

CORPORATE GOVERNANCE REPORT

Corporate governance is of high importance to Petro Welt Technologies AG (PeWeTe) above and beyond its obligations to fulfill the requirements of applicable laws. It is the duty of the Company's Management Board, subject to supervision by the Supervisory Board, to manage PeWeTe in accordance with applicable national and international standards.

To ensure a high degree of transparency and clarity for all capital market players, the Company's corporate bodies decided in 2006 to apply the German Corporate Governance Code ("Code").

This Report is based on the Code as resolved on April 28, 2022, which may be downloaded from www.dcgk.de.

THE EXECUTIVE BODIES OF PEWETE

Upon submission of proof of shareholding (section 10a of the Austrian Stock Corporation Act (AktG) and section 16 of the Company's Articles of Association), the shareholders are entitled to exercise their rights, particularly their voting rights, at the Annual General Meeting (AGM). Each share in the Company entitles the owner to one vote. There are no multiple or preferential voting rights, and there is no cap on the number of voting rights. All information on the convening of the AGM, as well as all reports and information required for the resolutions to be voted upon, are published pursuant to the applicable provisions of the AktG and made available on the website of PeWeTe (www.pewete.com).

FUNCTIONS OF THE SUPERVISORY BOARD AND THE MANAGEMENT BOARD

Pursuant to the applicable legal requirements, the Company is managed on the basis of a dual board system that requires strictly separating the management and supervisory bodies. Under this system, a member of one corporate body may not simultaneously be a member of the other one.

MEMBERS OF THE SUPERVISORY BOARD



— **Maurice Gregoire Dijols**,
Chairman of the Supervisory Board, born August 1, 1951



— **Remi Paul**,
Member of the Supervisory Board, born February 16, 1966



— **Stephan Theusinger**,
Member of the Supervisory Board, born September 6, 1977 (from January 25, 2022)

— **Ralf Wojtek**,
Member of the Supervisory Board, born May 29, 1945 (until January 25, 2022)

All current members of the Supervisory Board were elected to the Supervisory Board up to the conclusion of the Annual General Meeting tasked with formally approving the actions of the Supervisory Board members regarding the 2026 financial year.

The members of the Company's Supervisory Board hold the following positions in domestic or foreign companies:

Ralf Wojtek

— GO! Holding AG, Berlin, Germany – member of the Supervisory Board

Maurice Gregoire Dijols

— Alussa Energy Acquisition Corp, Cayman Islands – Non-Executive Director

Stephan Theusinger

— C. + A. Board Management AG, Andermatt, Switzerland

— C. + A. Management Services AG, Schattdorf, Switzerland

In its current composition, the Supervisory Board fulfills all impartiality requirements. The following Supervisory Board members are deemed independent:

— Remi Paul

— Ralf Wojtek (until January 25, 2022)

— Stephan Theusinger (elected January 25, 2022)

Maurice Gregoire Dijols is the sole owner of Joma Industrial Source Corp. (Joma). He controls 87% (per December 31, 2021) of the shares of PeWeTe indirectly through this company. Joma acquired additional shares, whereby Maurice Gregoire Dijols controls 90.23% of the total shares of PeWeTe as of February 23, 2022.

The Supervisory Board supervises and advises the Management Board with respect to its management of PeWeTe. The Company's Articles of Association govern individual tasks and responsibilities as well as the convening, scheduling, and chairing of Supervisory Board meetings. The responsibilities of the Supervisory Board include appointing and dismissing members of the Management Board and setting the salaries of the members

of the Management Board. The Supervisory Board has established an Audit Committee, which is responsible for fulfilling the auditing duties assigned to it at the Supervisory Board's behest, to the extent legally permitted. The formation of this committee is mandatory under Austrian law.

MEMBERS OF THE MANAGEMENT BOARD

The members of the Management Board were:

- Denis Stankevich
- Kirill Bakhmetyev



— **Denis Stankevich,**

Chairman of the Management Board, born December 10, 1974; responsible for key corporate functions such as business strategy, business development, and business policy.



— **Kirill Bakhmetyev,**

Chief financial officer born March 13, 1969; responsible for central planning, corporate finance, accounting and investment policy, internal control system, investor relations.

All matters of fundamental or significant importance require the approval of all members of the Management Board. The Management Board abides by the Company's Articles of Association and the guidelines issued by the Supervisory Board that regulate the tasks and responsibilities of the Management Board members, in particular, procedures regarding the decision-making process and rules on the avoidance of conflicts of interest.

PeWeTe has purchased a D&O insurance policy for all members of its Supervisory Board and its Management Board. The insurance policy has no deductibles in the event of claims.

REMUNERATION OF SUPERVISORY BOARD AND MANAGEMENT BOARD

PeWeTe follows the recommendations of the Code, pursuant to which the remuneration of the Supervisory Board and the Management Board should be disclosed individually for each member. The specific remuneration paid is disclosed in the Remuneration Report in accordance with the Remuneration Policy.

The remuneration of the Management Board members comprises fixed and variable elements. The base salary and benefits form the fixed remuneration based on prevailing market practice. The variable remuneration drives and rewards best-in-class performance by setting ambitious and stretched targets. These targets encompass both short and long-term objectives such as contract portfolio expressed in revenue, benchmarks versus peers, profit, etc.

RISK MANAGEMENT

The responsible handling of risk is one of the fundamental principles of good corporate governance. Both the Management Board of PeWeTe and the managerial employees of the PeWeTe Group have at their disposal comprehensive reporting and control systems specific to the Group and the Company for monitoring, assessing, and controlling risks. These systems are continually refined and adapted to changing parameters and are regularly checked for efficiency and functionality as part of the

annual audit. The Management Board briefs the Supervisory Board on a regular basis with respect to all existent risks and their development.

The Risk Report, which is a part of the annual report of PeWeTe, contains further details on risk management within the Group. It also includes the mandatory report on the internal control and risk management systems as they apply to accounting procedures.

TRANSPARENCY

PeWeTe informs capital market players, interested parties, and the general public immediately, regularly, and simultaneously of the Group's current financial position. The management report, semi-annual report, and quarterly reports are all published within the time periods specified by the Frankfurt Stock Exchange. In addition, PeWeTe also notifies interested parties of all events and new developments via press releases and, if necessary, ad hoc notices. Information is made available in German and English. The Company's website, www.pewete.com, also offers in-depth information on the PeWeTe Group and on the PeWeTe share. PeWeTe regularly runs Compliance training sessions for management and employees of the PeWeTe Group. The compliance training courses are automatically generated and take place purely online at the time of employment.

FINANCIAL CALENDAR

The Company's financial calendar offers a transparent overview of all scheduled important events and publications. The calendar is published and made available on PeWeTe's website.

DIRECTORS' DEALINGS

Directors of PeWeTe Group in 2022

None of the directors listed below holds any shares of the Company:

- Denis Stankevich, Chairman of Petro Welt Technologies AG (PeWeTe)
- Kirill Bakhmetyev, Chief Financial Officer of Petro Welt Technologies AG (PeWeTe)
- Uzim Ilyasova – General Manager of PeWeTe Kazakhstan LLP
- Androulla Papadopoulou and Eliana Giannakou Hadjisavva – Directors of PEWETE Evolution LIMITED
- Eliana Giannakou Hadjisavva – General Manager of Wellprop Cyprus LIMITED
- Christian Jennevin – General Director of PeWeTe EVO SERVICES LLC, Oman
- Christian Jennevin – Administrator of PeWeTe EVO EUROPE LLC, Romania, Company liquidated in December 2022.

Directors of PeWeTe Group companies until the sale of the Russian subsidiaries as per August 29, 2022

None of the directors listed below holds any shares of the Company

- Nikolay Mulko – General Manager of Petro Welt Technologies LLC (PeWeTe) Petro Welt Technologies LLC is a management company that serves as the sole executive body of KAToil-Drilling LLC, KATOBNEFT LLC, and KATKoneft LLC
- Olga Matsukevich – General Manager of Trading House KAToil LLC
- Irina Belyaeva – General Manager of KAT.oil Leasing LLC
- Anna Nikitina – General Manager of Wellprop LLC

Supervisory Board of Petro Welt Technologies AG (PeWeTe)

- Maurice Gregoire Dijols – Chairman of the Supervisory Board
- Remi Paul – 0 shares
- Ralf Wojtek – 0 shares (until January 25, 2022)
- Stephan Theusinger – 0 shares (from January 25, 2022)

Shareholders

	Number of Shares	Share
Petro Welt Holding Limited	23,300,000	47.70%
Joma Industrial Source Corp.	19,228,711 (20,778,088 as of February 23, 2022)	39.36% (42.53% as of February 23, 2022)
Free float	6,321,289 (4,771,912 as of February 23, 2022)	12.94% (9.77% as of February 23, 2022)
Total	48,850,000	100.00%

In 2022, the majority shareholder Joma Industrial Source Corp. announced its intention to acquire all shares of Petro Welt Technologies AG held by the remaining minority shareholders by way of a squeeze-out. The general meeting which will resolve on the exclusion of the minority shareholders is planned to be held in 2023.

DIVERSITY MANAGEMENT

PeWeTe is committed to the equal treatment of all people – regardless of gender, age, different ability, religion, culture, color, education, social background, sexual orientation, or nationality. The Company resolutely opposes all forms of discrimination, bullying, and sexual harassment. In management development, special attention is paid to communicating these leadership values. The fact that it is active in an industry with a strong technical focus makes it particularly challenging for the Company to achieve a satisfactory gender balance in all areas of its activities. Given the sometimes adverse working conditions, the PeWeTe Group has adopted a policy of granting special leave above and beyond annual leave where applicable. Work is underway to develop and implement gender equality goals and measures. In 2022, no cases of discrimination were reported to the management.

The strategic objective is to achieve a better diversity mix among employees. We aim to raise the share of women in management processes, to provide greater access to educational and training programs in all regions in which we operate, and to promote young specialists and prospective students.

PeWeTe continually monitors gender, age, employee background, seniority, relevant knowledge and experience as well as pay equity to ensure fair treatment and equal opportunities at all career stages. The Company has installed an effective whistle-blowing system.

DIVERSITY STRATEGY FOR THE SUPERVISORY BOARD AND THE MANAGEMENT BOARD

The main criteria for selecting the members of the Management and Supervisory Boards are relevant knowledge on a broad range of issues as well as personal integrity and experience in executive positions. Aspects related to the diversity of the Supervisory Board, specifically, the representation of both genders and the age structure, are taken into account as well.

The members of the Supervisory Board are elected by the Annual General Meeting. Female managers are evaluated on an equal footing with male managers, and female candidates for the Supervisory Board having the same professional qualifications as male candidates are recommended for election. PeWeTe is not required to institute a mandatory quota for women as per the Austrian Act on Equal Treatment of Women and Men on Supervisory Boards (GFMA-G). The law prescribes a minimum number of women (30%) only for companies with six or more Supervisory Board members.

The Supervisory Board must take diversity into account when considering the best candidates for the Management Board. In particular, diversity is understood to mean different yet complementary specialist profiles as well as professional and general experience, also in the international domain, with both genders being appropriately represented.

At present, the Company's Supervisory Board and Management Board do not have any female members. The promotion of women to management positions is not restricted. Until the sale of the Russian Group companies, the percentage of women in management positions was 15% at the Group level. Four women hold general management positions within the Group as disclosed in the Director's Dealings above. Until the sale of the Russian Group companies, the percentage of women among employees throughout the Group was 11%. The members of the Supervisory Board are between 46 and 71 years old, with an average age of 58 years, whereas the members of the Management Board are 48 and 53 years old.

DECLARATION OF COMPLIANCE

PeWeTe is committed to the recognized principles of corporate governance. As a foreign issuer on the Frankfurt Stock Exchange with headquarters in Austria, PeWeTe resolved, in accordance with the Austrian Corporate Governance Code, to apply the German Corporate Governance Code. The Annual Declaration of Compliance pursuant to the German Stock Corporation Act (dAktG) is a basic requirement thereof.

PeWeTe (hereinafter the “Company”) is a company organized under Austrian law and is subject to Austrian laws, rules, and regulations. As such, the Company’s compliance with the recommendations of the German Corporate Governance Code (the “Code”) is contingent on the latter’s compatibility with the Austrian laws, rules, and regulations that govern the Company. The Company’s Management Board and Supervisory Board hereby declare, without being legally obliged to do so, that the recommendations of the German Corporate Governance Code Government Commission (Regierungskommission Deutscher Corporate Governance Kodex) – as resolved on April 28, 2022 – have been and are being complied with, save for the recommendations listed below.

1. Recommendations A.1, B.1, and C.1

The Code contains recommendations regarding the diversity of and age limits for both board members and executive employees. Nomination proposals of the Supervisory Board to the relevant bodies as well as nominations for the Management Board take these objectives into consideration (c. f. Diversity Strategy for the Supervisory Board and the Management Board). The Company’s Corporate Governance Report reflects the aforementioned objectives, especially regarding a women’s quota, and the state of their realization.

The Supervisory Board’s composition ensures effective consulting and monitoring of the Management Board in accordance with Austrian law and in line with the Company’s interests. In order to ensure the dutiful performance of its tasks as required by law, the Supervisory Board’s nomination proposals to the AGM focus primarily on the knowledge, skills, and experience of the nominees. In addition, the Supervisory Board reasonably takes into account the Company’s international operations as well as potential conflicts of interest and diversity.

2. Recommendation B.5

Due to the specifics of the oil service industry, there are only a limited number of senior-level experts with international experience.

3. Recommendation C.2

Due to the specifics of the oil service industry, there are only a limited number of senior-level experts with international experience.

4. Recommendations C.10 and D.3

The Company does not comply with this recommendation because its Supervisory Board has only a limited number of members. Thus, the Chairman of the Supervisory Board also chairs the Audit Committee.

5. Recommendations D.1

The Supervisory Board has adopted its own rules of procedure. The rules of procedure of the Supervisory Board are unpublished. There is no obligation under Austrian law and the German Corporate Governance Code (GCGC) to publish the rules of procedure of the Supervisory Board on the Company’s website.

6. Recommendation D.2 and D.4

Given that the Company’s Supervisory Board has only a limited number of members, the Company and the Supervisory Board believe that establishing additional committees – aside from the mandatory Audit Committee – would not be appropriate and would not enhance the efficiency of the Supervisory Board’s work. A nomination committee has not been established for the same reason.

7. Recommendation D. 6

Due to the small size of the Supervisory Board, additional meetings of the Supervisory Board alone would not increase the efficiency of its work.

8. Recommendation F.2

The Company's consolidated financial statements are not publicly accessible within 90 days of the end of the financial year, nor are its interim reports publicly accessible within 45 days of the end of the reporting period. This is due to the complex reporting requirements in Russia, Kazakhstan, and other jurisdictions in which the Company does business.

9. Recommendation G.1 to G.16

The Remuneration Policy and Remuneration Report of the Company are drafted and implemented in accordance with section 78a et seq. of the AktG and with the involvement of the shareholders (based on DIRECTIVE (EU) 2017/828 – Shareholder Rights Directive).

Currently, the Company does not follow the Code's recommendation to include a compensation cap in the director's contracts of Management Board members in case they prematurely step down from their Management Board functions without good cause.

The respective German laws do not apply in Austria and the Company thus does not abide by this recommendation.

The monetary elements of the remuneration paid to the members of the Company's Management Board do not include stock options or comparable instruments, nor participation in any corporate pension schemes. Therefore, recommendations stock options or comparable instruments (e.g. requests for compliance with relevant benchmarks; no retroactive modification of performance targets or benchmarks; agreement on a cap for extraordinary, unforeseen developments) have not been implemented. Consequently, the Company's Remuneration Report does not contain any details regarding the value of stock option plans or similar long-term incentives and high-risk components of its directors' remuneration, or details of payments into pension schemes. In addition, the Company's Corporate Governance Report does not disclose any stock option programs and similar security-based incentive systems. If stock option plans or programs for the Management Board are implemented, the strict standards of the Code shall apply.

Vienna, April 27, 2023



Denis Stankevich
Chief Executive Officer



Kirill Bakhmetyev
Chief Financial Officer