



Shareholder Letter to ESGTI Shareholders

Huenenberg, 10 October 2024

Dear Shareholders,

We are writing to update you on significant developments regarding ESGTI AG and to inform you of the Board's proposals in response to the challenges recently faced by the company, particularly the company's liquidity issues and difficulties with the listing on the BX Swiss stock exchange.

After intense deliberations over the last months how to address the Company's challenges and its future, the Board has reached some strategic decisions that it believes will not only address the current issues, but also may unlock new opportunities for the Company and its shareholders. These decisions will be submitted to the shareholders for approval at the Annual General Meeting for the business year April 2023 – April 2024 and this letter aims to provide the relevant context for your informed vote.

Restructuring of ESG LifeSciences and SynDermix

On 14 November 2023, we published an ad hoc announcement on BX Swiss, in which we announced that ESGTI AG is evolving into a holding company, sharpening its strategic focus on clean technology and intends to spin off its wholly owned subsidiary, ESG LifeSciences AG.

Since then we started discussions and negotiations with a Canadian listed Company, **Principal Technologies Inc.**, 2500 700 West Georgia St., Vancouver BC, V7Y 1B3, Canada (www.principal-technologies.com), a company mainly active in the healthcare technology field (PTEC) ("PT"). PT has shown a strong interest in the projects of **SynDermix AG** and its three subsidiaries **Theralect AG**, **BioEleSonic AG**, and **Noxogen AG**, which ESGTI AG as the main financing body in the past has been unable to continue due to its liquidity and financing challenges during the last months caused by the claims of minority shareholders back in 2022. SynDermix makes up the majority of ESG LifeSciences' asset portfolio and PT, which is well-capitalized, has expressed its interest in taking over only the shares of SynDermix AG held by ESG LifeSciences AG (rather than ESG LifeSciences AG as a whole). Therefore, ESG LifeSciences AG is currently discussing with PT the sale of SynDermix AG and thereby also its three subsidiaries by a Reverse Take-Over (RTO).

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Under the RTO, ESG LifeSciences AG will receive in exchange for the sales of its shares in SynDermix AG shares in PT. It is foreseen that the purchase price shall be approx. CAD 42,332,000 (approx. CHF 26,700,000), which will be paid in common shares in the capital of PT with a deemed value of CAD 0.50 per share and in cash with an amount of CAD 23,256,700 (approx. CHF 4,680,000) to be satisfied by the issuance of one or more promissory notes by PT for a term of 4 years and an interest of 5% p.a., payable upon maturity.

Upon completion of the RTO with PT, ESG LifeSciences AG will be a major stakeholder in PT. An additional benefit of this transaction will be that the shares in PT are fully tradable at the TSX Venture Exchange under CA74260Q1028.

Already earlier the Company was able to sell its participation in Rheon. Unfortunately, Énielle will file for bankruptcy. With this in mind, the Board wishes to propose the liquidation of ESG LifeSciences AG and the transfer of the shares in PT directly to ESGTI AG and, subsequently, its shareholders in proportion to their current shareholding (the mechanism is elaborated in greater detail below). Of course, this decision is subject to the approval of the shareholders.

Delisting from BX Swiss & Alternative Solutions

Following the so-called “adverse opinion” expressed by the auditors of ESGTI AG in the audit report regarding the accounting as “going concern” in the 2022/23 annual financial statements, BX Swiss decided to delisting the company’s shares from their market as a logical consequence.

In light of the company’s continuing liquidity challenges, outstanding debts and difficulties raising finance (information that remains in the public domain and is difficult to overcome), we have extensively evaluated and wish to propose an alternative route to the shareholders that we think will ultimately provide access to new, larger markets, the preservation of asset and shareholder value and hopefully substantial growth potential for ESGTI and its assets:

Reverse Takeover (RTO) with Kibo Energy PLC.

The Company is currently in intense discussions and negotiations with **KIBO Energy PLC**, a renewable energy development company listed on the Alternative Investment Market (AIM: KIBO) of the London Stock Exchange in the United Kingdom and the Johannesburg Stock Exchange (AltX: KBO) and headquartered in Ireland (“KIBO”; Website <http://www.kibo.energy>) regarding a Reverse Take-Over (RTO).

In these negotiations with KIBO, ESGTI is accompanied by **visaVento AG**, a Swiss private company domiciled in Frauenfeld TG, active as a developer of wind and solar power plants in Europe, and



Terra Sola Group AG, Bremgarten, a Swiss private company, active as a developer of renewable energy projects in Africa, who are also committed to take part in the intended RTO.

The intended RTO as currently discussed and negotiated with KIBO foresees - always subject to shareholders' approval of all involved entities - that KIBO acquires from ESGTI AG its shares in **ESG EKO AGRO Group s.r.l.**, an Italian private company, with activities in the area of AgriPV in Italy, controlled by ESGTI; and (ii) the share capital of **AltEnergis PLC**, a UK private company, with two major deep technology projects under development, controlled by ESGTI.

The shareholders of visaVento Solar AG will transfer 100% of the share capital of visaVento Solar AG to KIBO and the shareholders of Terra Sola Group AG will transfer 100% of the share capital of **Terra Sola Group AG** by joining this transaction.

The preliminary valuation for the transferred entities - using risk-adjusted discounted cash flows on the basis of the "bad case" scenario - results in an overall amount of around GBP 422 million, whereby it is planned to reduce this value by around 25% at launch.

After the completion of the RTO, ESGTI AG will hold the majority stake in KIBO, positioning itself as the controlling shareholder.

Voluntary Liquidation of ESGTI AG

Following the completion of the two RTO's with PT and KIBO, ESGTI AG will be purely a holding company (holding shares in KIBO and PT). Therefore, the Board is of the opinion that ESGTI AG should undergo a voluntary liquidation process subject to shareholders' approval.

This would result in the shares held by ESGTI AG in KIBO and PT being distributed directly to you, our shareholders, in the course of the liquidation process. As a result, you will become direct shareholders of KIBO and PT, which are both listed companies. Therefore you will have the opportunity to freely trade your shares in KIBO and PT.

Strategic Benefits

The Board views these transactions as highly favourable for ESGTI AG and its shareholders. The delisting from BX Swiss alleviates the trading difficulties we encountered. While the Board believes that the new structure under KIBO and PT provides a more robust platform for further growth. Additionally, we are optimistic that the share prices will reflect the true value of the assets and generate enhanced value for all shareholders.

Liquidity and Financing Improvements



In conclusion, the Board believes that these strategic actions will not only unlock greater value but also provide shareholders with more flexibility and opportunities for growth.

Therefore, we ask the shareholders at the upcoming general meeting, for which you will find enclosed the invitation and the agenda, to approve these transactions, as well the liquidation of ESGTI once the transactions are completed.

We thank you for your continued trust and patience and remain confident that these transactions will pave the way for a brighter future for all stakeholders.

Yours sincerely,

The Board of Directors of ESGTI



This letter covers the key details of the planned transactions, including the reasons for delisting, the structure of the Reverse Takeover with Kibo, and the future distribution of shares.

Disclaimer Regarding the RTO Transaction

This communication contains forward-looking statements concerning the proposed Reverse Takeover (RTO) transaction between ESGTI and KIBO and ESG LifeSciences and Principal Technologies, as well as related transactions involving Terra Sola, an visaVento. These statements are based on current expectations and assumptions regarding the business and financial conditions of ESGTI, KIBO, and other parties involved in the transactions. Forward-looking statements are inherently uncertain and are subject to risks and factors that could cause actual results to differ materially from those projected.

No Assurance of Completion

There can be no assurance that the proposed transactions will be completed as described or within any specific timeframe, or that the expected benefits will be realized. The completion of the transactions is subject to various approvals, including regulatory, shareholder, and third-party consents, and the satisfaction of other customary closing conditions.

Market and Share Price Volatility

The value of the shares in KIBO and PT, and the liquidity of the shares once issued to ESGTI shareholders, may be affected by various factors, including general market conditions, company-specific developments, regulatory changes, and other unforeseeable events. The past performance of any company or market is not indicative of future results.

No Offer or Solicitation

This communication is not intended to constitute an offer, invitation, or solicitation for the purchase or sale of securities or any other financial instruments. It should not be relied upon in connection with any investment decision.

Due Diligence and Independent Advice

Shareholders are encouraged to conduct their own due diligence and seek independent financial or legal advice as they consider appropriate regarding the potential impact of the two described RTO and related transactions on their investment in ESGTI and the subsequent holding of KIBO and PT shares.

Regulatory Compliance and Reporting

Kibo, PT and ESGTI are subject to various regulatory requirements. Any failure to comply with applicable regulations could adversely affect the outcome of the transactions or the value of the shares distributed to ESGTI shareholders.

Unforeseen Events

Changes in economic conditions, unforeseen legal, financial, or technical issues, or other factors beyond the control of the involved parties could affect the timeline or successful completion of the RTO transactions.

The Board of Directors of ESGTI assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by applicable law.