

ANNUAL REPORT 24

The background features a large green circle on the left side. A thin green arc curves from the top right towards the bottom left, passing behind the text. Three horizontal green lines are positioned on the right side of the page, intersecting the thin green arc.

ANNUAL REPORT 24

Contents

Letter to Shareholders	4
General Information	6
Structure of Shareholders	7
Structure of the NAFTA Group	8
Members of the Board of Directors	10
Executive Management	10
Supervisory Board	11
General Meeting	11
Underground Natural Gas Storage	12
Hydrocarbon Exploration and Production	18
Employees as the Key to NAFTA's Success	24
Responsible Approach as the Key Principle of NAFTA's Operations	28
NAFTA Group Perspectives	34
Report on the Business Results and Assets of NAFTA and the NAFTA Group for the Previous Year	36
Condensed Individual Statement of Financial Position	38
Condensed Individual Statement of Profit and Loss	39
Condensed Consolidated Statement of Financial Position	40
Condensed Consolidated Statement of Profit and Loss	41
Annual Report on Payments to Public Authorities	42
Proposal for the Distribution of Profit	43
Events of special importance occurring after 31 December 2024	44



Letter to Shareholders

Dear Shareholders,

2024 was a period of significant progress for NAFTA in its traditional operations, as well as a period of preparation for new challenges in the energy sector. I am proud that, as one of the country's oldest energy companies, we have once again confirmed our key role in ensuring the region's energy security.

In all our operations, we place great emphasis on the safety and health of our employees and residents near our facilities. We are committed to consistently minimizing the environmental impact of our activities, and actively contributing to mitigating climate change. This responsible approach is deeply embedded in our corporate culture.

The operation of our underground gas storage facilities in Slovakia and Germany in the past year was defined by safety and reliability. We successfully met all our clients' requirements for gas injection and withdrawal. What I see as a significant milestone is the commissioning of a solar panel system at Gajary Central Facility with installed capacity of 798 kWp. This will produce approximately 880 MWh of electricity a year for our storage needs.

We made significant achievements in hydrocarbon exploration and production. In Slovakia, we successfully completed the new Brodské 109 well, and prepared plans for further wells in Kúty and Malženice. We were also particularly successful in Hungary, where in cooperation with partners we drilled six new wells, four of which were successful.

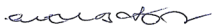
In August 2024, we expanded our operations to Germany by joining a project under the Bommelsen licence.

The year 2024 also brought significant changes due to preparations for the implementation of unbundling. In line with European legislation, we completed the unbundling of production operations to form a new company, NAFTA Production s. r. o., starting its operations on 1 January 2025.

A special highlight is our innovation work, especially the implementation of the HENRI project, focused on research into hydrogen storage possibilities. We are actively involved in international hydrogen infrastructure initiatives, including the HyStorage project in Germany, where we are testing various hydrogen concentrations in a mixture with natural gas. These initiatives represent an important shift towards synergies between modern technologies and an environmentally sustainable future.

Our expert team is behind all our achievements. In 2024, we welcomed 64 new colleagues, further strengthening our position as an attractive employer. We continue to develop our corporate culture, and support innovative solutions of our employees. Our corporate social responsibility is reflected in the active support of communities in the regions where we operate, the implementation of projects in education, culture and sports, and in our consistent approach to environmental protection.

I believe that despite the dynamic changes in the energy sector, NAFTA once again proved its ability to adapt to new challenges while maintaining a high standard of services and operational reliability. I would like to thank you, our shareholders, as well as our employees and business partners, for your support. Together, we will successfully pursue our vision of a modern energy company that plays a key role in the transformation of the energy sector.



Ing. Martin Bartošovič
Chairman of the Board of Directors



Ing. Robert Bundil
Member of the Board of Directors



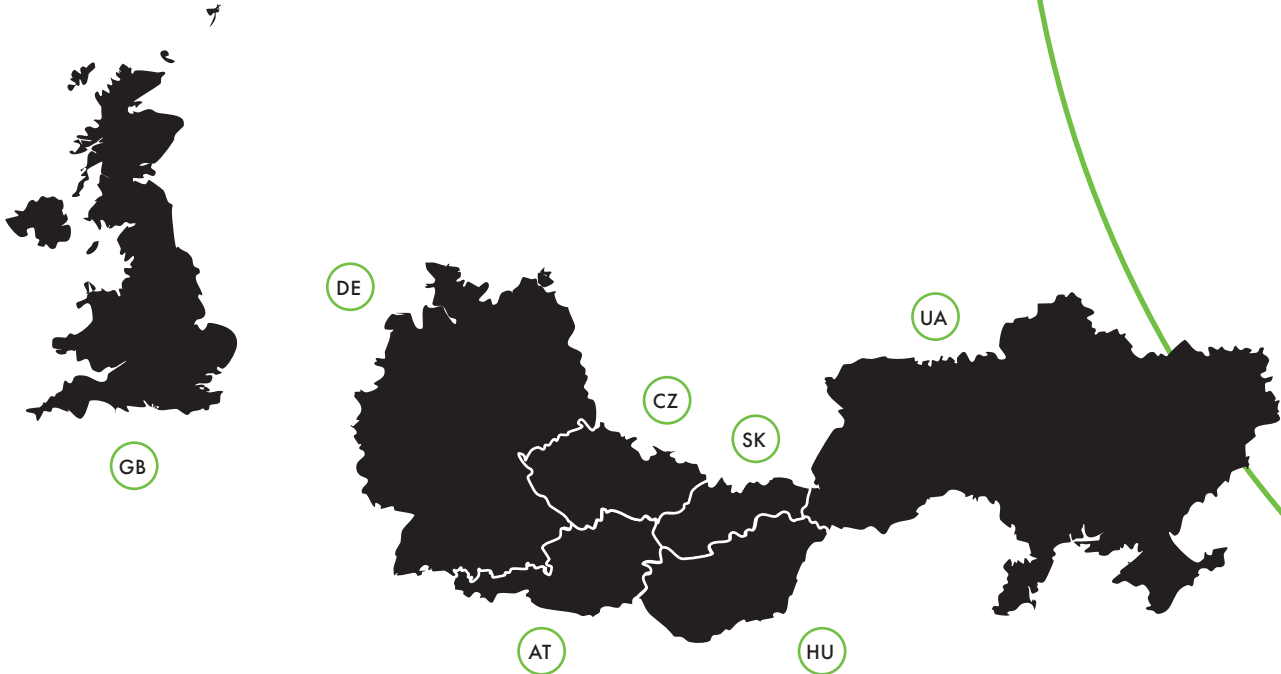
Ing. Ladislav Goryl
CEO

General Information

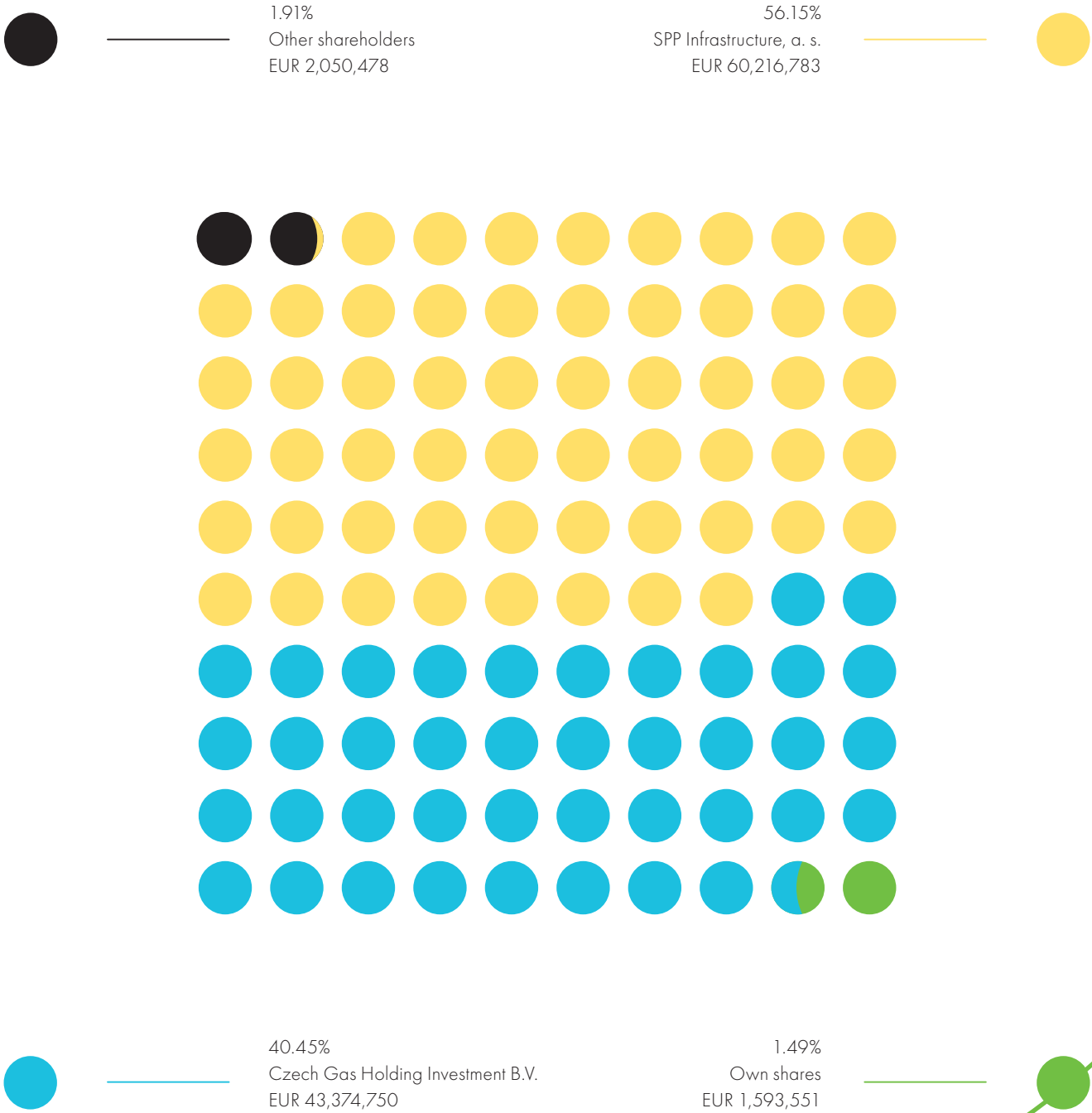
The NAFTA energy group is a leader in hydrocarbon exploration and production in Slovakia, with decades of experience in underground natural gas storage.

Its main activities include the operation and development of underground storage facilities, exploration and production, and participation in international renewable energy storage projects. NAFTA also provides technical and consulting services, managing storage facilities with a total capacity of approximately 64 TWh.

In addition to Slovakia, it operates in several European countries, including the Czech Republic, Hungary, Germany, Great Britain, Austria and Ukraine.



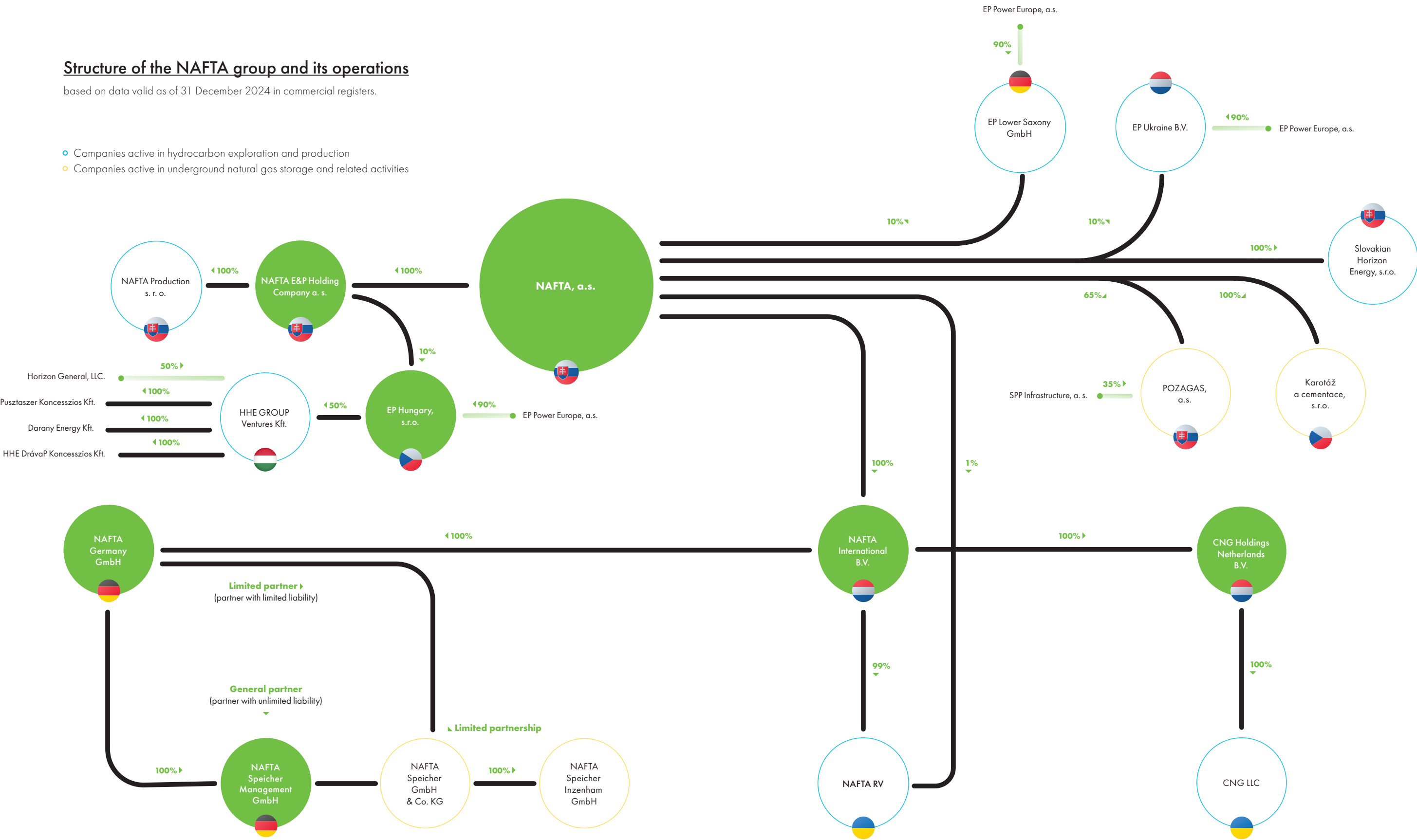
Structure of Shareholders
and their share in the capital
as of 31 December 2024



Structure of the NAFTA group and its operations

based on data valid as of 31 December 2024 in commercial registers.

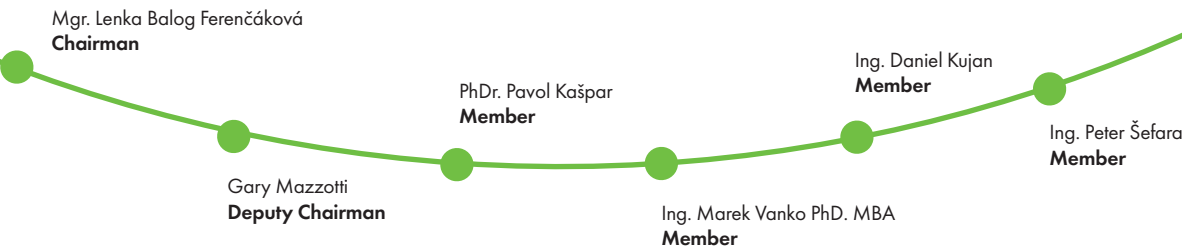
- Companies active in hydrocarbon exploration and production
- Companies active in underground natural gas storage and related activities



**Members
of the Board of Directors**
as of 31/12/2024



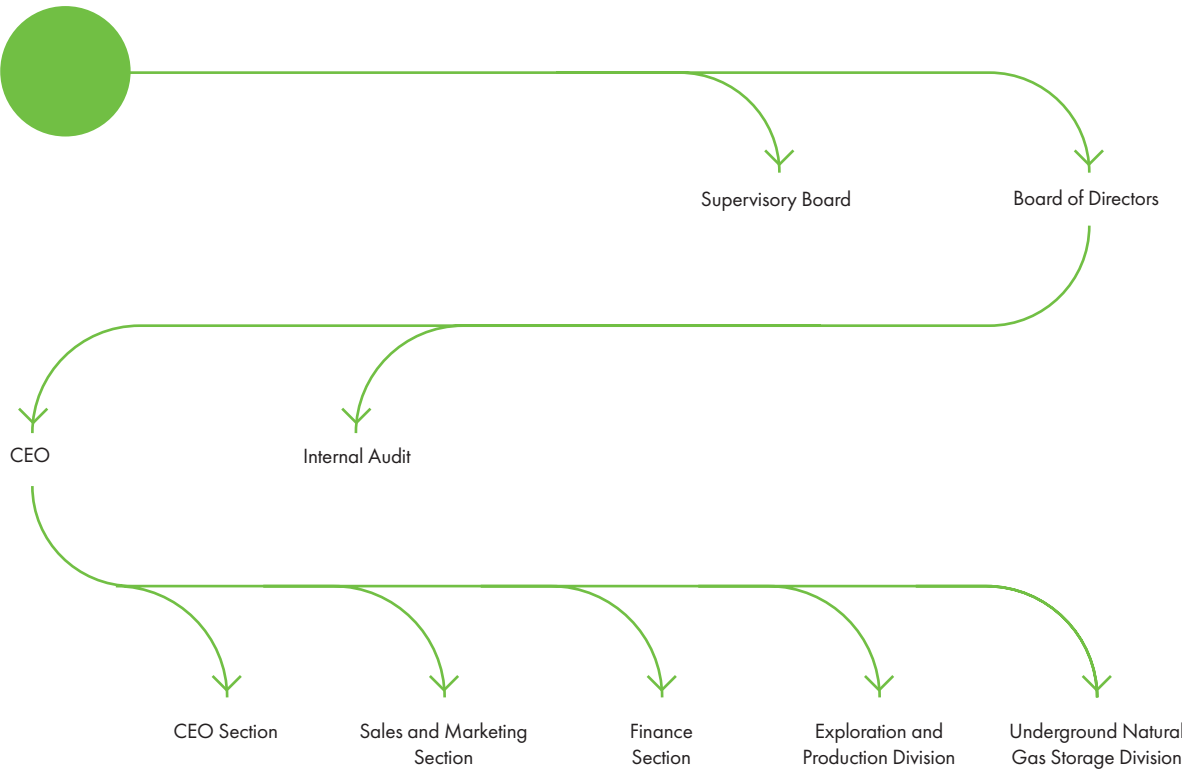
**Supervisory
Board**



**Senior
Management**
as of 31/12/2024



**General
Meeting**



Underground Natural Gas Storage

Slovakia's hydrocarbon deposits are located mainly in the Záhorská Lowland, around the towns of Malacky and Gbely. Despite a gradual decline in oil and gas production from domestic sources, the country has made significant achievements in natural gas storage, whose tradition spans over half a century.

The decline in production and changes in the gas sector prompted the drive to develop storage capacity, leading to the construction of underground storage facilities in the 1970s. A significant development was the construction of a transit pipeline from Russia through Slovakia in 1970, followed by the construction of underground storage facilities in the Vienna Basin. The first supplies of imported natural gas were stored in 1973, marking the beginning of the underground gas storage era in the country.

NAFTA builds on these decades of experience as a modern company with extensive expertise in operating and developing underground natural gas storage facilities. Storage facilities play a key role throughout the year – they allow surplus gas to be stored during periods of low consumption, and during increased consumption or shortages in the gas network they provide the necessary supply. This is how NAFTA contributes to the energy security of Slovakia and the entire Central European region.

The company's core business is natural gas storage for clients, which include end-consumer gas suppliers and gas traders. The systematic development of underground storage facilities has allowed the construction of a reliable infrastructure that ensures a continuous supply of gas to Slovakia.

The gas storage facilities operated by the company have the advantage of direct connection with the gas networks that provide gas distribution (SPP – distribúcia, a.s.) and its transport out of Slovakia (eustream, a.s.). Through Pozagas, a.s., where NAFTA owns a 65% share, the storage facilities are also connected to the Austrian gas transport network of Gas Connect Austria, which allows access to the Austrian market. The strategic location of the storage facilities near the Slovak, Austrian and the Czech borders provides unique opportunities for the Central European region, which also makes the company an important provider of flexible services for foreign markets.

The company is an active member of several international organisations, such as the International Gas Union (IGU) and Gas Infrastructure Europe (GIE), which enables NAFTA to actively participate in the global gas industry.

Operation of Underground Storage Facilities

In 2024, the company focused on the safe, reliable and efficient operation of its natural gas storage facilities. It met client requirements regarding gas withdrawal and injection in accordance with valid contracts, while ensuring compliance with gas quality parameters as defined by interconnection agreements.

Our storage facilities saw the development of system tools to improve storage performance predictions, and enhance software solutions for commercial dispatching. These instruments proved to be key in coping with dynamic market conditions, and continued to contribute to the company's stable revenues in 2024.

The main investments in underground gas storage were directed towards preparations to restore key assets, and improve reliability and safety. Significant investments were also made in innovative solutions for capturing methane emissions in storage operation centres. Despite extensive investments, clients were not restricted in their use of storage services in any way.

NAFTA Group provides operation, development and technical and maintenance services for storage facilities with a total storage capacity of more than 64 TWh in various European countries, making a significant contribution to the security

of gas supply. In addition, the company is actively using its know-how to export services and is exploring new opportunities to expand its storage services abroad.

In Germany, the NAFTA Group operates – through NAFTA Speicher GmbH & Co. KG – the Inzenham-West, Wolfersberg and the Breitbrunn/Eggstätt storage facilities. In 2024, it focused on introducing individual services and selling available storage capacity. We succeeded in allocating all available capacity in the NAFTA Speicher Inzenham storage for the 2024/2025 storage season.

TOTAL
STORAGE
CAPACITY

64
TWh





Sales, Storage Products and Services

Despite the challenging conditions experienced in 2024, NAFTA maintained its prominent position in the energy sector, thereby contributing to the stabilisation of the European gas market. Diversification of natural gas supplies by suppliers led to the increased interest of foreign and domestic clients in the company's storage capacities.

The positive financial results were influenced by the successful allocation of available storage capacity, as well as the continued implementation of a strategy focused on providing short-term storage services. Through this offer, NAFTA has contributed to the stability of the European gas market.

The company's portfolio includes both traditional seasonal and flexible storage services, as well as innovative products. NAFTA was strongly focused on providing the same standard of services to NAFTA Speicher Inzenham storage clients in 2024 as it offers in Slovakia. The company is also taking advantage of business opportunities in – and between – established and new markets.

Since 2022, NAFTA has been operating as an active balancing group on the Austrian market, achieving cost savings for both clients and the company that continued into 2024. In the future, it will focus on the efficient use of transport capacities by aggregating customer requirements for gas injection and withdrawal to and from Austria.

Strong interest in storage was accompanied by successful sales of short-term storage capacities in 2024. The company concluded nearly 180 storage contracts, with a total storage capacity allocation of 17.7 TWh in 2024. NAFTA also sold 639 GWh of own gas production for supply in 2024. The client portfolio was expanded by three major clients.

The storage facilities operated by NAFTA Group reached a maximum fill level of 97.2% in 2024. In addition, the capacities were also used to store Austria's strategic natural gas reserves, confirming the company's important role in the region's energy security.



Green Energy Innovations

In 2024, NAFTA continued to actively work on a number of innovation and development projects that leverage its unique know-how and strategic synergy of existing gas infrastructure.

Modern technological infrastructure and expert knowledge provide NAFTA with a strong foundation to play a significant role in Europe's transition to a low-carbon energy future. Renewable energy and hydrogen projects not only reinforce its market position, but also contribute to the region's broader climate and energy security targets.

Use of Renewable Energy and Hydrogen Storage Projects

NAFTA uses its expertise in renewable energy storage, and is actively involved in international research projects and partnerships. A key related project is the **HENRI project**, which has gained IPCEI (Important Project of Common European Interest) status. It focuses on the identification of suitable geological structures in Slovakia for large-capacity underground storage of hydrogen in pure form or mixed with natural gas.

In 2024, the implementation of Phase 1 of the **HENRI project** continued. Laboratory experiments were conducted to examine the effect of hydrogen at different concentrations on the deposit rock, the sealing layer, and possible microbial reactions. In addition, different types of steel began to be tested to determine the effect of hydrogen under realistic conditions of storage operation.

The past year saw the start of modelling work leading to the creation of a geological and dynamic model of the selected geological structure. These models will be used in a composite model for the project's next phases.

At the same time, the preparation of the technical specification for the design of the surface technology was initiated, which is planned to be implemented as part of the second phase of the project. These steps ensure a smooth transition to the next phase, and move the project closer to its objectives.

In addition to the project work, the first applications for reimbursement of project costs were submitted under the contract with the Ministry of Economy of the Slovak Republic, with the first reimbursement from the Ministry having already been successfully completed.

The green projects also included the aim to use renewable energy for underground storages' own consumption. A solar panel system with total installed capacity of 798 kWp was commissioned at the Gajary Central Facility for this purpose in September 2024. The anticipated electricity generation is 880 MWh a year, to be used in the operation of NAFTA's storage facilities. Other projects are also being prepared for the construction of photovoltaic power plants, some in combination with battery storage.

International Partnerships and Projects

Another important project is the HyStorage project in Germany, in which NAFTA has become a partner of UNIPER Energy Storage. This project tests the storage of a mixture of natural gas and hydrogen at different concentrations in a selected

structure, namely 5%, 10% and 25%. 5% hydrogen was withdrawn in 2024, and the results necessitated repeating this step, so 5% H₂ was re-injected and withdrawn into the selected structure during the year. Following successful withdrawal, the injection of 10% H₂ began in autumn and was successfully completed. The project continues in 2025.

NAFTA is also a partner in the **H2EU+Store** project, where it collaborates on a feasibility study of renewable hydrogen production in Ukraine. The hydrogen should be transported through the networks of Ukraine, Slovakia and Austria to industrial consumers in Germany, with storage capacity for green hydrogen available along the route.

In 2024, the EU approved a regulation on the processing of natural gas containing H₂. NAFTA had planned ahead for this move. An internal analysis of the impact of a natural gas/hydrogen blend on all facilities was carried out, and this work will continue into 2025.

In addition, NAFTA became a founding member of the **H2eart for Europe** initiative, which brings together leading storage operators in the EU to focus on the development of hydrogen storage capacities.

**USE
OF RENEWABLE ENERGY AND
HYDROGEN STORAGE
PROJECTS**



Hydrocarbon Exploration and Production



NAFTA Group is one of the leaders in hydrocarbon exploration and production, supported by more than 110 years of history and extensive expertise. More than 3,200 wells have been drilled since 1913. The deepest well in Slovakia drilled by NAFTA is 6,505 m deep. One of the company's main goals is to extend the life of deposits in Slovakia, which it achieves by using innovative methods and the latest technology.

The company's research work focuses on two key areas. The first is geophysical seismic measurements used to analyse the geological structure of rock formations. In addition to hydrocarbon exploration, the results of these measurements can also be used in the search for geothermal resources or sources of drinking water. The second focus is exploration drilling, which is based on the interpretation of data obtained.

Domestic natural gas production brings a number of benefits for Slovakia. In contrast to liquefied gas's transport by tanker, which is energy intensive, or long-distance pipeline supplies, which can leak emissions, local production minimises environmental impacts. The gas is directly connected to the gas network without the need for long transport. In addition to environmental benefits, domestic production offers a higher level

of transparency and strict control over processes. It also contributes to the stability and security of supply, which protects Slovakia from potential disruptions of supplies from external sources or other crisis situations.

All of NAFTA's exploration and production operations are conducted with the utmost attention to safety, environmental protection and respect for local communities. This demonstrates the company's responsible approach to business.



Slovakia

NAFTA Group concentrates its exploration and production operations in Slovakia in three main areas: the Vienna Basin, the Danubian Lowland and the East Slovak Lowland.

Exploration licences in Slovakia cover an area of 2,286.26 km² and a total of 62 oil and gas deposits have been discovered to date. NAFTA performs its exploration work at depths from 160 to 4,600 m, and 3D seismic data now covers an area of 1,751 km². The drilling success rate up to 2024 was 57.89%.

One new well, Brodské 109, was drilled in the Vienna Basin North exploration area in 2024, with two more wells, Kúty 50 and Kúty 51, planned to be drilled in 2025. Project documentation for the new Kúty (gas supply) and Gbely (electricity production and supply) centres was also prepared.

The possibility of using the existing Trakovice 13 well and the planned Trakovice 14 well was assessed for the Trnava exploration area. The preparation of an EIA plan is currently underway.

NAFTA also continued to work in the exploration area in 2024 with a foreign partner, the Canadian company Vermilion. This included the preparation of project documentation and materials for planning and construction procedures regarding infrastructure such as a gas station, flowlines and a gas dispatch pipeline.

The first two exploration wells Malženice 1 and 2 will be drilled in 2025, with the total potential of the area estimated at 2 billion m³ of gas.

Two exploration wells will be drilled in the Pavlovce nad Uhom exploration area in 2025 – Sliepkovce 4 and Zemplínska Široká 7.

Several geological workovers of wells were also carried out in the past year, mainly including the Sliepkovce 3 and Senné 1 wells, which open up new opportunities for further exploration and production work. Plans for other new drilling projects to be completed over the next two years are also being prepared.

In 2024, interpretation of selected horizons on a Ptrukša 3D seismic survey from 2023 was carried out for the HENRI project. Interpretation was also carried out to search for new exploration opportunities in the Ptrukša area, and exploration work will continue in 2025.

62

OIL
AND GAS
DEPOSITS
IN SLOVAKIA

Hungary

NAFTA, in cooperation with EP Power Europe (EPPE), has been working on an oil and gas exploration and production project with the American company Aspect Energy since 2021. The work is performed under three licences – Dravapalkonya, Pusztaszer and Darány.

A total of 17 wells have been drilled to date, of which 11 have been positive. Six wells were drilled in 2024, of which 4 were positive and 2 were negative. The main investment in the extraction infrastructure at the Sellye gas gathering station was also completed last year.

Ukraine

NAFTA Group has been operating in Ukraine since 2016. In western Ukraine, it focuses on a project in the Uzhhorod region, which builds on existing deposits in Slovakia. In eastern Ukraine, near the city of Poltava, existing 2D seismic and geological data have been processed as part of the Vatazhkivska project. This analysis aimed to determine the optimal area for a new 3D seismic survey, and for the planning of further wells.

As for other eastern projects, i.e. PSA Hrunivskaya and Okhtyrskaya, NAFTA holds exploration and production licences as part of a consortium with EP Power Europe, which was formed based on an agreement between the investors and the government. This agreement guarantees stable conditions for investors for 50 years, which is crucial for the long-term sustainability of projects.

However, licences in the eastern regions are located in military conflict zones, so all investment activities in the Vatazhkivska and PSA Hrunivska projects have been temporarily suspended. Currently, NAFTA Group is only focusing on administrative and management work related to the holding of the licences until the regional situation stabilises.



Germany

In August 2024, NAFTA and its shareholders also joined a project in Germany. This is a collaboration with Vermilion under the Bommelsen licence valid until 31 August 2027. In addition to Vermilion and NAFTA, Neptune Energy Deutschland is also a partner in this licence.

Technical work on the Wisselshorst Z1a (WZ1a) well began during the same period. The drilling, which was completed in November 2024, went through a salt dome, with the target horizons expected to be below the salt. The drilling was followed by well logging, which included pressure measurements and defining potential target horizons. The measurement results showed that the well had revealed gas-bearing horizons with good deposit properties. Testing of the well then started in December, with completion planned for January 2025. The testing should provide sufficient information in evaluating the success of this well.

Underground Drilling and Workover

NAFTA Group manages an extensive portfolio of wells and therefore places great emphasis on expanding its expertise to ensure flexible maintenance, repairs, or decommissioning when necessary.

In 2024, its employees successfully completed 13 workovers and six decommissions of production and storage wells using underground workover equipment, and drilled one new well with the BIR 8005 drilling rig for NAFTA.

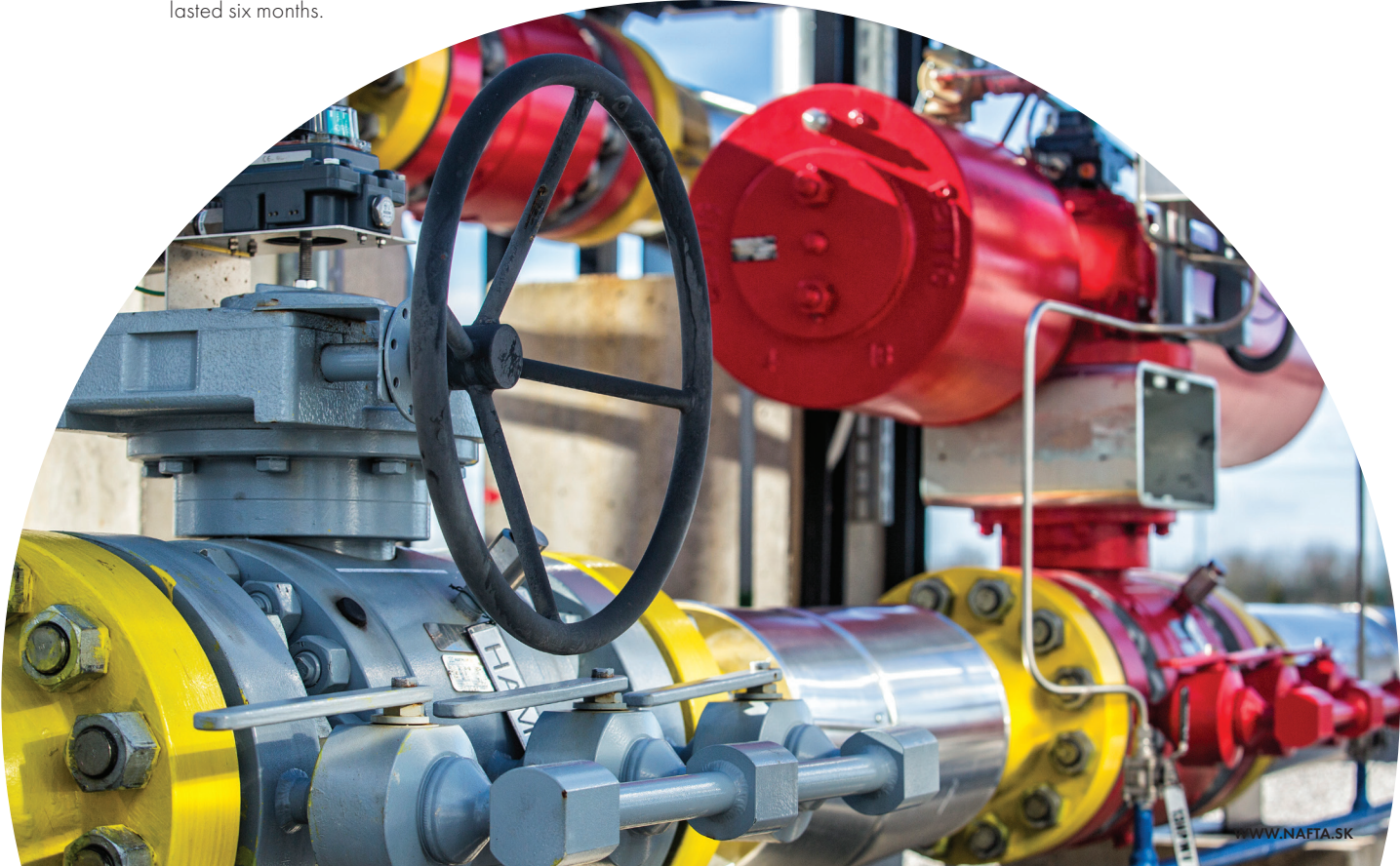
Underground Drilling and Workover services continued to be provided to external clients, with a total of 28 workover and decommissioning projects completed both domestically and abroad.

In 2024, NAFTA made a successful bid for a contract for the decommissioning of 10 wells for Uniper in Germany. When the decommissioning of the first three wells was successfully completed, the satisfied customer opted to extend the contract to include the workover of another well, bringing the total to eleven. The entire project lasted six months.

Unbundling

During 2024, NAFTA was preparing for storage operator unbundling, the legal framework of which is defined by Directive 2009/73/EC of the European Parliament and of the Council concerning common rules for the internal market in natural gas. This obligation has been transposed into Slovak legislation through the provisions of Section 67a of Act No. 251/2012 Coll. on energy, as amended, with a temporary exemption which expired on 31 December 2024.

As part of the implementation of the approved unbundling model, NAFTA carried out all necessary steps to unbundle its gas production, gas supply, electricity generation from produced gas, and oil production and sales to form a new entity, NAFTA Production s. r. o., from 1 January 2025, to which NAFTA sold the portion of the business related to the unbundled operations mentioned above.



567

EMPLOYEES

Employees as the Key to
NAFTA'S SUCCESS

NAFTA recognizes that future success, as well as the ability to face challenges, lies in supporting employees and creating conditions for their growth. The success of NAFTA Group in 2024 is a reflection of the high level of expertise, experience and dedication of all employees. At the end of the year, NAFTA employed 567 people. In 2024, the company confirmed its commitment to building not only a successful company, but also a community that values innovation, collaboration and solidarity.

Employment

NAFTA worked hard to expand its team in the past year. 64 new colleagues joined the company. A new career website was launched, offering the public an engaging way to learn not only about current job openings but also about ongoing activities within the company. A significant support in recruiting new colleagues comes from our own employees, whose referrals play an important role in finding future "NAFTA employees".

The company's activities in 2024 were also presented during student fairs at universities, where NAFTA showcased opportunities for cooperation and positions for graduates. The company welcomed secondary school students to its facilities, offering them the

opportunity to complete professional internships or vocational training.

A number of students completed internships and dissertations with NAFTA. The authors of the best diploma theses of 2024 were rewarded, and another positive outcome was that several recent graduates joined NAFTA's team. New employees attended an overview of our professional activities as part of their induction training to gain a better understanding of key aspects of the company's operations.

The management and the trade unions agreed in their collective bargaining to extend the collective agreement until 2027, confirming stable and predictable conditions for all employees in the future. The established remuneration system also underwent changes.



Employee Education and Development

NAFTA sees investment in employee education and development as the key to success. Thanks to a combination of decades of experience, access to the latest knowledge, and involvement in international initiatives, the company stays ahead in the challenging energy industry.

One of NAFTA's main strengths is its world-class expertise. This level of expertise is both a strength and a major competitive advantage. Therefore, employee education is focused on the continuous development of professional skills, soft skills and language skills.

The education system includes the compulsory training required by legislation, as well as specialised technical courses. This training enables employees to work with technological equipment at the highest level and in full compliance with the applicable regulations. NAFTA employees regularly attend professional conferences and training both in Slovakia and abroad, receiving a total of 24,688 hours of statutory, professional or language training in 2024.

Employees who were supported by the company to pursue a university degree alongside their work successfully completed their studies in 2024. This form of qualification upgrade for professional employees receives much attention at the company, as it helps even experienced employees to effectively link knowledge from real operation with theory.

To support the management team, a Management Forum was held in the past year to present NAFTA's strategic plans and goals. The managers were also provided with various tools and training for work with teams and information for work with students.

As an active member of various international organisations and working groups, NAFTA draws on the latest industry trends and knowledge. Its employees' know-how is therefore enriched with the company's decades of experience, and with the energy sector's global innovations and current challenges.

Corporate Culture

Promoting work-life balance is an important part of NAFTA's corporate culture. For this purpose, several events and activities were held last year, bringing joy not only to the employees but also to their families.

Teamwork, one of the company's core values, was the main theme of various sporting events, which also highlighted the importance of a healthy lifestyle. Healthy lifestyle was also promoted through education as a webinar on healthy eating and vitamins to support the immune system.

Innovation and development are an integral part of NAFTA's growth strategy. In 2024, seven colleagues were awarded for innovative ideas and solutions that brought positive results. Their contribution helps NAFTA move forward and improve its everyday processes.

The company cares about its former employees, who remain an important part of the NAFTA community even after retirement.

In 2024, we organised another year of the "Naftári naftárom, ale nielen im" (which translates to "Nafta employees to Nafta employees, but not only to them") project, which has been helping people in difficult life situations for 12 years. So far, 73 stories have been supported within the project with nearly 218,000 euros, directing help and hope to where it was needed most.

Effective communication with employees continued in 2024 through regular sharing of news on the intranet, email messages, and info-videos on screens at NAFTA premises. This ensured colleagues' high level of awareness of important events and activities.

Naftári
Naftárom

**Responsible Approach as the Key Principle
of NAFTA's Operations**

880
MWh

PHOTOVOLTAIC
POWER PLANT WITH
CAPACITY OF

In all its operations, NAFTA Group places emphasis on the safety and health of employees and residents near its facilities. It also strives to minimise the negative impact of its operations on the environment, and contribute to climate change mitigation. This responsible approach is firmly embedded in the corporate culture of all NAFTA Group companies.

Information on the environmental, social and employment impact of the company's operations, as required by legislation, is included in EPH's Sustainability Report, which includes NAFTA.



RESPONSIBLE BUSINESS

Maintaining High Standards

In 2024, NAFTA was successfully re-audited according to the Integrated Management System (IMS), which focuses on maintaining and increasing standards for our Underground Drilling and Workover department. NAFTA's ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certifications were also confirmed, which evidences the professionalism of its experts in quality management, environment, and H&S.

NAFTA also passed the SCC – VAZ 2021 re-audit (Safety Contractor Certificate),

which, similarly to the ISO 45001 system, focuses on OHS for contractors. All certificates and audit recommendations contribute to the continuous improvement of quality in the company's core activities.

Green Energy Innovations

In line with the renewable energy transition strategy, NAFTA commissioned a photovoltaic power plant with capacity of approximately 880 MWh in 2024, built in an open area at the Gajary Central Facility. This project is a step towards expanding green energy operations.

In addition, hydrogen storage projects continue to be developed as part of international cooperation. These initiatives represent an important shift towards synergies between modern technologies and an environmentally-sustainable future.





Sustainability as a Priority

NAFTA Group recognises its responsibility towards society and the planet. Through innovation projects, international cooperation and continuous process improvement, it strives to contribute to a sustainable and secure energy future.

ENVIRONMENTAL PROTECTION

A responsible approach to natural resources and business with future generations in mind are the pillars of all NAFTA Group operations and investment decisions. All projects are always implemented with an emphasis on safety and prevention in order to minimise the risk of serious industrial accidents and their negative impact on the environment.

Reducing Emissions and Ecological Innovation

In 2024, NAFTA continued to implement measures to reduce greenhouse gas emissions, actively contributing to climate protection. The Decarbonisation project creates methodological and organisational guidelines for operations, and designs investment solutions to eliminate greenhouse gas emissions.

A significant change is the launch of a software tool for semi-automated data collection, which eliminates variable approaches to collecting and calculating emissions from all facilities. Better quality data then helps in identifying priorities in the investment programme.

Last year saw the launch of an investment to eliminate methane emissions from TKG1-3 turbocompressor units. This is a pilot installation developed with SOLAR Turbines.

Its successful installation in terms of methane emissions ensures the conversion of these plants to emission-free. As these are the largest sources, it also reduces total methane emissions by around one third.

Reclamation and Environmental Responsibility

NAFTA Group actively engages in the reclamation of areas after extraction and exploration operations have been completed. The aim is to minimise environmental impact, and recover the area to its original state. As part of these activities, preparatory work began to remove the Gajary oil gathering station and related facilities. This project also included soil and water sample collection to identify any contamination and determine the scope of remediation work. Results are expected in Q1 2025.

NAFTA is constantly seeking solutions to improve environmental standards and safety measures. By modernising technology, reducing emissions and acting responsibly towards land and resources, it contributes to a sustainable future for generations to come. NAFTA Group remains an example of environmentally and socially responsible business.



OCCUPATIONAL HEALTH AND SAFETY (OHS)

As part of preventive emergency measures, the company's emergency plans were once again updated based on recommendations from fire drills. Quantitative risk assessments of individual facilities were also updated to update the underground gas storage safety report.

In line with its approach of continual improvement of the OHS system, NAFTA focused on the process of energy isolation (Lockout/Tagout), which included additional factors. These directly improve health protection and safety, especially during maintenance work and investment projects at facilities.

NAFTA's assets also include the unique "Polygón Lozorno" training centre and its Main Mining Rescue Station. Here NAFTA invested in technical equipment for land restoration after accidents, which it also provides to international fire departments and companies alongside related services. NAFTA cooperates with foreign experts in these activities.



COMMUNITY SERVICE ACTIVITIES

NAFTA has long been engaged in the life of communities across Slovakia, focusing on supporting projects in education, culture and sport. It annually invests in community service initiatives to improve the quality of life in regions where it operates, and to contribute to sustainable development.

In 2024, NAFTA provided financial assistance for 58 projects that focused on improving the living conditions of residents

and promoting regional development. This support included traditional *Green Regions and Interactive Learning* initiatives, which reflect the company's philosophy of community service. In 2024, the company also contributed to several municipalities by purchasing defibrillators, which are available at local authority buildings.

Environmental Projects

NAFTA actively supported a number of environmental projects aimed at protecting and improving environmental quality. Investment went towards the revitalisation of green areas, restoration of public spaces, planting of perennials and tree avenues, as well as the removal of illegal waste dumps. The creation of new recreation areas was also an important initiative, contributing to improving the quality of life in communities.

In addition, the company supported the installation of ecological lighting, litter bins and benches, which contributed to both the aesthetics and functionality of public infrastructure. These measures improved the appearance of public spaces, and enhanced their sustainability and usability for the general public.

Development of Education

NAFTA sees education as a key pillar of the future. Through the Interactive Learning initiative, it contributed to improving conditions in several schools in the municipalities where NAFTA operates. The funding provided went towards upgrading computer technology, interactive whiteboards and sports equipment to promote digitalization and improve the quality of teaching. In addition, the company contributed to the creation of a bee-related nature trail, which provides interactive learning about nature and the ecosystem.

Promotion of Sport

In order to promote healthy lifestyles, NAFTA invested in the construction and renovation of playgrounds, sports fields and the organisation of sporting events. The group's employees traditionally join activities such as the Tour de Gas and the Od Tatier k Dunaju run. And for the first time, they also took part in the Medio Fondo bike race, whose route ran alongside NAFTA's technological facilities. The traditional spring volunteer event for Earth Day in Plavecký Štvrtok, initiated by NAFTA, was also a high-profile event.

Long-Term Positive Impact

Supporting community service projects is one of the pillars of NAFTA's activities. Such support has a clearly defined objective in order to be effective and to bring long-term benefits to residents and the environment. Through these initiatives, NAFTA seeks to improve conditions in the regions where it operates, and to promote sustainable development for future generations.



NAFTA Group Perspectives

The energy sector is undergoing a period of significant transformation, and NAFTA is ready to play a key role in this process. Its activities in 2024 clearly showed that NAFTA can effectively combine traditional strengths with innovative solutions for the future of the energy sector.

In the natural gas storage business, NAFTA is looking to grow and continues to seek opportunities to expand its storage portfolio. This plan is based on years of experience and confidence in the continued importance of natural gas in the energy mix and the need for flexibility in the energy system. Gas, as the greenest fossil fuel, will continue to be indispensable, especially for heating and the generation of grid electricity. Therefore, NAFTA is actively seeking opportunities to expand its storage capacity, with a particular focus on Western European markets.

2024 brought significant milestones in society's transition to sustainable energy. In September, a 798 kWp solar panel system was commissioned at the Gajary Central Facility, which will produce 880 MWh of clean energy annually for its storage needs. This project is a practical demonstration of the commitment to reducing the carbon footprint of NAFTA Group's operations. We continue to explore opportunities for further growth in the development of renewable energy.

Exploration and production in Slovakia forged ahead in 2024. The Brodské 109 well was successfully drilled, and plans for further projects were prepared. Cooperation with the Canadian company Vermilion continues in the Trnava exploration area, where experts estimate potential deposits of up to 2 billion cubic metres of gas. NAFTA extended its international portfolio by joining the Bommelsen project in Germany, strengthening the group's position in the European market.

A special highlight of the company's activities is research and development in hydrogen technologies. The HENRI project, awarded prestigious IPCEI (Important Project of Common European Interest) status, is making progress in exploring opportunities for underground hydrogen storage. Meanwhile, international cooperation is developing in the H2EU+Store project, which focuses on green hydrogen production in Ukraine, and in the HyStorage project with German partner UNIPER Energy Storage.

With its combination of cutting-edge technology, extensive expertise and an experienced team, NAFTA is ready for the challenges of energy transformation. Activities in natural gas, renewable energy and hydrogen technologies create a balanced portfolio that responds to today's market needs, while actively shaping the future of the energy sector.

NAFTA Group aims to be a reliable operator of energy infrastructure, and a leader in innovation and sustainable solutions. It is this combination of stability and progressive approach that allows us to make a major contribution to the region's energy security, while actively supporting the transition to a low-carbon economy. This ensures that NAFTA is helping to create an energy-secure and environmentally-responsible future for Slovakia and Europe as a whole.

**Report on the Business Results and
Assets of NAFTA and NAFTA Group for the
Previous Year**

This report on the business results and assets of NAFTA and NAFTA Group for the previous year is based on the individual and consolidated financial statements of NAFTA, a.s. issued as at 31 December 2024 in accordance with International Financial Reporting Standards (IFRS). More detailed information is provided in Appendix 1 and Appendix 2 of this Annual Report.

According to the individual financial statements of NAFTA a.s. issued in accordance with IFRS, NAFTA reports total net assets as at 31 December 2024 of EUR 1,392,892 thousand, of which EUR 1,243,717 thousand represents net non-current assets and EUR 149,175 thousand represents net current assets. The most important items in non-current assets are buildings, constructions, machinery and equipment totalling EUR 1,183,010 thousand, with the most important item in current assets being cash and cash equivalents totalling EUR 77,953 thousand. Buildings, constructions, machinery and equipment are stated using their revalued amounts in line with the revaluation accounting model under IAS 16.

According to the individual financial statements, NAFTA reports total equity as at 31 December 2024 of EUR 989,122 thousand, which mainly consists of registered capital, current year profit and the asset revaluation provision in accordance with IAS 16.

The company's registered capital as at 31 December 2024 comprises registered shares. As at 31 December 2024, the total number of issued and fully paid up shares is 3,230,960 with a nominal value of EUR 33.19.

The company's liabilities reported as at the balance sheet date totalled EUR 403,770 thousand, and comprised EUR 336,328 thousand in long-term liabilities and EUR 67,442 thousand in short-term liabilities. The most significant liability line items are tax liabilities in the amount of EUR 264,470 thousand EUR and provisions in the amount of EUR 64,946 thousand, created mainly in connection with the estimated future liquidation and reclamation costs.

According to the individual financial statements issued for the year ending 31 December 2024, the company generated profit after tax of EUR 106,100 thousand. The favourable economic result was due to

positive market conditions, in which the company could successfully apply a strategy of greater orientation towards the provision of short-term storage services. At the same time, the company contributed to the stabilisation of the European energy market.

In order to comply with its obligations under the Energy Act, by 31 December 2024, the Company had unbundled natural hydrocarbon production from natural gas storage and NAFTA sold to NAFTA Production the portion of the business related to the production and supply of gas, the generation of electricity from produced gas, and the production and sale of oil.

NAFTA participated in innovative and developmental projects in 2024, which are described in more detail in the report on the company's business activities. Research costs in 2024 totalled EUR 424 thousand.

Under the Accounting Act, NAFTA, a.s. also issues consolidated financial statements in accordance with IFRS as approved by the EU.

According to the consolidated financial statements of NAFTA, a.s. issued as at 31 December 2024, NAFTA Group reports total net assets of EUR 2,049,604 thousand, of which EUR 1,805,703 thousand represents net non-current assets and EUR 243,901 thousand represents net current assets.

NAFTA Group's total equity was EUR 1,465,846 thousand as at 31 December 2024.

According to the consolidated financial statements, the NAFTA Group reported for the year ending

31 December 2024 consolidated profit after tax of EUR 117 805 thousand.

In addition to individual results from NAFTA, a.s., the consolidated profit includes the profits of other companies belonging to the group, especially companies operating in Germany and the company Pozagas.

The company has an organisational unit for geological exploration work in the Czech Republic. Costs and revenues generated in the organisational unit are included in the company's economic result.

Additional information on the company's assets, equity and liabilities, as well as significant risks and uncertainties to which the company is exposed, are included in the notes for the individual financial statements or consolidated financial statements compiled according to International Financial Reporting Standards. The financial statements are part of this annual report.

Balance sheet and statement of profit and loss for NAFTA, a.s. for the year ending on 31 December 2024 and 31 December 2023 according to individual financial statements prepared in accordance with International Financial Reporting Standards as approved by the EU:

Condensed individual statement of financial position as at 31 December 2024 and 31 December 2023 (in thousands of EUR):

	2024	2023
Assets	1,392,892	847,090
Non-current assets	1,243,717	652,129
Properties, machines and equipment	1,183,010	566,314
Right-of-use assets	2,513	2,081
Intangible and other assets	11,464	9,425
Investments in subsidiaries and joint venture and other financial investments	46,730	45,299
Long-term loans provided	-	29,010
Current assets	149,175	194,961
Inventories	3,598	5,123
Trade and other receivables	14,929	13,285
Tax receivables	24,895	-
Financial receivables	27,800	129,193
Cash and cash equivalents	77,953	47,360
Equity and liabilities	1,392,892	847,090
Equity 989,122	606,704	
Registered capital and treasury shares	102,490	102,490
Other capital funds	21,447	21,447
Hedging derivatives reserve and other reserves	(532)	(614)
Revaluation reserve	732,422	291,485
Profit from previous years	27,195	36,395
Profit for the current year	106,100	155,501
Liabilities	403,770	240,386
Non-current liabilities	336,328	178,248
Current liabilities	67,442	62,138

Condensed individual statement of profit and loss for the year ending on 31 December 2024 and 31 December 2023 (in thousands of EUR)*:

	2024	2023
Revenues	213,601	308,884
Operating expenses	(105,429)	(136,396)
Profit before interest and taxes	108,172	172,488
Financial income/(expenses)	26,269	25,806
Profit before taxes	134,441	198,294
Income taxes	(28,341)	(42,793)
Net profit	106,100	155,501

*Condensed statement of profit and loss for ongoing and completed operations

Balance sheet and statement of profit and loss for NAFTA, a.s. for the year ending on 31 December 2024 and 31 December 2023 according to consolidated financial statements prepared in accordance with International Financial Reporting Standards as approved by the EU:

**Condensed consolidated statement of financial position as at
31 December 2024 and 31 December 2023 (in thousands of EUR):**

	2024	2023
Assets	2,049,604	1,270,535
Non-current assets	1,805,703	996,505
Properties, machines and equipment	1,535,882	830,539
Right-of-use assets	7,435	7,203
Intangible and other assets	12,869	12,000
Investments in joint ventures	244,160	140,089
Other financial investments	5,357	6,116
Long-term loans provided	-	558
Current assets	243,901	274,030
Inventories	5,175	6,316
Trade and other receivables	14,430	17,220
Tax receivables	24,895	-
Financial receivables	28,483	129,313
Cash and cash equivalents	170,918	121,181
Equity and liabilities	2,049,604	1,270,535
Equity 1,465,846	883,201	
Registered capital and treasury shares	102,490	102,490
Other capital funds	21,447	21,447
Exchange rate reserve	(186)	(173)
Hedging derivatives reserve and other reserves	1,039	872
Revaluation reserve	1,067,441	446,561
Profit from previous years	155,810	136,680
Profit for the current year	117,805	175,324
Liabilities	583,758	387,334
Non-current liabilities	535,424	311,256
Current liabilities	48,334	76,078

**Condensed consolidated statement of profit and loss for the year ending
on 31 December 2024 and 31 December 2023 (in thousands of EUR)*:**

	2024	2023
Revenues	282,886	377,547
Operating expenses	(152,577)	(170,427)
Profit/(Loss) from joint venture after taxes	18,248	18,012
Profit before interest and taxes	148,557	225,132
Financial income/(expenses)	3,509	1,928
Profit before taxes	152,066	227,060
Income taxes	(34,261)	(51 736)
Net profit	117,805	175,324

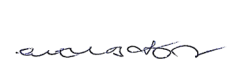
Annual Report on Payments
to Public Authorities

Under Section 20a of Act No. 431/2002 Coll. on accounting, as amended, related to payments to public authorities, the company reported the following expenses in its individual financial statements for 2024:

- corporate income tax and special levy on business in regulated sectors totalling EUR 24,304 thousand,
- fees for production rights, fees related to gas exploration and storage totalling EUR 1,461 thousand,
- other taxes totalling EUR 140 thousand

The Board of Directors of NAFTA, a.s. declares that the Annual Report on Payments to Public Authorities provides, in accordance with the Accounting Act, a faithful and true representation of payments to public authorities.

The Annual Report on Payments to Public Authorities for 2024 is signed, on behalf of the Board of Directors, on 22. 4. 2025 by:



Ing. Martin Bartošovič
Chairman of the Board
of Directors of NAFTA, a.s.



Ing. Robert Bundil
Member of the Board
of Directors of NAFTA, a.s.

Proposal for the Distribution of Profit

The Board of Directors of NAFTA, a.s. proposes to the General Meeting of NAFTA, a.s. to approve the proposal for distribution of profit from the following sources:

- (a) profit for the year 2024 of EUR 106,100,448
- (b) the revaluation difference carried forward in 2024 of EUR 24,334,517, and
- (c) profit from previous years of EUR 2,860,892

totalling EUR 133,295,857 as follows:

- payment of dividends to shareholders totalling EUR 133,277,100, i.e. EUR 41.25 per share (124% of the nominal value of the share)
- transfer to undistributed profit from previous years of EUR 18,757.

Significant Events Occurring
after 31 December 2024

No events occurred that would have a significant impact
on the company's annual report after 31 December 2024 and up to
the date of publication of this annual report.





ANNUAL REPORT 24