

Green Tech International

-Questions & Answers-

Videoconference for the presentation of the financial results for Q1 2025

May 19th , 2025

Introduction – summary of results from the management

Geothermal energy is a sustainable energy source, less known to both the general public and investors. It represents the heat stored beneath the Earth's surface, which can be harnessed to produce heat, cooling, and electricity. In Romania, there is a long-standing tradition of drilling and operating geothermal wells.

After the setup of Green Tech International in 2012, we focused on expanding capacity through the acquisition of assets and land, and today we operate the largest private geothermal portfolio in the European Union. In February 2025, Green Tech International shares were admitted to trading on the regulated market of the Bucharest Stock Exchange, under the symbol GREEN, and we currently have a market capitalization of approximately 200 million euros. We have a clear growth trajectory, aiming for an installed thermal capacity of 1 GW by 2028, and we intend to achieve this both through organic growth and acquisitions. Regarding the financial aspects for Q1 2025, revenues from services have increased by 12% compared to the same quarter of 2024. Total operating revenues have decreased due to the fact that in 2024, a positive effect was realized from the collection of receivables for which provisions had previously been made, and these were subsequently reversed. Financial expenses have increased by 70,000 lei, mainly due to interest and exchange rate differences. As a result, net profit decreased to 575,000 lei.

In the coming quarters, net income is expected to grow through the attraction of new customers. As for the balance sheet, assets have increased by 5.7 million lei, following the acquisition of two plots of land. The balance sheet is strong, with no debt, and what is shown as total long-term debt mainly represents deferred income tax. This is an estimated future tax payment due to temporary differences between accounting profit and taxable profit, and it will reduce over time as assets are depreciated or sold. Following the completion of the public offering of shares issued by the company, 534,422 new shares were subscribed by individuals and legal entities. As a result, the company's equity increased by 7,938,113 lei. In accordance with the provisions of the prospectus

related to the public offering, 79,584 shares listed on the Bucharest Stock Exchange were repurchased for 1,116,535 lei. All of these movements are reflected in the equity line. Looking ahead, we expect net profit to increase to the projected level of 4.5 million lei in 2025 through the attraction of new customers for geothermal energy. After building a solid base of assets, the company aims to enter the next growth phase. We want to leverage the stable production of geothermal energy and its cost advantage. As mentioned, our strategy is to invest in large energy-consuming sectors, where we can use geothermal energy instead of conventional energy sources, primarily natural gas.

Questions and answers

1. What are the main problems in the market?

Answer: There are several issues present in the market. Geothermal energy is not well known and is perceived as risky due to high initial costs, a lack of specialists, and complex permitting processes. Additionally, integration into district heating networks requires significant investment from local authorities. In addition, the legislative framework is unclear, particularly regarding the legal status of geothermal heat. Green Tech International mitigates geological risks by operating 83 confirmed wells and has specialized teams in place to ensure efficient resource exploitation.

2. How do you see the development of the geothermal segment in Romania in the future? What needs to be done to accelerate it?

Answer: Romania is among the top five countries in Europe with significant geothermal energy potential. The main geothermal resources are located in Oradea, Borş, Beiuş, Ciurmeş, the Olt Valley, and Otopeni, near Bucharest. I believe that, in order to accelerate this sector, we could benefit from more government support than we currently receive.

EU legislation recognizes geothermal energy as eligible for public funding, but the actual implementation of these policies in Romania has been significantly delayed. However, we are seeing an increasing number of geothermal projects across Europe, and we hope that Romania will soon make progress in this field as well.