INVITATION TO APPLY FOR FLEXIBLE STORAGE CAPACITY FOR STORAGE PERIOD 2023/2024

INVITATION TO APPLY FOR FLEXIBLE STORAGE CAPACITY
AT NATURAL GAS STORAGE FACILITY INZENHAM-WEST OF NAFTA SPEICHER INZENHAM GMBH

I. OFFER

NAFTA Speicher Inzenham GmbH (hereinafter "NAFTA Inzenham"), as an operator of the storage system, invites for application for access to and use of the Firm Flexible Storage Capacity.

Firm Flexible Storage Capacity service enables the Customer to inject and withdraw natural gas to/from the Natural Gas Storage Facility all year round with a 2-hour re-nomination lead time. The applicable legislation on mandatory filing levels, however, applies.

The Storage Capacity will be tendered among all interested gas market participants (hereinafter "Participants").

The Agreement on Storage Facility Access, under which the Firm Flexible Storage Capacity shall be allocated, will be concluded with the successful Participant(s).

Please see **the Draft of Agreement on Storage Facility Access including all appendices** where the terms and conditions pertaining to this storage service are stipulated.

II. FIRM FLEXIBLE STORAGE CAPACITY

Firm Flexible Storage Capacity is offered in the amount of **up to 540,000 MWh in 50 Standard Bundled Units**. Storage services are provided for the period from **15 April 2023 6:00 HRS CET until 16 April 2024 6:00 HRS CET**.

A. STANDARD BUNDLED UNIT (SBU)

PARAMETERS OF 1 BASIC SBU (50 IN TOTAL)

Working Gas Capacity	10,800 MWh
Maximum Injection Rate	4.100 MW
Maximum Withdrawal Rate	4.600 MW

The Injection and Withdrawal Rates will be available throughout the whole period on declining curves.

The Injection Rates will be provided at the maximum level as long as the storage account fullness is within the range of 0% – 70% (including) of Working Gas Capacity. Between 70% - 100% fullness of the storage account the Injection Rates linearly decrease down to the level of 31% of Maximum Injection Rate at 100% fullness of the storage account.

The Withdrawal Rates will be provided at the maximum level as long as the storage account fullness is within the range of 100% – 30% (including) of Working Gas Capacity. Between 30% - 0% fullness of the storage account the Withdrawal Rates linearly decrease down to the level of 22% of Maximum Withdrawal Rate at 0% fullness of the storage account .

B. POINT OF TRANSFER FOR INJECTION AND WITHDRAWAL

The natural gas storage facility Inzenham-West is allocated to the Trading Hub Europe virtual trading point.

The Point Of Transfer For Injection and Withdrawal shall be the network connection point "Inzenham-West USP" of the Transmission System Operator bayernets.

Bayernets' capacities shall be booked and paid for by the successful Participant.

C. MANDATORY FILLING LEVELS

The successful Participant shall be aware of the recently enacted legislation on filling requirements for gas storage facilities. According to the newly introduced sections 35a et seqq. of the Energy Industry Act (EnWG), gas storages shall reach certain filling levels on 1 October, 1 November and 1 February of each calendar year. The operators of gas storage facilities shall offer firm storage capacities to Trading Hub Europe GmbH ("THE") if one or more of the storage users do not use their booked (firm) working gas volume to the extent required to reach the relevant filling levels. This may require excluding storage users who do not sufficiently use their capacity rights from (further) using (part of) their booked (firm) capacity rights for the remaining part of the relevant storage year. The new statutory requirements shall be addressed in new storage contracts, therefore the Agreement on Storage Facility Access which shall be concluded with the successful Participant already contains the respective provisions and these shall be accepted by successful Participants.
(For more details, please see the Annex No. 1: Draft of the Agreement on Storage Facility Access.)

D. STORAGE FEES

The storage fees shall include Fixed Storage Fee and Variable Storage Fee and shall be payable by the Storage Customer to the SSO for the provision of Storage Capacities which include the Working Gas Capacity, Injection and Withdrawal Rate.

The Variable Storage Fee shall be paid for injected Working Gas volumes that are, in aggregate, in excess of the volume corresponding to 100% Working Gas Capacity and/or for withdrawn Working Gas volumes that are, in aggregate, in excess of the volume corresponding to 100% Working Gas Capacity. For avoidance of doubt, the storage account level cannot at any point in time exceed the allocated Working Gas Capacity.

The Variable Storage Fee will be calculated pursuant to the following formula:

$$VSF_M = (WG_I + WG_W) * (0.012 * MI_{THE} + CO_2 + 0.054), \text{ where:}$$

VSF_M (in EUR): is Variable Storage Fee calculated for the calendar month M.

WG_I (in MWh): is that amount of Working Gas injected into the Storage Facility in the calendar month M, to which the Variable Storage Fee applies. WG_I shall be calculated based on the Allocation and Actual Storage Level Protocol values for the month M. For avoidance of doubt, all Working Gas transfers onto the Storage Account associated with the Agreement pertaining to this product shall be, for the purposes of this calculation, considered injected Working Gas unless this Working Gas is transferred from the Storage Customer´s other Storage Account on the last Gas Day of the Booking Period of the storage agreement associated with this other Storage Account.

WG_W (in MWh): is that amount of Working Gas withdrawn from the Storage Facility in the calendar month M, to which the Variable Storage Fee applies. WGW shall be calculated based on the Allocation and Actual Storage Level Protocol values for the month M. For avoidance of doubt, all Working Gas transfers from the Storage Account associated with the Agreement pertaining to this product shall be, for the purposes of this calculation, considered withdrawn Working Gas.

MI_{THE} (in EUR/MWh): is the value of the Monthly Index for the calendar month M at Trading Hub Europe (THE) as published by ICIS European Spot Gas Markets under the heading "Heren Monthly Indices" on the last business day immediately preceding the calendar month M. If this value of MI_{THE} is negative, then it shall be zero for the purposes of VSF_M calculation.

CO_2 (in EUR/MWh): is the value of the latest daily price before the start of the calendar month M as published in EUR/t by ICE Endex in EUA Daily Future at https://www.theice.com/products/18709519/EUA-Daily-Future/data multiplied by the coefficient 0.002. If this value of CO_2 is negative, then it shall be zero for the purposes of VSF_M calculation.

III. TENDER INFORMATION

A. REGISTRATION

All Participants are asked to register for this Tender by sending an e-mail expressing interest to participate in this Tender. The e-mail shall be sent to **storage@nafta-speicher.de**.

NAFTA Inzenham sales team will confirm the delivery of registration.

The Participants that have not yet been evaluated under the due diligence procedure based on the KYC Questionnaire "know your customer" within any company belonging to the Energetický a průmyslový holding, a.s. Group shall undergo this procedure with NAFTA Inzenham prior to the application.

Based on the creditworthiness assessment of the registered Participants, NAFTA Inzenham shall be entitled to request from the successful Participants a Parent Company Guarantee or a Bank Guarantee. For avoidance of doubt, it is in sole discretion of NAFTA Inzenham to accept either a Parent Company Guarantee and/or a Bank Guarantee. The selected security instrument should comply, among other requirements stated in the Agreement on Storage Facility Access, with the following:

- Parent Company Guarantee / Bank Guarantee shall secure all obligations with regard to the Agreement on Storage Facility Access;
- Parent Company Guarantee / Bank Guarantee shall be in the amount of Fixed Storage Fee payable for the whole Booking Period;
- Parent Company Guarantee / Bank Guarantee shall be valid from the beginning of the Booking Period at least until 31 May 2024;
- Bank Guarantee shall be issued by a bank with minimum credit rating BBB (stated by S&P or Fitch).

B. APPLICATION PERIOD

The Application Period will be published on the website of NAFTA Inzenham and will last at least three (3) hours during which the Participants may submit their bids using the Application Form. The Participant may submit a maximum of two binding, irrevocable and duly signed Application Forms by e-mail.

In the Application Form delivered within the Application Period, the Participant shall specify the following:

- The number of Standard Bundled Units requested by the Participant complying with the minimum booking requirement of one (1) SBU;
- Fixed Storage Fee stated in EUR/MWh rounded to two (2) decimal points.

C. AFTER THE APPLICATION PERIOD

I. THE EVALUATION OF APPLICATIONS

NAFTA Inzenham shall prioritize the Applications based on the proposed price. If there is no difference between two or more Applications, the pro-rata mechanism shall apply. All other essentials contained in the Applications shall remain unchanged and valid.

The Participants shall be informed on **the outcome of their Application(s) within 30 minutes** according to the non-discriminatory internal rules, which are set out by NAFTA Inzenham for all Participants before the Application Period (hereinafter the "Internal Rules").

II. THE SUCCESSFUL PARTICIPANT(S)

The Participant, to whom the Firm Flexible Storage Capacity has been allocated, shall enter into the Agreement on Storage Facility Access with NAFTA Inzenham at the latest within 10 days after the day of receipt of the notification of Firm Flexible Storage Capacity allocation to the Participant. If an Agreement on Storage Facility Access with the successful Participant is not concluded within 10 days after the notification of Firm Flexible Storage Capacity allocation to the Participant, the received Application together with the notification of the SSO of Firm Flexible Storage Capacity allocation shall be considered the Agreement on Storage Facility Access as stipulated in Annex No. 1 to this Invitation.

IV. TEMPORARY AND CLOSING PROVISIONS

A. RESERVED RIGHTS OF NAFTA INZENHAM

a) NAFTA Inzenham reserves the right to alter the overall allocated volume or to not allocate any volume at all based on total volume requested by Participants and the parameters of their individual bids;

b) NAFTA Inzenham has the right to reject an Application if it fails to comply with any of the requirements set out in in the Appendix D: General Terms and Conditions for Storage Facility Access - of the Agreement on Storage Facility Access, this Invitation, or other applicable legal regulations or if the unit price proposed in the Application for the offered storage capacity is lower than the minimum price set out in the Internal Rules;

c) NAFTA Inzenham has the right to request additional information or documentation from the Participant and to check whether the information about the Participant is accurate, using third-party sources in the public domain;

d) NAFTA Inzenham shall have the right to cancel or amend the terms and conditions of this Invitation or to announce a new invitation at any time.

B. WORDS AND EXPRESSIONS

The words and expressions not otherwise defined herein shall bear the meaning defined in the Appendix G: Definitions of the Agreement on Storage Facility Access.

C. LANGUAGE

This Invitation is published in English version only.

V. CONTACT DETAILS

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VI. ANNEXES

Annex No. 1 – Draft of the Agreement on Storage Facility Access including all appendices