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VIPE FUELS COMMUNICATION

Dear customers,

We are pleased to inform you that Vipe Fuels has taken a significant initiative to strengthen our operations and more effectively manage the risks associated with market volatility. We have opened an account in the stock market, with the aim of implementing hedging strategies.

The main purpose of this strategic measure is to ensure effective coverage, especially in an environment as dynamic as the fuel market. The opening of this account allows us to proactively manage the risks related to the fluctuation of hydrocarbon prices, providing greater stability to our operations and, therefore, reducing our operational risks in Spain.

At Vipe Fuels, we are committed to operational excellence and customer satisfaction. We believe that this initiative will not only strengthen our position in the domestic market, but will also contribute to maintaining strong business relationships.

The main purpose of this measure is to provide effective coverage for our product, so that when our valued customers make purchases with us they see greater price stability. We firmly believe that this strategy will contribute not only to the stability of our transactions, but also to strengthen our clients' trust in our company.

This account opening represents a significant step in our ongoing quest to offer solid financial solutions and improve our customers' overall experience. We are excited about this new phase and committed to working hard to better serve our stakeholders.

Why have we decided to hedge the hydrocarbons we sell?

Operating in the fuel sector, we are exposed to the volatility of diesel and gasoline prices. To protect ourselves against this volatility and guarantee some stability in our costs and profit margins at Vipe, we resort to purchasing hydrocarbon hedges to benefit our clients and grow.

By purchasing these coverages, at Vipe Fuels we ensure that we can sell diesel, gasoline and biofuels at a predetermined price in the future, even if prices in the real market are lower. This provides a way to manage risk and maintain profitability by allowing us to price our product purchases in advance.

TYPES OF HEDGING WE OFFER

IN THE CONTEXT OF COVERAGE:

In addition to oil-related hedges, there are several commodity hedges designed to manage risks in commodity markets. Some of these coverages include:

Diesel Coverage:

- Purpose: Helps companies manage the risk of changes in Diesel prices.

- Benefits: Provides stability in Diesel acquisition costs, allowing companies to plan and budget more effectively.

Gasoline Coverage:

- Purpose: Helps companies manage the risk of changes in Gasoline prices.

- Benefits: Provides companies with the ability to set prices in advance, mitigating market volatility and maintaining predictable profit margins.

Mazut Futures:

- Purpose: Mazut futures are designed to help companies manage the risk associated with changes in Mazut prices, especially in the context of annual or state contracts.

- Mechanism: Allows companies to set advance prices for future Mazut purchases, providing a strategic tool to anticipate market fluctuations. This proactive approach contributes to more effective financial risk management.

Natural Gas Futures:

- Purpose: Helps companies manage the risk of changes in natural gas prices.

- Benefits: Allows companies to secure future natural gas prices, facilitating strategic planning and more effective management of operating costs.

Electricity Futures:

- They are used to mitigate the risk associated with electricity prices.

Agricultural Futures:

- Producers and traders can use futures contracts to set prices for agricultural commodities such as corn, wheat, soybeans, etc., protecting against price volatility.

Metallurgical Coverage:

- Metal Futures: Contracts that allow companies and investors to set prices for metals such as gold, silver, copper, aluminum, etc., protecting them against price fluctuations.

Forest Cover:

- Wood Products Futures: These can be used to manage risks in the forestry industry, including products such as plywood.

Precious Metals Coverage:

- Platinum and Palladium Futures: Used to manage risks associated with the volatility in the prices of these precious metals.

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Soft Commodities Coverage:

- Coffee, Sugar, Cotton Futures, etc.: Contracts that allow market participants to manage risks in the prices of soft products.

Mineral Coverage:

- Uranium, Iron Futures, etc.: Used to manage risks in the mining industry.

Water Coverage:

- Water Futures: In some places, futures markets for water have developed, allowing users to hedge against shortages or price increases.

BENEFITS OF COVERAGE

- **Cost Stability**: By setting prices for future purchases of petroleum derivatives and raw materials, companies obtain cost stability, which facilitates budget planning and improves financial predictability.

- **Protection against Fluctuations**: Oil derivatives and raw materials futures offer companies effective protection against unforeseen fluctuations in market prices, ensuring that costs are not negatively affected by sudden changes.

- **Strategic Planning**: By being able to anticipate and manage the cost of petroleum derivatives and raw materials, throughout annual or state contracts, companies can carry out more effective strategic planning, which contributes to long-term profitability .

- **Contract Compliance**: For annual or state contracts, oil derivatives and raw materials futures guarantee that companies can comply with the agreed terms, even if market prices experience variations.

These are just a few of the many ways market participants can use financial instruments to manage the risks associated with commodities. Futures and options contracts are common tools in this context, allowing producers, traders and end users to hedge against price volatility.

Fdo.: D. Petar Georgiev