and other liabilities	**2,410**	**2,410**	2,410	-	-	-
Total	**6,269**	**6,269**	**4,743**	**1,168**	**76**	**282**

31 Dec 23

	Book value	Contractual cash flows	6 months or less	Between 6 and 12 months	Between 1 and 2 years	More than 5 years
Underived financial liabilities						
Loans from related and unrelated parties	**5,927**	**5,927**	**-**	-	5,927	-
Trade and other liabilities	**1,722**	**1,722**	1,722	-	-	-
Total	**7,650**	**7,650**	**1,722**	**-**	**5,927**	-

The cash flows included in the maturity analysis are not expected to occur significantly earlier or have materially different values. Management believes that there are no significant risks that the Company will encounter liquidity problems in the foreseeable future.

The Group's management monitors capital, using a leverage ratio, without having an internal target set for this purpose. The Company includes in Net financial liabilities long-term and short-term loans and other long-term financial liabilities (if any), less cash and cash equivalents.

The Group's indebtedness is shown below:

	31 Dec 24	31 Dec 23
Equity capital	676,576	290,668
Net financial liabilities	8,161	4,121
Indebtedness	*1.2%*	*1.4%*

iv) Fair value

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The Group measures financial assets (loans granted) and property, plant and equipment (buildings and land) at fair value. Financial fixed assets are measured at cost and adjusted for impairment.

The Group measures financial liabilities (loans obtained from shareholders or other creditors) at fair value.

Fair value hierarchy

Fair value measurements are analysed by level within the fair value hierarchy as follows:

→ Level 1: quoted prices (unadjusted) on active markets for identical assets or liabilities.

→Level 2: valuation techniques with all significant information that is observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

→ Level 3: valuation techniques using significant information that is unobservable or not based on observable market information (i.e., unobservable information).

The significance of any valuation information used is determined by reference to the fair value measurement in its entirety.

Recurring fair value valuations

Recurring fair value measurements are the measurements required or permitted by accounting standards in the statement of FINANCIAL STATUS at the end of each reporting period. The level in the fair value hierarchy at which recurring fair value measurements of financial instruments are categorised is shown below:

- *Financial assets at fair value*

Financial assets at fair value	**31 Dec 24**	**31 Dec 23**
	Level 3	Level 3
Loans granted (Other current assets)	15,129	10,952

A reconciliation of Level 3 fair value changes by instrument type is presented below:

Financial assets at fair value	**31 Dec 24**	**31 Dec 23**
1 January	**6,566**	**22,878**
Gains or (losses) recognised in the profit or loss for the year	(1,938)	(16,312)
31 December	**4,628**	**6,566**

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- Financial liabilities measured at fair value

	31 Dec 24	31 Dec 23
Financial liabilities at fair value		
Long-term financial liabilities	301	-
Long-term shareholder loans	2,904	2,685
Other liabilities	2,183	5,841
Total	**5,389**	**8,526**

- *Assets and liabilities that are not measured at fair value but for which fair value is disclosed*

Financial instruments that are not recognised at fair value in the statement of FINANCIAL STATUS include trade receivables, other current assets (excluding loans granted), cash and cash equivalents, trade payabls and other tax liabilities.

	31 Dec 24	31 Dec 23
Commercial receivables	3,255	1,687
Other current assets (excluding loans granted)	1,635	1,133
Available funds	284	92
Total	**5,174**	**2,911**
Trade liabilities	2,410	1,722
Short-term financial liabilities	715	-
Total	**3,125**	**1,722**

21. GUARANTEES

On 15 Feb 2024, Geotherm Distribution S.A. (subsidiary) entered into a sale & leaseback transaction with Unicredit Leasing Corporation IFN S.A. (financing agreement no. 30364428/15 Feb 2024), regarding the Probe 1009, year of construction 1996, in Călimănești, with a value of EUR 1,444,100 for a period of 60 months. The contract is secured by a mortgage on the real estate owned by Green Tech International SA, consisting of 1050 square metres of land in Balotești commune, Ilfov county and the construction of the geothermal probe in Balotești, with a depth of 3304 metres. Green Tech International S.A. guarantees the payment obligations assumed by Geotherm Distribution S.A.

22. SUBSEQUENT EVENTS

After the date of preparation of these consolidated financial statements, the Company has been listed on the Bucharest Stock Exchange, on the regulated market as from 07 Feb 2025.

These consolidated financial statements have been approved by the Board of Directors.

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Name HORIA PITULEA

Title CHIEF EXECUTIVE OFFICER

Signature _____

Date 24 March 2025

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