

GREEN TECH INTERNATIONAL S.A.
Bucharest, sector 1, Sofia Street no. 5, Floor 2
Unique registration code: 29647812
Trade Register number: J40 /1110/2012

ANNUAL REPORT OF THE BOARD OF DIRECTORS
FOR THE FINANCIAL YEAR 2024

GREEN TECH INTERNATIONAL S.A. is a joint-stock company established in accordance with the laws of Romania, with its registered office in Romania, Bucharest, Sector 1, Sofia Street no. 5, 2nd floor, registered at the Bucharest Trade Register Office under no. J40/1110/2012, (EUID): ROONRC. J40/1110/2012, having the unique registration code 29647812 and the Legal Entity Identification (LEI) code 787200K4GE13WY0JKC78.

The company has three subsidiaries:

- (i) holds a total stake of 85% of the share capital of Geotherm Distribution S.A., a joint stock company established in accordance with the laws of Romania, with its registered office in Romania, Bucharest, Sector 1, Pictor Constantin Daniel Rosenthal street no. 41, 3rd floor, apartment 4, registered at the Bucharest Trade Register Office under no. J40/3251/2012, having the unique registration code 29948360 ("Geotherm Distribution");
- (ii) the company and Geotherm Distribution hold a total stake of 73.97% (the company - 65.71% and Geotherm Distribution - 8.26%) in Apoterm Nadlac S.R.L., a limited liability company organized according to the laws of Romania, with headquarters in Nădlac, Nicolae Bălcescu street no. 76/a, Arad County, registered at the Trade Register Office under no. J2/445/1997, having the unique registration code 9782270 ("Apoterm");
- (iii) holds a total stake of 100% of the share capital of Horti Green Invest S.A., a company organized in accordance with the laws of Romania, with its registered office in Bucharest, Sector 1, Sofia Street no. 5, registered with the Trade Register under no. J40/14877/2013, having a unique registration code: 32543471 ("Horti Green").

The company, together with its subsidiaries, has more than 12 years of experience in providing green heat to small communities and larger and more complex customers such as District Heating Networks, large industrial customers and new real estate developments in pursuit of a cleaner environmental impact.

According to the company's articles of association, its main field of activity is NACE code - 353 - Supply of steam and air conditioning, while its main object of activity is NACE code - 3530 - Supply of steam and air conditioning.

The Group's main activity is currently carried out in the Călimănești-Căciulata perimeter - the exploitation of geothermal waters. The group supplies geothermal water to various local beneficiaries and, through one of the wells, also supplies thermal energy.

As of 31.12.2024, the shareholders of the company were: Alpeurope Investments GmbH, SAI Swiss Capital Asset Management S.A, Antrepriza Constructii CCR SRL, Dumitrașcu Gabriel, SSIF Swiss Capital S.A., Henri Maillardet AG, Instyle Design & Communication SRL.

The Company has issued only Common Shares that provide equal voting rights to all its shareholders.

1. Share capital

GREEN TECH INTERNATIONAL S.A. has a share capital of RON 7,938,670.60, according to the Decision of the Extraordinary General Meeting of Shareholders no. 1 of 17.07.2024, registered with the

National Trade Register Office attached to the Bucharest Tribunal based on resolution no. 185014, pronounced on 10.09.2024.

By the Decision of the Extraordinary General Meeting of Shareholders no. 1 of 14.06.2024, the change in the nominal value of one share from RON 10 to RON 0.10 was approved. By the same decision, the increase of the share capital by RON 333,642.80 was approved, from RON 4,671,000 to RON 5,004,642.80, by issuing a number of 3,336,428 new shares with a nominal value of RON 0.10 each and a total nominal value of RON 333,642.80. The new shares were subscribed by the shareholder SAI Swiss Capital Asset Management SA, which subscribed a number of 284,146 shares, with an issue premium of RON 412,051.15 and by SSIF Swiss Capital SA, which subscribed a number of 3,052,282 shares, with an issue premium of RON 4,426,236.86.

By the Decision of the Extraordinary General Meeting of Shareholders no. 1 of 17.07.2024, the increase of the share capital was approved by issuing a number of 29,340,278 new, ordinary, registered shares, issued in dematerialized form, with a nominal value of RON 0.10 each and a total nominal value of RON 2,934,027.80. The new shares were subscribed by Henri Maillardet AG, which subscribed a number of 28,639,045 shares and by Instyle Design & Communication SRL, which subscribed a number of 701,233 shares, with an issue premium of RON 419,665,972.20.

As of 31.12.2024, the participation in the share capital and voting rights held by the company's shareholders were as follows:

Shareholder	Shares/voting rights held	
	(Number)	%
Alpeurope Investments GMBH	40.637.700	51,19%
Dumitrașcu Gabriel	467.100	0,59%
Henri Maillardet AG	28.639.045	36,08%
Instyle Design & Communication SRL	701.233	0,88%
SAI Swiss Capital Asset Management Ltd	4.955.146	6,24%
Antrepriza Constructii CCR SRL	934.200	1,18%
SSIF Swiss Capital Ltd	3.052.282	3,84%
Total.....	<u>79.386.706</u>	<u>100</u>

2. Work points

At the end of 2024, the company did not have any work points.

3. Change of the name and emblem of the company

During 2024, there were no changes to the company's name or emblem.

4. Change in the management component

The executive management of the company is currently provided by Mr. Pitulea Horia, as General Manager and Mrs. Baragan Magdalena Livia, as Economic Director.

5. Change in the composition of the Board of Directors

The company has a single-level management structure, consisting of the Board of Directors, comprising

five members. As of the date of this report, the members of the Board of Directors of the company are as follows:

<u>Name and surname</u>	<u>Date of birth</u>	<u>Function</u>	<u>Date of expiry of the mandate</u>	<u>The period during which the person held the position/position</u>
Lars Alexander Haussmann	22.04.1969	Member and President	[2027]	01.10.2021-present
Dumitrașcu Gabriel	26.10.1964	Non-Executive Member	[2027]	01.10.2021-present
Nae Cristian-Alexandru	11.09.1975	Non-Executive Member	[2027]	14.12.2023-present
Pitulea Horia	07.09.1966	member	[2027]	[2024] - present
Feather Robert-Cosmin	13.09.1979	Non-Executive Member	[2027]	[2024] - present

All changes in the way of organization and functioning were registered with the O.N.R.C.

The main Resolutions adopted by the General Meeting of Shareholders, during 2024, were the following:

Resolution of the General Shareholders' Meeting no. 1 of 22.03.2024, by which Mr. Nae Cristian Alexandru was appointed as a member of the Board of Directors of the company

GSM Decision no. 1 of 15.04.2024, which approved the guarantee of the payment obligations assumed by Geotherm Distribution SA through the financing contract concluded with Unicredit Leasing Corporation IFN SA with the real estate mortgage on the building consisting of land with an area of 1,050 sqm and geothermal well construction, located in Balotesti, Ilfov County

Decision of the General Shareholders' Meeting no. 2 of 29.05.2024, by which the financial statements for the year 2023 were approved

GSM Decision no. 1 of 13.06.2024, which approved the purchase of the package of 356,802 shares, representing 44.66% of the share capital of Apoterm Nadlac SRL

Resolution of the General Shareholders' Meeting no. 1 of 14.06.2024, which approved the change of the nominal value of one share from RON 10 to RON 0.10 and the increase of the share capital by RON 333,642.80, from RON 4,671,000 to RON 5,004,642.80, by issuing a number of 3,336,428 new shares with a nominal value of RON 0.10 each and a total nominal value of RON 333,642.80.

Resolution of the General Shareholders' Meeting no. 1 of 27.06.2024, by which it was approved that the company be managed by a Board of Directors consisting of 5 members, for a term of 3 years. 2 new administrators were appointed, the members of the Board of Directors, respectively Mr. Pitulea Horia and Mr. Pana Robert Cosmin.

Resolution of the General Shareholders' Meeting no. 2 of 27.06.2024, ratifying the share subscription facility agreement concluded by the companies with GEM Global Yield LLC SCS and GEM Yield Bahamas Limited

GSM Decision no. 3 of 27.06.2024, which approved the change of the registered office and the reduction of the secondary object of activity

GSM Decision no. 1 of 17.07.2024, approving the in-kind contribution of 621,070 shares, representing 100% of the share capital of Horti Green Invest SA, the increase of the share capital by issuing a number of 29,340,278 new, ordinary, registered shares, issued in dematerialized form, with a nominal value of RON 0.10 each and a total nominal value of RON 2,934,027.80, the implementation of a "stock option plan" program, with the objective of granting option rights for the acquisition free of charge of a percentage of 3% of the company's share capital, by the General Manager.

The Decision of the General Shareholders' Meeting no. 1 of 16.09.2024, which approved the share capital increase with a maximum amount of RON 230,000, which was offered to investors in Romania, through a Public Offering of Shares (IPO), based on a Public Offer Prospectus and admission to trading, empowered the Board of Directors of the company to decide on the increase and IPO, the Board of Directors was empowered to negotiate and conclude all contracts with IPO consultants and commitments with capital market institutions, the Board of Directors was authorized to decide on all aspects related to the offering of newly issued shares within the increase, the appointment of the Nomination and

Remuneration Committee of the company was approved, the appointment of the Audit Committee of the company was approved, The dividend policy was approved.

Resolution of the General Shareholders' Meeting no. 1 of 24.10.2024, ratifying the addendum on the amendment of the share subscription facility agreement concluded by the company with GEM Global Yield LLC SCS and GEM Yield Bahamas Limited, the appointment of Alpeurope Investments GmbH as share provider was approved, in accordance with the provisions of the share subscription facility agreement, as amended by the addendum, the accession agreement signed by Alpeurope Investments GmbH, as a share provider, was ratified, the transfer of the securities register to the custody of the Central Depository was approved, the power of attorney of Mr. Pitulea Horia was approved, as an official appointed to represent the company in relation to the parties to the share subscription facility agreement.

The main Decisions adopted by the Board of Directors, during 2024, were the following:

CA Decision no. 1 of 01.02.2024, by which Mr. Nae Cristian Alexandru.

CA Decision no. 1 of 25.11.2024, which approved the opening of accounts at Techventures Bank SA and the designation of the empowered persons.

The Board of Directors Decision no. 1 of 04.12.2024, which established the main characteristics of the Public Offer of Shares.

CA Decision no. 1 of 10.12.2024, by which the term of office of the General Manager of the company was extended until 31.12.2025.

6. Risks

Due to the nature of the activities carried out, the group is exposed to various risks that include:

- market risk (including monetary 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 financial performance.

The Group does not use derivatives to hedge certain risk exposures.

The Group manages its capital to ensure that it will be able to continue operating on a business continuity principle, while maximizing profitability for stakeholders by optimizing the balance between debt and equity.

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 due to changes in the interest rate in the market.

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

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

When taking out loans, the group's management uses reasoning to decide whether a fixed or variable interest rate is more favorable.

(b) Currency risk management

The Group conducts certain transactions denominated in foreign currencies. As a result, there are exposures to exchange rate fluctuations. Exchange rate exposures shall be managed within approved policy parameters.

The Group considers that the currency risk is low, as the exposure to transactions carried out in foreign currency is insignificant. Therefore, the Group does not take formal actions to minimize the currency risk related to its operations.

(ii) Credit risk

Credit risk is the risk of financial loss that arises as a result of a borrower or third party failing to pay their obligation to the group. Trade receivables presented in the balance sheet are reduced with impairment adjustments. The Group applies the simplified method according to IFRS 9 for the measurement of expected credit losses in the case of trade receivables. In order to assess expected credit losses, trade receivables were grouped on the basis of common credit risk characteristics and by intervals determined by the number of days outstanding for payment. The exposure to the credit risk 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 relation to loans granted to different companies. The Group appreciates the impairment status of loans granted in accordance with the provisions of IFRS 9. For those credit exposures for which there is a significant increase in credit risk since initial recognition, a write-down is required for expected losses over the remaining life of the exposure, regardless of when the default occurred.

Thus, the impairment adjustment is calculated based on the net present value of the estimated cash flows compared to those established by the initial contract.

The exposure by geographical regions 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.

(iii) Liquidity risk

Liquidity risk is the risk that the group will experience difficulties in meeting its obligations arising from its financial debts. 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 made by the Company's finance department, which monitors the Company's liquidity forecasts to ensure that there is sufficient cash to meet operational requirements

The cash flows included in the maturity analysis are not expected to occur much earlier or to have significantly different values. The management believes that there are no significant risks that the group will encounter liquidity problems in the near future.

The risk management group's policies are defined in such a way as to ensure the identification and analysis of the risks faced by the group, the establishment of appropriate limits and controls, as well as the monitoring of risks and compliance with established limits. Risk management policies and systems are regularly reviewed to reflect changes in market conditions and group activities. The Group, through its training and management standards and procedures, aims to develop an orderly and constructive control environment, in which all employees understand their roles and obligations.

7. Mentions

By Decision no. 1296 of 18.12.2024, the FSA approved the Initial Public Offering Prospectus for the sale of shares issued by Green Tech International SA, carried out in order to admit the shares to trading on the regulated market, managed by the company Bucharest Stock Exchange SA, in compliance with the conditions of the Prospectus.

Through a Board Decision of the Bucharest Stock Exchange SA, the trading on the regulated market of the shares issued by the company was approved, starting on February 7, 2025.

On December 19-30, the Initial Public Offer for the sale of shares issued by Green Tech International SA was carried out.

The consolidated **financial position of** the group, as of 31.12.2024, was as follows:

	31- Dec - 24	31- Dec - 23	(%)
Imobilizări corporale	642.814	237.685 ¹	170%
Drept de utilizare al activelor	69.177	49.906 ¹	39%
Imobilizări necorporale	301	0	n.m
Investiții imobiliare	604	-	n.m
Fondul comercial	67.196	-	n.m
Imobilizări financiare	131	1.462	(91)%
Total active pe termen lung	780.223	289.053	170%
Stocuri	36	36	n.m
Creanțe comerciale	3.255	1.687	93%
Alte active curente	16.764	12.085	39%
Numerar și echivalente de numerar	284	92	209%
Total active curente	20.339	13.899	46%
Total activ	800.563	302.952	164%
Capitaluri proprii și datorii			
Capital social	7.939	4.671	70%
Rezerve	646.483	264.989	144%
Rezultatul reportat	5.572	5.235	6%
Rezultatul curent	2.428	483	403%
Interese care nu controlează	14.154	15.290	(7)%
Total capitaluri proprii	676.576	290.668	133%
Datorii financiare pe termen lung	302	-	n.m
Datorii de leasing pe termen lung	4.443	1.527 ¹	191%
Împrumuturi de la părți afiliate	2.904	2.685 ¹	8%
Impozitul pe profit amânat	109.547	-	n.m
Provizioane	540	533 ¹	1%
Total datorii pe termen lung	117.735	4.745	2.318%
Datorii comerciale	2.410	1.722 ¹	40%
Datorii financiare pe termen scurt	715	.1	n.m
Datorii de leasing pe termen scurt	82	.1	n.m
Datorii fiscale și sociale curente	861	(24)	n.m
Alte datorii	2.183	5.841	(63)%
Total datorii curente	6.251	7.539	(17)%
Total capitaluri proprii și datorii	800.563	302.952	164%

The consolidated statement of the profit and loss account, as of 31.12.2024, was as follows:

	31- Dec- 24	31- Dec- 23	(%)
Venituri din vânzare servicii	9.935	7.744	28%
Alte venituri	2.784	3.957 ¹	(93)%
Total venituri din exploatare	12.719	11.701	9%
Cheltuieli materiale	(188)	(160)	18%
Amortizări	(2.592)	(2.571)	1%
Alte cheltuieli de exploatare	(6.469)	(7.307) ¹	(11)%
Total cheltuieli de exploatare	(9.250)	(10.038)	(8)%
Rezultat din exploatare	3.469	1.664	108%
Venituri financiare	1.225	578	112%
Cheltuieli financiare	(1.282)	(1.361)	(6)%
Profit înainte de impozitare	3.413	881	287%
Impozit pe profit	(857)	(466)	84%
Profit net	2.556	415	516%

Internal control and accounting and administrative procedures, the Accounting Department, through the designated person, must ensure at all times the possibility of verifying the degree of risk to which the Group is exposed.

After the reference date, the company's shares were listed on the regulated market.

8. Corporate governance

The company operates according to solid corporate governance principles. These principles underpin the management framework. Green Tech International SA operates according to internal procedures that aim to protect and harmonize the interests of all categories of participants in the activity carried out within the company. The company respects the rights of its shareholders in the sense of carrying out the activities undertaken by the company in their interest. The company is constantly concerned with improving communication and the relationship with its shareholders, aiming to ensure fair treatment. The company's articles of incorporation regulate the shareholders' rights regarding the shares held and their exercise by participating in the General and Extraordinary Meeting of Shareholders. Also, the articles of incorporation regulate the company's management body and the way it is managed. The relationship with the shareholders is ensured at the level of the executive directors and the Board of Directors.

In 2024, the management of Green Tech International SA was initially ensured by a Board of Directors consisting of 3 members and as of 27.06.2024 by a Board of Directors consisting of 5 members.

The Company appointed during 2024 the members of the Audit Committee, which has responsibilities related to the supervision of financial reporting, internal control and risk management, supporting the Board of Directors in ensuring the transparency and integrity of the financial and compliance processes and the members of the Nomination and Remuneration Committee, which having the responsibility to ensure a transparent and fair process for the selection, evaluation and remuneration of the members of the executive management and the Board of Directors.

In order to avoid conflicts of interest, the company applies clear procedures that establish the necessary methods, operations and controls.

This report was approved on 17.03.2025.

THE BOARD OF DIRECTORS

LARS ALEXANDER HAUSSMANN

GABRIEL DUMITRASCU

CRISTIAN-ALEXANDRU NAE

HORIA PITULEA

ROBERT-COSMIN PANA