ANNUAL GENERAL MEETING

VIENNA

27.06.2023

CEO PEWETE AG

DENIS STANKEVICH

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1st HY 2022: challenging environment

In the first half of 2022, **PeWeTe was confronted with a challenging market environment** due to its operating activities in Russia. Nevertheless, the Group was able to report a **positive development.**

Revenue stands at EUR **152.2** million, up by **44.4%** year on year due to the **positive operational performance**.

The **gross profit margin improved** to **13.5%**, up from **10.3%** in the same period of the previous year.

The **strong operational result** led to an **EBIT margin of 4.4%** in the reporting period.

Well Services and Stimulation segment posted a **72.0% increase in revenue** to EUR 73.1 million for the first six months of 2022.

Drilling, Sidetracking, and IPM segment also delivered **+28.6% to revenue** at EUR 73.2 million (HY1 2021: EUR 56.9 million).

Despite sanctions and drastic restriction of Financial transactions, The Group managed to keep traditionally **highest level of liquidity and operational efficiency**.

Geopolitical situation

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EU introduced certain stringent **sanctions** restrictions in respect of operations and transactions directly affecting the Company, its top managers and its Russian subsidiaries and their operations.

Russia introduced certain stringent **counter-sanctions** restrictions in respect of operations and transactions directly affecting the Company, its top managers, its Russian subsidiaries and their top managers.

70% of Company's services in Russia constitute contracts with Russian energy companies either **controlled by the Russian Federation** (directly or indirectly) or otherwise **included in EU sanctions lists**.

40% to 80 % (depending on the type of services) of **equipment** used for oil services performed by the Company and its subsidiaries in Russia is **imported from EU and the USA**. 35 % of spare parts and consumables are also imported from EU.

In order to manage Russian operations **the Company requires local Russian top managers** having knowledge of the market. Such people are mostly Russian citizens/residents and are subject to Russian legislation.

EU sanctions

The significant part of clients of the Company's Russian subsidiaries **fall under categories prohibited** above and thus the Company and its Russian subsidiaries **cannot continue rendering services** to them.

Legal background – EU sanctions

The relevant EU sanction measures are set out in Council Regulation (EU) No 833/2014 (as amended, "General Sanctions Regulation"), and Council Regulation (EU) No 269/2014 (as amended, the "Personal Sanctions Regulation").

According to Art 5aa General Sanctions Regulation it is **prohibited to directly or indirectly engage** in any transaction with:

a) legal person, entity or body established in Russia, which is publicly controlled or with over 50% public ownership or in which Russia, its Government or Central Bank has the right to participate in profits or with which Russia, its Government or Central Bank has other substantial economic relationship, as listed in Annex XIX General Sanctions Regulation;

b) legal person, entity or body established outside the Union whose proprietary rights are directly or indirectly owned for more than 50% by an entity listed in Annex XIX General Sanctions Regulation; or

c) legal person, entity or body acting on behalf or at the direction of an entity referred to in point (a) or (b) of this paragraph.

EU sanctions

Prohibition of investments in the Russian energy sector

Export related sanctions

Asset freeze sanctions on Russian banks

The Company's **investment program** in respect of the purchase of new equipment for the operations of its Russian subsidiaries, its technical servicing, etc **cannot be performed** any longer, which puts the operations performed by the Russian subsidiaries at risk. Besides, normal operations of the Russian subsidiaries using their existing equipment become virtually impossible in the absence of technical support from the Company or EU contractors

Financing the Russian energy sector is **prohibited**. The Russian subsidiaries of the Company and their clients are companies "operating in the energy sector" Thus, the Company cannot grant loans or credits (or other similar financing or investments) to its Russian subsidiaries

Providers of software and hardware like Microsoft, Siemens, VMWare, Cisco, TeamViewer, Hewlett Packard, Lenovo and others used by the Russian subsidiaries **ceased supporting** their software and refuse to extend licenses in the territory of Russia

Russian Counter Sanctions

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Russia introduced certain stringent counter sanctions in respect of operations and transactions directly affecting the Company, its top managers, its Russian subsidiaries and their top managers

Receiving dividends from Russian subsidiaries is substantially complicated and is subject to permission by the Russian state authorities;

The cash of the Company is currently factually frozen in Russia It is **impossible to continue normal commercial operations** between the Company and its Russian subsidiaries;

Russia is considering **criminal sanctions for executives of companies that take actions to implement foreign sanctions** If the draft bill becomes law, it is likely that any decisions or actions taken by Company's executives based on sanctions against Russia may result in criminal liability and potentially in prosecution;

Rationale of the Transaction

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The Management Board believes that the **sale of all of the Russian subsidiaries was the only option available**

- enabling the Company's Russian subsidiaries to continue their business activities
- for the Company to receive the current fair market value for its Russian business segment

The operations of the Company were facing an **economic deadlock** under the current EU and US sanctions on the one hand and the counter sanctions imposed by Russia

The **continued operations** of the Company and of its Russian subsidiaries **could not be ensured** in the situation after February, 2022

It was in the **best interest** of the Company and its Russian subsidiaries, its **shareholders**, their **employees** and their **creditors** to sell all Company's Russian subsidiaries to a group of Russian investors from the Company's Group

Valuation of business by EY Russia

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The final average **value of discount for lack of marketability** of Russia based assets in the current context of geopolitical uncertainty **is estimated at 70%**

Prices on the London Stock Exchange (for the period of 31.12.2021 to 25.02.2022 indicate a **median discount value of 87%**.

New York Stock Exchanges (NASDAQ and NYSE quotes for the period 31.12.2021 to 25.02.2022 indicate a **median discount of 60%**.

There are numerous non-public deals ranging from a 1 US dollar value to a similar range of **discounts of around 70%-75%.**

the equity **value of the entire Russian perimeter would be EUR 93 million**, including **70% discount for a lack of marketability** and **low liquidity** reflecting the **extremely high uncertainty and volatility** in financial markets observed since late February amid a **rapid escalation** of geopolitical tension and the risks that the Austrian company cannot derive economic benefit from its business in Russia

Selling Price

The Purchase Price (2) is proposed on the basis of **recommendations of B1 (former EY Russia)** and takes in consideration, among others, the value of all Target Companies estimated by EY Russia (1), the proposed payment terms, as well as certain currency risks.

1 The value of all Target Companies estimated by EY Russia amounts to **EUR 93 mln.** on the basis of the full **Valuation Report** prepared **by EY Russia**

2 The total gross (including all applicable taxes and levies) **purchase price** (the "Purchase Price") to be paid to the Company amounts to **RUB 7,442.4 mln.**

Purchase price RUB 7,442.4 mln. converted into EUR as of July 25, 2022 was **EUR 128.85 mln.**, which exceeded the value estimated by EY Russia.

The Purchase Price will be paid in **four installments**:
RUB 537.2 mln. in 15 days (paid) after transfer of ownership;
RUB 3,428.9 mln. within 14 months;
RUB 1,570.8 mln. within 24 months;
RUB 1,905.5 mln. within 36 months.

Key messages on PeWeTe's 2022 results*

Group revenue decreased by 0.8% in EUR.

Gross profit rose by 2.0% to EUR **35.7** million (2021: EUR **35.0** million).

Loss from the sale of Russian subsidiaries massively influences virtually **all other key figures.**

EBITDA declined to **EUR -361.5 million** (2021: EUR 33.5 million).

EBIT dropped to **EUR -388.8 million** (2021: EUR 7.3 million).

All margins declined in 2022. The **EBITDA margin** fell to **-153.8%** (2021: 14.1%).

PeWeTe's **equity ratio** decreased from **51.0%** in 2021 to **15.5%** at the end of 2022.

The **net debt-to-equity ratio** was **300.3%** (2021: **11.7%**)

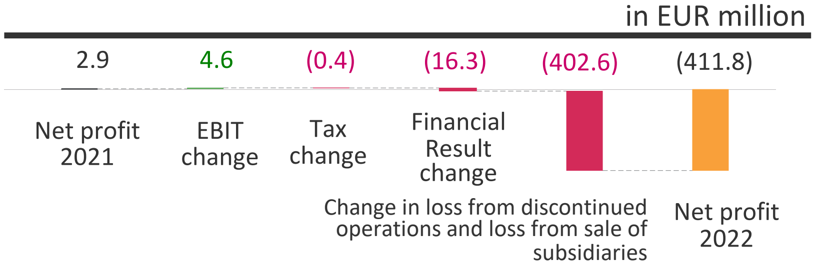
Adjusted EBIT** amounted to EUR **10.6** million with a margin of **4.5%**.

Adjusted EBITDA** amounted to EUR **37.9** million with a margin **16.1%.**

* Financial results include Russian subsidiaries for 8 months of 2022 and entities remaining within PWT Group for whole 2022

** excluding the result of the Russian subsidiaries sold at the end of August 2022

2022 Net Profit Reconciliation



According to **consolidated statement of Profit and losses for 2022**:

Operating result (EBIT) from continuing operations* for 2022 = minus EUR 5.3 million. For 2021 = minus EUR 9.9 million. Change = + EUR 4.6 million;

Income tax expense from continuing operations for 2022 = EUR 2.3 million. For 2021 = EUR 1.9 million. Change = minus EUR 0.4 million;

Net financial result for 2022 from continuing operations = minus EUR 19.1 million. For 2021 = minus EUR 2.8 million. Change = minus EUR 16.3 million;

Loss from discontinued operations** for 2022 = EUR 385.1 million. For 2021 = profit EUR 17,5 million. Change = minus EUR 402,6 million.

* PWT AG, PWT Kazakhstan and PWT Evolution.

** All entities besides PWT AG, PWT Kazakhstan and PWT Evolution (including Russian perimeter which was sold at the end of August 2022 and, therefore, was consolidated for the period of 8 months in 2022 year).

Consolidated statement of Profit and losses for 2022:

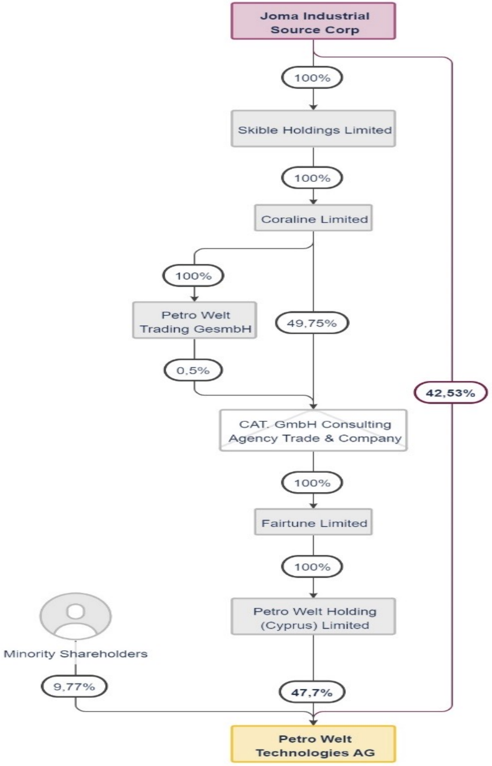
in TEUR	Notes	2022
Revenue	15	14,722
Cost of sales	16	(9,127)
Gross profit		**5,595**
Administrative expenses	17	(9,832)
Selling expenses	18	-
Other operating income	19	5,455
Other operating expenses	20	(6,523)
Operating result		**(5,305)**
Finance income	21	4,244
Finance costs	21	(23,345)
Net finance (loss)/income		**(19,101)**
(Loss)/profit before income tax		**(24,406)**
Income tax expense	22	(2,323)
(Loss)/profit from continuing operations		**(26,729)**
(Loss)/profit from discontinued operations (net of income tax)	5	(385,082)
(Loss)/profit		**(411,811)**
Basic earnings per share in EUR	24	(8.43)
Diluted earnings per share in EUR	24	(8.43)

The Squeeze-Out

According to the Austrian Squeeze-Out Act

- the **shareholders' meeting** of a stock corporation may resolve
- at the **request of the majority shareholder** holding or controlling **more than 90%** of the share capital
- the transfer of the shares of the **minority shareholders**
- to the **majority shareholder**
- against **payment of appropriate cash compensation**.

Shareholder Structure of PeWeTe AG



Main Shareholder offer is EUR 2.20 per share

The **majority shareholder** of Petro Welt Technologies AG engaged Grant Thornton Austria to **calculate the cash settlement** in the event of squeeze out.

The share price was calculated as if the **sale of the participations in Russia had not been carried out**.

The share price announced to Petro Welt Technologies AG by Joma Industrial Source Corp. in August 2022 **comprised EUR 2.2 per share**

Based on the (i) valuation report prepared by EY Russia and (ii) valuation of cash compensation

The **majority shareholder** of Petro Welt Technologies AG decided to **form an offer for EUR 2.2 per share** for a squeeze out

Valuation of cash compensation

Pro Audito Wirtschaftsprüfung und Steuerberatung GmbH appointed by resolution of Commercial Court- of Vienna at 25.10.2022 as **expert auditor** pursuant to para 3 section 2 of Squeeze out Act **concluded** that

- the joint report pursuant to para 3 Sec. 1 of the Squeeze-out Act. by the management board of PWT and Joma regarding the planned squeeze-out of minority shareholders in accordance with the Squeeze-out Act is **correct**. It contains the requirements for the squeeze-out, explains and justifies the appropriateness of the cash compensation and contains the required information pursuant to para 3 Sec. 1 of the Squeeze-out Act.

- **the proposed cash compensation** per share exceeds the value determined in the expert opinion of GT and is therefore **appropriate**.

Based on the applied valuation methods, an objectified enterprise value of EUR 43.8 million was calculated as of the technical valuation date December 31, 2022 (after the sale of the Russian subsidiaries).

After compounding to the actual valuation date of June 27, 2023 (178 days) with an interest rate of 10.9%, the objectified enterprise value of Petro Welt Technologies AG amounts to

EUR 46.1 million, thus EUR 0.94 per share

The offered compensation of EUR 2.20 per share is therefore appropriate pursuant to sec 2 para 1 Squeeze-out Act.

Audit report by Pro Audito signed on 24 May 2023, Valuation Report by Grant Thornton - 26 April 2023, Joint report - 22 May 2023, Report of Supervisory Board -24 May 2023.

Management board resolution signed at 24 May 2023; Supervisory Board resolution at signed 24 May 2023

Publication of all documents in connection with the AGM - 26 May 2023

Can the resolution be challenged?

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- **Resolution can be challenged during 1 month after the AGM**
  - The reasons for challenge are the usual ones, except the share price.
  - The judge, in her sole discretion, may suspend the registration of the Squeeze-Out.
  - Court proceedings may take years.

- **If the challenge is successful, the Squeeze-Out is not approved and the transaction does not take place**
  - The shareholders keep their shares and get no cash from Joma.
  - There may be negative effects on the trading price of the shares at the stock exchange.

- **Resolution cannot be challenged because the share price is perceived to be too low**

- The Management Board does not know whether Joma as majority shareholder will make a second attempt to buy out the minority shareholders if the resolution is challenged.
- The currently offered share price of EUR 2.20 per share is valid only for this offer. It may be different in a second offer, considering that the fair price has been calculated by the auditor to be around EUR 0.94 per share.

Can the share price be reviewed?

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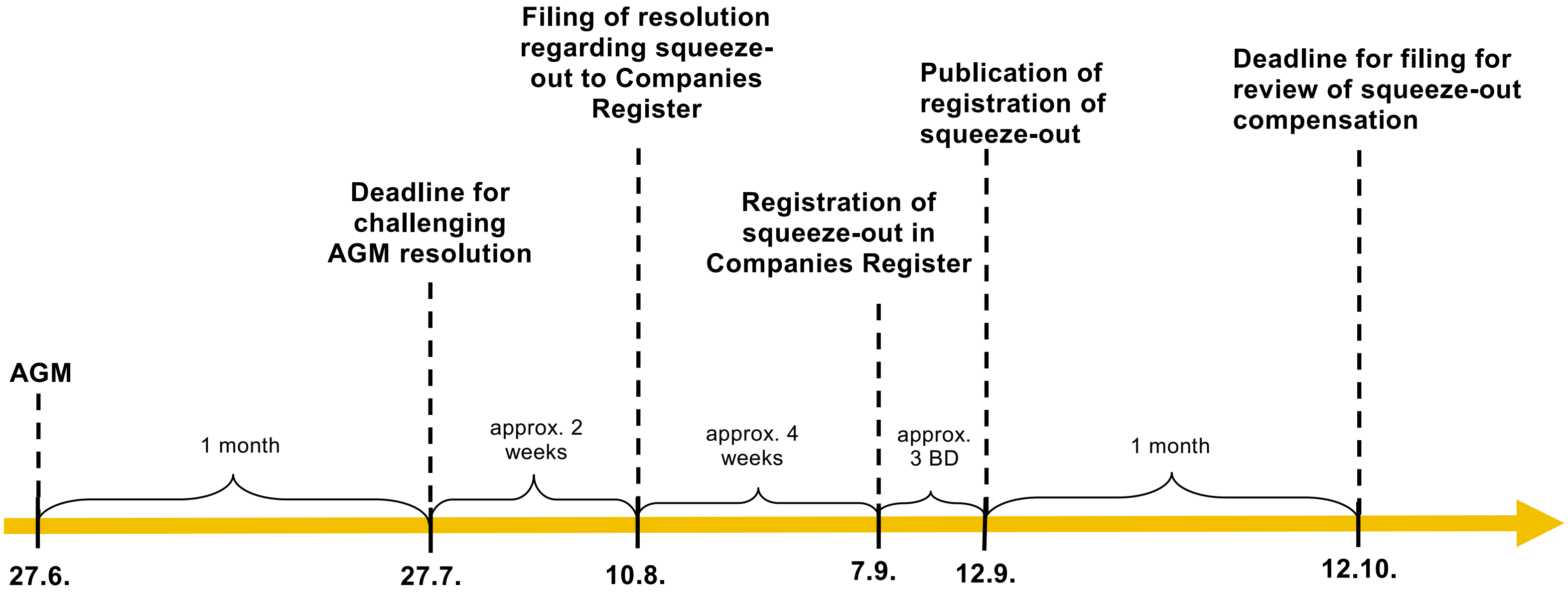
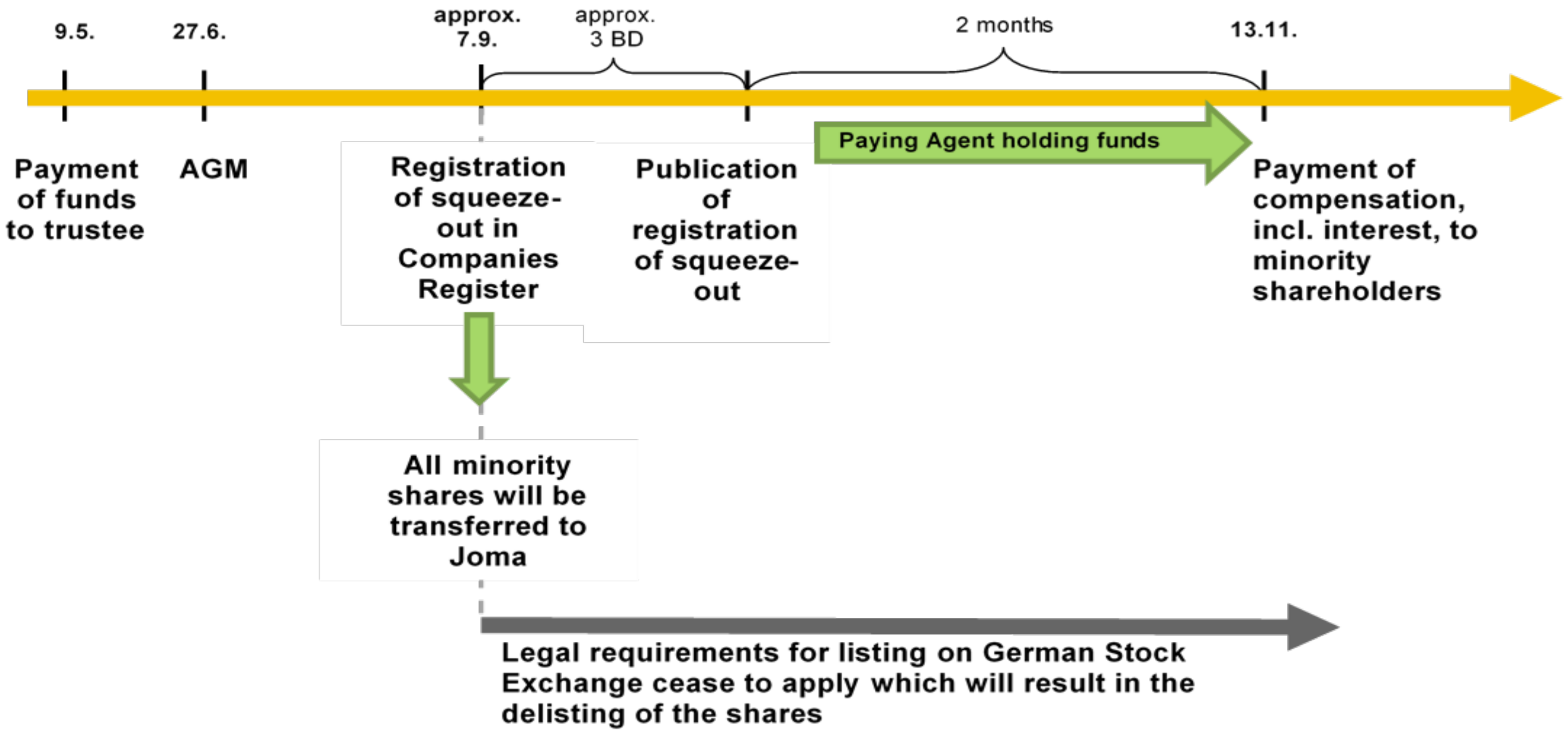
- In order to review the appropriateness of the cash compensation **any minority shareholder may file an application for the review of the offered cash compensation at the Commercial Court of Vienna**
    - The cash compensation offered to the shareholders of EUR 2.20 per share will be paid as offered and resolved.
    - If the court determines a higher share price, the increased amount must be paid to the shareholders.
    - The increased amount must be paid to all shareholders, not just to the claimants.

Indicative timeline (non-binding estimates):



Transfer of the shares held by the minority shareholders (indicative timeline)



Settlement of the cash compensation

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- The payment of the cash compensation is ensured by **Eurobank Cyprus Ltd.**, who holds the funds as trustee (*Treuhänder*).

- Payment of the cash compensation will be made after the registration of the Squeeze-Out in the Austrian Companies Register.

- **UniCredit Bank Austria AG** has been commissioned with the settlement of the payment. Payment will be made automatically. No action of the minority shareholders is required.

- The cash compensation is due not later than 2 months after registration and publication of the Squeeze-Out resolution.

- The cash compensation shall bear interest of 4.88% p.a. from the day following the AGM until the due date.

- The cash compensation is expected to be paid in Q4 2023.