

BULGARTRANGAZ EAD TERMS AND CONDITIONS FOR CARRYING OUT AN AUCTION FOR PURCHASE AND SALE OF NATURAL GAS FOR TECHNOLOGICAL NEEDS

GENERAL PROVISIONS

1. The terms and conditions of the auction for purchase and sale of natural gas for technological needs were determined by Bulgartransgaz EAD and agreed by the operator of the organized natural gas exchange market BALKAN GAS HUB EAD in order to confirm the technical feasibility.
2. They contain the procedure under which Bulgartransgaz EAD will purchase natural gas quantities for technological needs on the organized exchange market operated by BALKAN GAS HUB EAD.
3. These terms and conditions also specify the procedure of carrying out the auction for purchase, price mechanisms, setting the initial price of the auction, the type of product offered and the period of its offer.

QUANTITIES INTENDED FOR PURCHASE BY BULGARTRANGAZ EAD ON THE ORGANIZED NATURAL GAS EXCHANGE MARKET

4. Bulgartransgaz EAD announces the following natural gas quantities for purchase on the organized exchange market:
 - 4.1. For the Delivery period – 4 700 MWh/day or in total 79 900 MWh.
5. Bulgartransgaz EAD will purchase the specified quantities through auction. The products offered within the auction is not a short-term standardised products within the meaning of Regulation 312/2014 establishing a network code on gas balancing of transmission networks. The auction will take place in the following sequence:
 - 5.1. Delivery Period: from 07:00 a.m. on 15.05.2026 until 07:00 a.m. on 01.06.2026;
 - 5.2. Deliveries' profile: even distribution - physical delivery of gas amounting to 100% of the contracted quantities, evenly distributed by days;
 - 5.3. Delivery place: VTP Bulgaria;
 - 5.4. Delivery price: set at auction and subsequent update, according to these Terms and conditions.

PRODUCTS AUCTIONING

6. Natural gas shall be purchased in compliance with to the following terms and conditions:
 - 6.1 The initial auction price includes all costs for natural gas access and transport to Virtual Trading Point Bulgaria.
 - 6.2 The required quantities may be offered by natural gas traders registered on the organized exchange market holding a valid licence for the activity "natural gas trade" issued by the Energy and Water Regulatory Commission, as well as by production companies.
7. The products shall be offered on the Balkan Gas Hub EAD platform through an auction procedure.
- 71 An electronic environment, part of the Balkan Gas Hub EAD trading platform shall be used to conduct the auction. The platform is in English and provides all the necessary information for conduct of the auction and updates of its information, and also informs via e-mail the participants ranked about the auction results.

7.2. The costs for development and technical support of the product formed for this purpose on the trading platform shall be borne by Balkan Gas Hub EAD.

7.3. No products such as financial instruments and derivatives shall be offered in the auction within the meaning of Directive 2014/65/EU of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

8. The auction will take place on is from 9:00 a.m. until 12:00 p.m. on 13.05.2026 (Sofia).

8.1. Each participant has the right to submit only one offer per product, subject to update during the auction.

8.2. Each updated offer by a participant/trader shall entirely replace the previous offer per product.

9. The minimum quantity for each product that can be offered for sale by one participant is 500 MWh/d.

10. The maximum quantity for each product is up to 4 700 MWh/d.

STARTING PRICE

11. The starting price of the auction is 44,70 EUR /MWh.

TENDER MECHANISM FOR ALLOCATION OF THE OFFERED NATURAL GAS QUANTITIES

12. Within the auction, a minimum price step of EUR 0.01/MWh shall be applied, with which the initial price is reduced, and the participant offers a price per MWh.

13. Balkan Gas Hub EAD platform performs automatic ranking of the offers according to the lowest price offered for each product, and the ranking and allocation shall be carried out according to the following algorithm.

13.1. Offers with the lowest prices offered per product shall be ranked first until reaching the maximum quantity.

13.2. If two or more offers have equal prices for any product, the earlier submitted offer shall be ranked first.

13.3. The quantities from the ranked offers for each product shall be supplemented up to the total quantity announced for purchase by Bulgartransgaz EAD for each product, with the possibility of partial purchase of quantities from the last ranked offer.

13.4. Within 30 (thirty) minutes after the end of the auction, Balkan Gas Hub shall submit to Bulgartransgaz EAD the results of the conducted auction and ranking.

RIGHT TO PARTICIPATE

14. All natural gas traders who meet the conditions of item 6.2 may participate in the auction for natural gas purchase and sale. By submitting an offer, the participant declares that it meets the conditions under item 6.2.

14.1. Prior to the auction, Bulgartransgaz EAD shall publish its terms and conditions on its website.

RIGHT TO CANCEL AN AUCTION

15. Balkan Gas Hub EAD may cancel the auction conducted in case of technical and/or human error and schedule a new date within 24 hours after the auction.

15.1. If the errors under item 16 do not negatively affect the price offered and/or the quantity sold by the participants, Balkan Gas Hub EAD shall not cancel the auction, however, if necessary, update the

ranking of the offers within 24 hours after the auction and/or declare the participant who made the error.

TERMS OF INVOICING AND PAYMENT

16. The natural gas price subject to invoicing and payment 44,70 EUR /MWh, minus the achieved discount in the relevant participant's offer in BGN/MWh (EUR/ MWh). (VAT excluded).

17. Participants whose offers were ranked shall issue invoices as follows:

- on 05.06. 2026 for the value of the natural gas quantities delivered in the period 15-31.05.2026 (incl.), determined in accordance with the offered quantities and the price specified in item 16;

18. Payment of the invoices issued under item 17 shall be carried out as follows:

18.1. Payment of the invoices issued shall be made within 20 (twenty) calendar days as of the date of invoice receipt;

18.2. Payment shall be made by bank transfer to the Participant's bank account specified in the invoice.

PARTICIPATION FEES

19. Participants with whom Bulgartransgaz EAD concludes supply transactions, in accordance with the automatic ranking performed by the platform, shall pay to Balkan Gas Hub EAD a transaction fee by the 10th day of the month following the month of the auction to the bank account indicated by Balkan Gas Hub EAD.

The fees are payable by the 10th of the month following the auction, to the bank account specified by Balkan Gas Hub EAD, according to the auction results presented by the platform.

REPORTING UNDER REGULATION NO 1227/2011 OF THE EUROPEAN PARLIAMENT AND THE COUNCIL OF 25 DECEMBER 2011 ON THE WHOLESALE ENERGY MARKET INTEGRITY AND TRANSPARENCY

(REGULATION NO 1227/2011)

20. Balkan Gas Hub EAD may carry out transaction reporting obligations under Regulation 1227/2011 upon request of the participant.

21. By offer submission, the relevant participant agrees and commits to these Bulgartransgaz EAD terms and conditions for conduct of an auction for purchase and sale of natural gas.