

**ANNUAL REPORT OF THE BOARD OF DIRECTORS
FOR THE FINANCIAL YEAR 2025**

GREEN TECH INTERNATIONAL S.A. is a joint stock company incorporated in accordance with the laws of Romania, with its registered office in Romania, Bucharest, Sector 1, Sofia Street no. 5, 2nd floor, registered with the Bucharest Trade Register Office under no. J2012001110406, (EUID): ROONRC. J2012001110406, having the unique registration code 29647812 and the Legal Entity Identification code (LEI) 787200K4GE13WY0JKC78.

The company has six subsidiaries:

- (i) It holds a total stake of 85% of the share capital of Geotherm Distribution S.A., a joint-stock company incorporated 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 Trade Register Office attached to the Bucharest Tribunal under no. J2012003251404, 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 attached to the Arad Tribunal under no. J1997000445025, having the unique registration code 9782270 ("Apoterm");
- (iii) the company and Geotherm Distribution hold a total stake of 100% of the share capital of Horti Green Invest S.A. (the company – 99.999999% and Geotherm Distribution – 0.000001%), a joint-stock company organized according to the laws of Romania, with its registered office in Bucharest, Sector 1, Sofia Street no. 5, registered at the Trade Register attached to the Bucharest Tribunal under no. J2013014877401, having a unique registration code: 32543471 ("Horti Green");
- (iv) the company, through Geotherm Distribution, holds a total stake of 99.9% (Geotherm Distribution – 99.9%) of the share capital of Eco Procesare Banat S.R.L., a limited liability company organized according to the laws of Romania, with headquarters in Tomnatic Village, Tomnatic Com., No. 814/C, room no. 9, ap. 2, Timiș county, registered at the Trade Register Office attached to the Timis Tribunal under no. J2016002704354, having the unique registration code 36591692 ("Eco Processing");
- (v) the company, through Horti Green, holds a 100% stake (Horti Green Invest SA – 100%) of the share capital of Creativ Invest Imobiliare S.R.L., a limited liability company organized according to the laws of Romania, headquartered in Oradea Municipality, Str. Tudor Vladimirescu nr. 55, ap. 5, Bihor county, registered at the Trade Register Office attached to the Bihor Tribunal under no. J2021001883054, having the unique registration code 44616801 ("Creative");
- (vi) the company, through Horti Green, holds a 100% stake (Horti Green Invest SA – 100%) of the share capital of Prodbiorom S.R.L., a limited liability company organized according to the laws of Romania, headquartered in Oradea Municipality, Str. Tudor Vladimirescu nr. 55, ap. 5, Bihor county, registered at the Trade Register Office attached to the Bihor Tribunal under no. J2012000831056, having the unique registration code 30245029 ("Prodbiorom").

The company, together with its subsidiaries, has more than 14 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 looking for a cleaner environmental impact.

According to the company's articles of incorporation, 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 31.12.2025, the company's shareholders were: HENRI MAILLARDET AG, ALPEUROPE INVESTMENTS GMBH, GEM GLOBAL YIELD LLC SCS, LEGAL ENTITIES and INDIVIDUALS.

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

1. Share capital

GREEN TECH INTERNATIONAL S.A. It has a share capital of RON 7,992,112.80, divided into 79,721,128 ordinary registered shares, with a nominal value of RON 0.1 each.

By the Decision dated 03.01.2025, the Board of Directors acknowledged that, following the closing of the public offer for the sale of the shares issued by the Company, carried out in accordance with the provisions of the prospectus and the regulations applicable to the period 19-30 December 2024, 534,422 new shares were subscribed, each with a nominal value of RON 0.1, with a total nominal value of RON 53,442, The share capital of the company being increased from the value of 7,938,670.60 lei to the value of 7,992,112.80 lei.

As of 31.12.2025, the participation in the share capital and voting rights held by the company's shareholders were as follows:

| Shareholder | Shares/voting rights held | |
|----------------------------|---------------------------|-------------|
| | (Number) | % |
| HENRI MAILLARDET AG | 28.639.045 | 35,8341% |
| ALPEUROPE INVESTMENTS GMBH | 16.900.994 | 28,2312% |
| GEM GLOBAL YIELD LLC SCS | 22.562.753 | 21,1470% |
| LEGAL ENTITIES | 11.263.431 | 14,0934% |
| INDIVIDUALS | 554.905 | 0,6943% |
| Total..... | <u>79.921.128</u> | <u>100%</u> |

2. Working Points

At the end of 2025, the company had a working point located in Bucharest, sector 1, Sos. Străulești nr. 4.

3. Change of the company's name and emblem

During 2025, there were no changes to the name or emblem of the company.

4. Change of management component

The executive management of the company is currently ensured 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, which comprises 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>Expiry date of the mandate</u> | <u>The period in 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 |
| Străuț Radu-Răzvan | 04.07.1984 | Non-Executive Member | [2027] | 31.07.2025-present |
| Yellow Pitulea | 07.09.1966 | Member | [2027] | 10.12.2024-present |
| Bortnraeger Bruce Chet | 05.06.1957 | Non-Executive Member | [2027] | 05.11.2025-present |

All changes in the way of organization and functioning were registered with the National Trade Register Office.

The main Resolutions adopted by the General Meeting of Shareholders, during 2025, were the following:

By the Resolution of the General Shareholders' Meeting no. 1 of 03.01.2025, the revocation of JPA AUDIT & CONSULTANTA S.R.L. from the position of financial auditor was approved and AUDIT CONSULT GROUP S.R.L. was appointed as auditor for a term of 3 years.

By the Resolution of the General Shareholders' Meeting no. 1 of 29.04.2025, the financial statements for 2024 and the distribution of the Company's statutory net profit in 2024 were approved.

By the Resolution of the General Shareholders' Meeting (GSM) no. 2 of 29.04.2025, the discharge of the Company's directors for the activity carried out in the financial year 2024 was approved.

By the GSM Decision no. 3 of 29.04.2025, the income and expenditure budget for 2025 was approved.

By the GSM Decision no. 4 of 29.04.2025, the Remuneration Policy of Green Tech International S.A. was approved in accordance with the provisions of art.106 of Law no.24/2017.

By the OGMS Resolution no. 1 of 05.11.2025, the termination of the mandate of member of the Board of Directors was ascertained, as a result of the resignation notified to the company by Mr. Pana Robert – Cosmin.

By the OGMS Resolution no. 2 of 05.11.2025, the election of two new members to the Board of Directors was approved, in order to complete it, respectively Mr. Straut Radu-Razvan and Mr. Bortntraeger Bruce Chet, for a term of office with a duration equal to the period remaining until the expiry of the current term of office of the members of the Board of Directors, respectively until 27.06.2027.

By the OGMS Resolution no. 3 of 05.11.2025, the appointment of Mr. Straut Radu-Razvan to the Company's Nomination and Remuneration Committee was approved, replacing Mr. Pana Robert-Cosmin.

By the OGMS Resolution no. 4 of 05.11.2025, the appointment of Mr. Bortntraeger Bruce Chet, to the Company's Audit Committee, was approved, replacing Mr. Nae Cristian - Alexandru.

By the EGMS Resolution no. 1 of 05.11.2025, the mandate of the Board of Directors of the company was approved to negotiate and decide the extinguishment, in whole or in part, of some of the company's debts by giving in payment some treasury shares held by the company, acquired during the stabilization period subsequent to the admission to trading of the company's shares, in compliance with the applicable legislation and the company's interest.

By the EGMS Resolution no. 2 of 05.11.2025, the mandate of the Board of Directors of the Company was approved to take all the necessary measures for the implementation of the "Stock Option Plan" program, approved by the Resolution of the Extraordinary General Shareholders Meeting no. 1 of 17.07.2024, published in the Official Gazette no. 1309 of 18.03.2025, with the objective of granting option rights for the acquisition, free of charge, of up to 3% of the Company's share capital.

The main Resolutions adopted by the Board of Directors, during 2025, were the following:

Board of Directors Decision no. 1 of 03.01.2025, by which it was acknowledged that, following the closing of the public offer for the sale of the shares issued by the Company, 534,422 new shares were subscribed, each having a nominal value of RON 0.1, with a total nominal value of RON 53,442, the share capital of the company being increased from RON 7,938,670.60 to RON 7,992,112.80.

Board of Directors Decision no. 2 of 28.02.2025, which approved the opening of accounts at Techventures Bank SA and the designation of the empowered persons.

The Board of Directors decision of 24.03.2025, which approved the convening of the Ordinary General Meeting of Shareholders on 29.04.2025 (first call), respectively 30.04.2025 (second call), having as items on the agenda the approval of the individual and consolidated annual financial statements for 2024, the distribution of profits, the discharge of the company's administrators, the presentation and approval of the Income and Expenditure Budget for 2025.

Board of Directors Decision no. 1 of 24.07.2025, which takes note of the resignation of the mandate of director - member of the Board of Directors of Mr. Nae Cristian Alexandru and appoints Mr. Straut Radu Razvan as provisional director and member of the Board of Directors, starting with 31.07.2025 and until the meeting of the General Meeting of Shareholders.

The Decision of the Board of Directors dated 30.09.2025, which approved the convocation:

to the Ordinary General Shareholders Meeting on 05.11.2025 (first call), respectively 06.11.2025 (second call), having as items on the agenda: the ascertainment of the termination of the mandate of member of the Board of Directors of Mr. Pana Robert Cosmin, the election of 2 new members of the Board of Directors in the person of Mr. Straut Radu Razvan and Mr. Borntraeger Bruce Chet, the appointment of Mr. Straut Radu Razvan to the Company's Nomination and Remuneration Committee, in place of Mr. Pana Robert Cosmin, the appointment of Mr. Borntraeger Bruce Chet to the Company's Audit Committee, in place of Mr. Nae Cristian Alexandru;

to the Extraordinary General Shareholders Meeting on 05.11.2025 (first call), respectively 06.11.2025 (second call), having as items on the agenda: mandating the Board of Directors of the company to negotiate and decide the extinguishment, in whole or in part, of some of the company's debts by giving in payment some own shares held by the company, acquired during the stabilization period after the admission to trading of the company's shares, in compliance with the applicable legislation and the interest of the company, mandating the Board of Directors of the Company to take all the necessary measures for the implementation of the "Stock Option Plan" program, approved by the Resolution of the Extraordinary General Meeting of Shareholders no. 1 of 17.07.2024, published in the Official Gazette no. 1309 of 18.03.2025, with the objective of granting option rights for the acquisition, free of charge, of a percentage of up to 3% of the Company's share capital.

The Board of Directors Decision no. 1 of 30.10.2025, which approved the establishment by the Company of a working point in Bucharest, Sos. Straulesti no. 4, sector 1.

Board Decision no. 1 of 10.11.2025, approving the modification of the Company's secondary object of activity and the updating of the Company's Articles of Incorporation.

Board Decision no. 1 of 24.12.2025, by which the term of office of General Manager of the company was extended until 31.12.2026.

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 program focuses on the unpredictability of financial markets and seeks to minimize 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 to operate on a business continuity basis, while maximizing profitability for stakeholders by optimizing the balance between debt and equity.

i) Market risk

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

(a) Interest 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 market interest rate.

Trade receivables and liabilities are non-interest-bearing financial assets and liabilities.

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

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

(b) Foreign exchange risk management

The Group conducts certain transactions denominated in foreign currencies. As a result, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within the 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 the non-payment by a debtor or a third party of their obligation to the group. Trade receivables presented on the balance sheet are reduced with impairment adjustments. The Group applies the simplified IFRS 9 methodology for the measurement of expected credit losses in the case of trade receivables. In order to assess the expected credit losses, trade receivables were grouped on the basis of common credit risk characteristics and on 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 of between 30 and 60 days.

A large part of the group's exposure to credit risk arises in connection with loans to different companies. The Group assesses the impairment status of the 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, expected over the 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 original contract.

The exposure by geographical regions is focused on companies in Romania.

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 fulfilling its obligations arising from its financial liabilities. Prudent liquidity risk management involves maintaining sufficient cash and the availability of funds through an adequate value 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. Management believes that there are no significant risks that the group will face 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 the established limits. Risk management policies and systems are regularly reviewed to reflect changes in market conditions and in the group's 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 a Board Decision of the Bucharest Stock Exchange SA, the admission to trading on the regulated market of the shares issued by the company was approved, starting with 07.02.2025.

The statement **of the group's consolidated financial position** as of 31.12.2025 is presented as follows:

| (thousands of lei) | 31- Dec- 25 | 31- Dec- 24 | (%) |
|-------------------------------|----------------|----------------|-------------|
| Assets | | | |
| Tangible fixed assets | 666.278 | 642.814 | 4% |
| Right to use assets | 67.403 | 69.177 | (3)% |
| Intangible assets | 199 | 301 | (34)% |
| Real estate investments | 584 | 604 | (3)% |
| Goodwill | 67.196 | 67.196 | 0% |
| Financial fixed assets | 122 | 131 | (7)% |
| Total long-term assets | 801.781 | 780.223 | 3% |
| Stocks | 39 | 36 | 8% |
| Trade receivables | 5.928 | 3.255 | 82% |
| Other current assets | 12.615 | 16.764 | (25)% |
| Cash and cash equivalents | 154 | 284 | (46)% |
| Total Current Assets | 18.736 | 20.339 | (8)% |
| Total Assets | 820.517 | 800.563 | 2% |
| Equity and liabilities | | | |
| Share capital | 7.992 | 7.939 | 1% |
| Own shares | (1.117) | - | n.m |
| Reserves | 652.792 | 646.483 | 1% |
| Retained earnings | 8.845 | 5.572 | 59% |

| (thousands of lei) | 31- Dec- 25 | 31- Dec- 24 | (%) |
|-------------------------------------|----------------|----------------|-------------|
| Current Result | 740 | 2.428 | (70)% |
| Non-controlling interests | 13.936 | 14.154 | (2)% |
| Total equity | 683.189 | 676.576 | 1% |
| Long-term financial debts | 189 | 302 | (37)% |
| Long-term leasing debts | 2.554 | 3.500 | (27)% |
| Loans from affiliated parties | 2.350 | 2.904 | (19)% |
| Deferred corporate tax liabilities | 110,928 | 109.547 | 1% |
| Provisions | 671 | 540 | 24% |
| Total long-term liabilities | 116.693 | 116.793 | 0% |
| Trade Debts | 6.790 | 2.410 | 182% |
| Short-term financial debts | 725 | 715 | 1% |
| Short-term leasing debts | 1.303 | 1.024 | 27% |
| Current tax and social liabilities | 1.627 | 861 | 89% |
| Other liabilities | 10.190 | 2.183 | 367% |
| Total current liabilities | 20.636 | 7.194 | 187% |
| Total equity and liabilities | 820.517 | 800.563 | 2% |

The consolidated statement of the profit and loss account, as of 31.12.2025, was presented as follows:

| (thousands of lei) | 31- Dec- 25 | 31- Dec- 24 | (%) |
|-----------------------------------|-----------------|----------------|--------------|
| Revenue from the sale of services | 10.753 | 9.935 | 8% |
| Other income | 4.094 | 2.784 | 47% |
| Total operating income | 14.847 | 12.719 | 17% |
| Material expenses | (417) | (188) | 122% |
| Depreciation | (2.713) | (2.592) | 5% |
| Other operating expenses | (10.234) | (6.469) | 58% |
| Total operating expenses | (13.363) | (9.250) | 44% |
| Operating result | 1.483 | 3.469 | (57)% |
| Financial income | 1.382 | 1.225 | 13% |
| Financial expenditure | (631) | (1.282) | (51)% |
| Profit before tax | 2.234 | 3.413 | (35)% |
| Corporate income tax | (1.703) | (857) | 99% |
| Net Profit | 531 | 2.556 | (79)% |

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.

8. Corporate governance

The company operates according to solid corporate governance principles. These principles form the basis of 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 Shareholders' Meeting. 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 2025, the management of Green Tech International SA was ensured by a Board of Directors consisting of 5 members.

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

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

This report was approved on 24.03.2026.

CHAIRMAN OF THE BOARD OF DIRECTORS

LARS ALEXANDER HAUSSMANN