

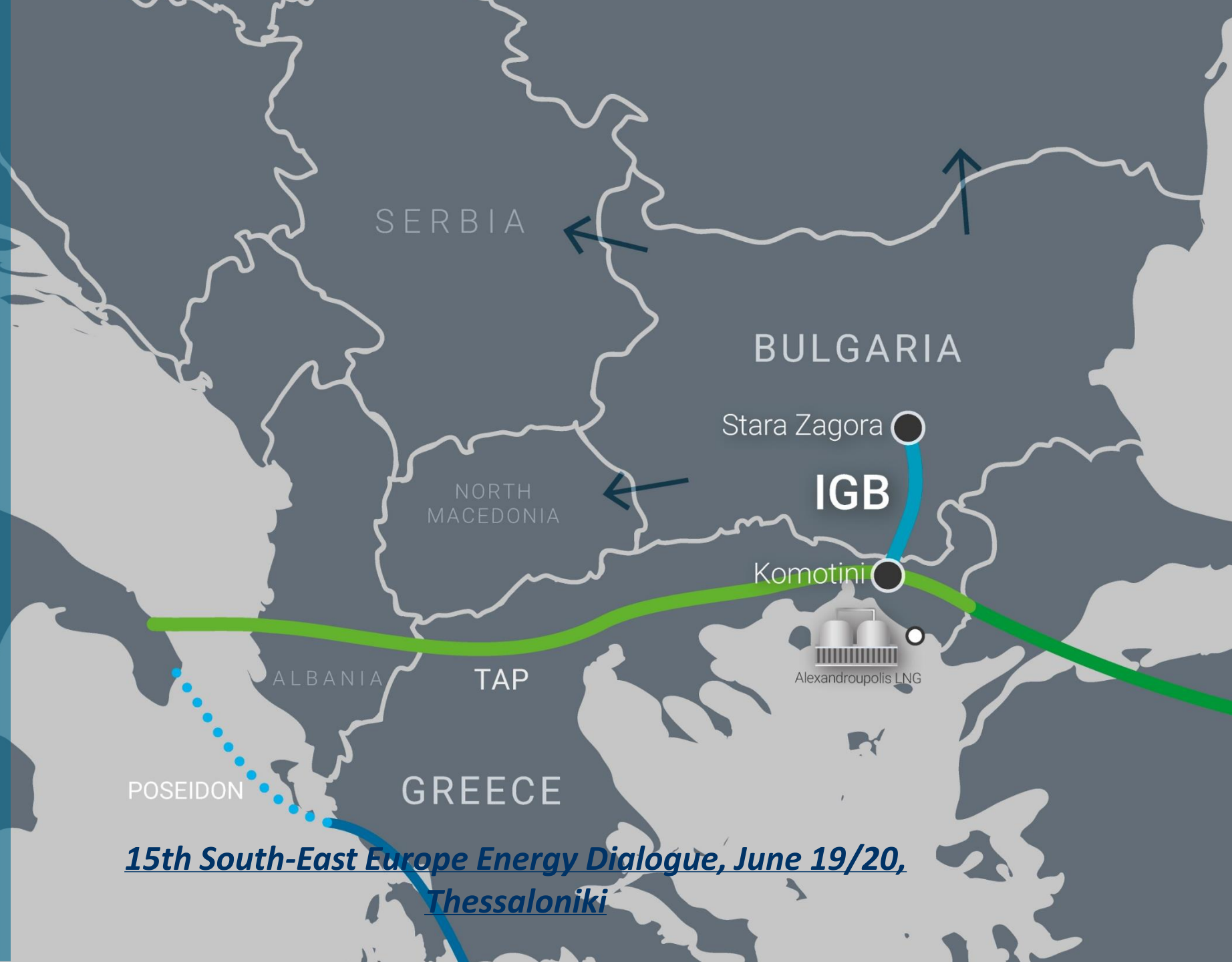


IGB

GAS INTERCONNECTOR
GREECE - BULGARIA

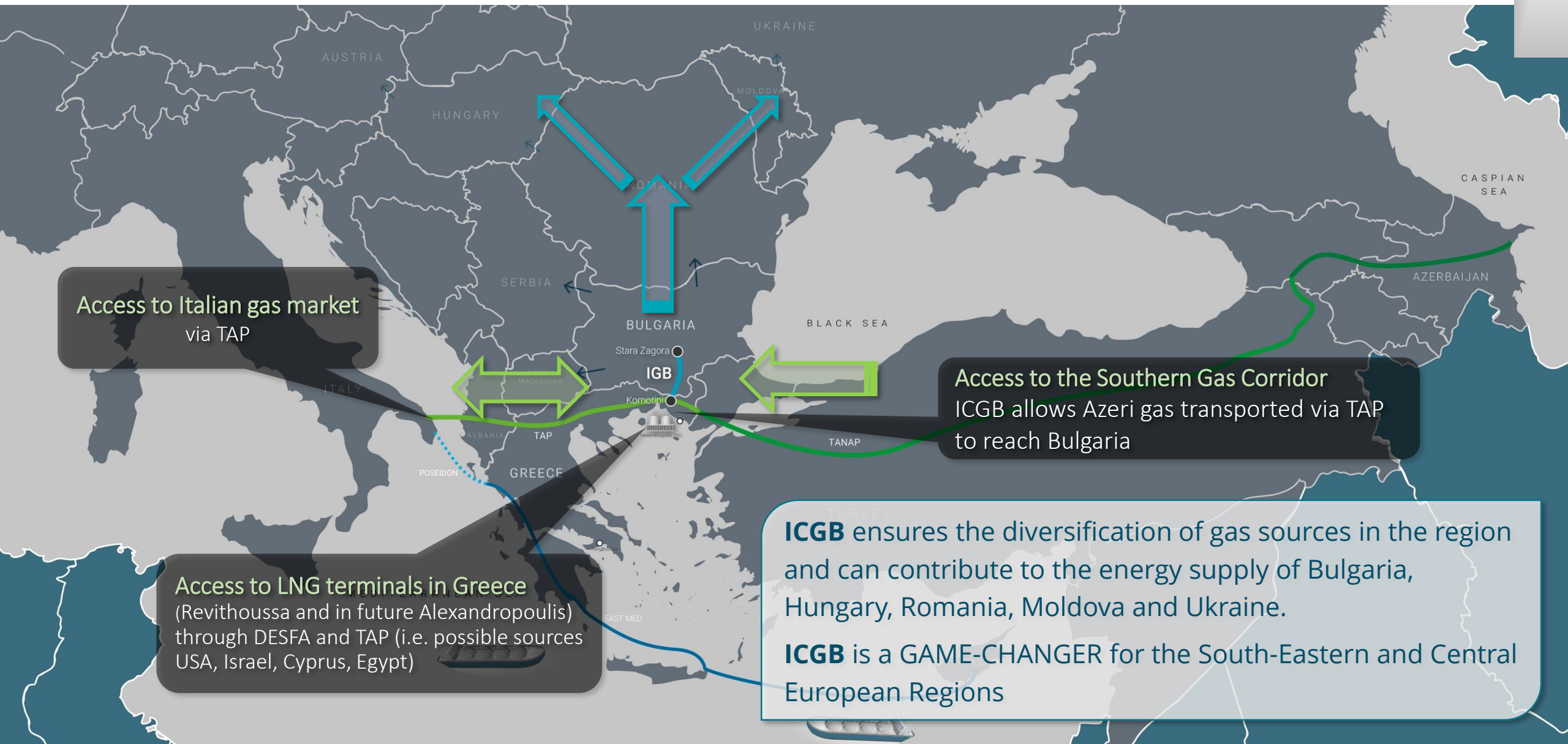
ITALY
CHANGING THE ENERGY GAME
FOR CENTRAL AND EASTERN
EUROPE

THE INTERCONNECTOR
GREECE - BULGARIA



***15th South-East Europe Energy Dialogue, June 19/20,
Thessaloniki***

STRATEGIC ROLE: DIVERSIFICATION OF GAS SOURCES



Access to Italian gas market
via TAP

Access to the Southern Gas Corridor
ICGB allows Azeri gas transported via TAP
to reach Bulgaria

Access to LNG terminals in Greece
(Revithoussa and in future Alexandroupolis)
through DESFA and TAP (i.e. possible sources
USA, Israel, Cyprus, Egypt)

ICGB ensures the diversification of gas sources in the region
and can contribute to the energy supply of Bulgaria,
Hungary, Romania, Moldova and Ukraine.

ICGB is a GAME-CHANGER for the South-Eastern and Central
European Regions

Vertical Gas Corridor



source: DESFA

- The Vertical Gas Corridor (VGC) initiative was created with the aim to jointly strengthen regional energy co-operation through providing security and diversification of natural gas supply, by making the most out of the already existing infrastructure in the region, as well as promoting its prompt enhancements.
- Initial members:
 - Greece (Desfa, Gastrade)
 - Bulgaria (ICGB, Bulgartransgaz)
 - Romania (Transgaz)
 - Hungary (FGSZ)
- New members since 2024:
 - Slovakia (Eustream)
 - Ukraine (Gas TSO of Ukraine LLC)
 - Moldova (VestMoldTransgaz S.R.L)
- ICGB AD, jointly with the other TSOs from the VGC, launched an Incremental Capacity Process – 2023 in July 2023 to access market demand for potential capacity expansion. In order to be able to meet the increasing demand for natural gas in direction from South to North in a timely manner, the Binding Phase is jointly planned for July 2024, following a 1-year optimized timeline.

SHAREHOLDERS' STRUCTURE

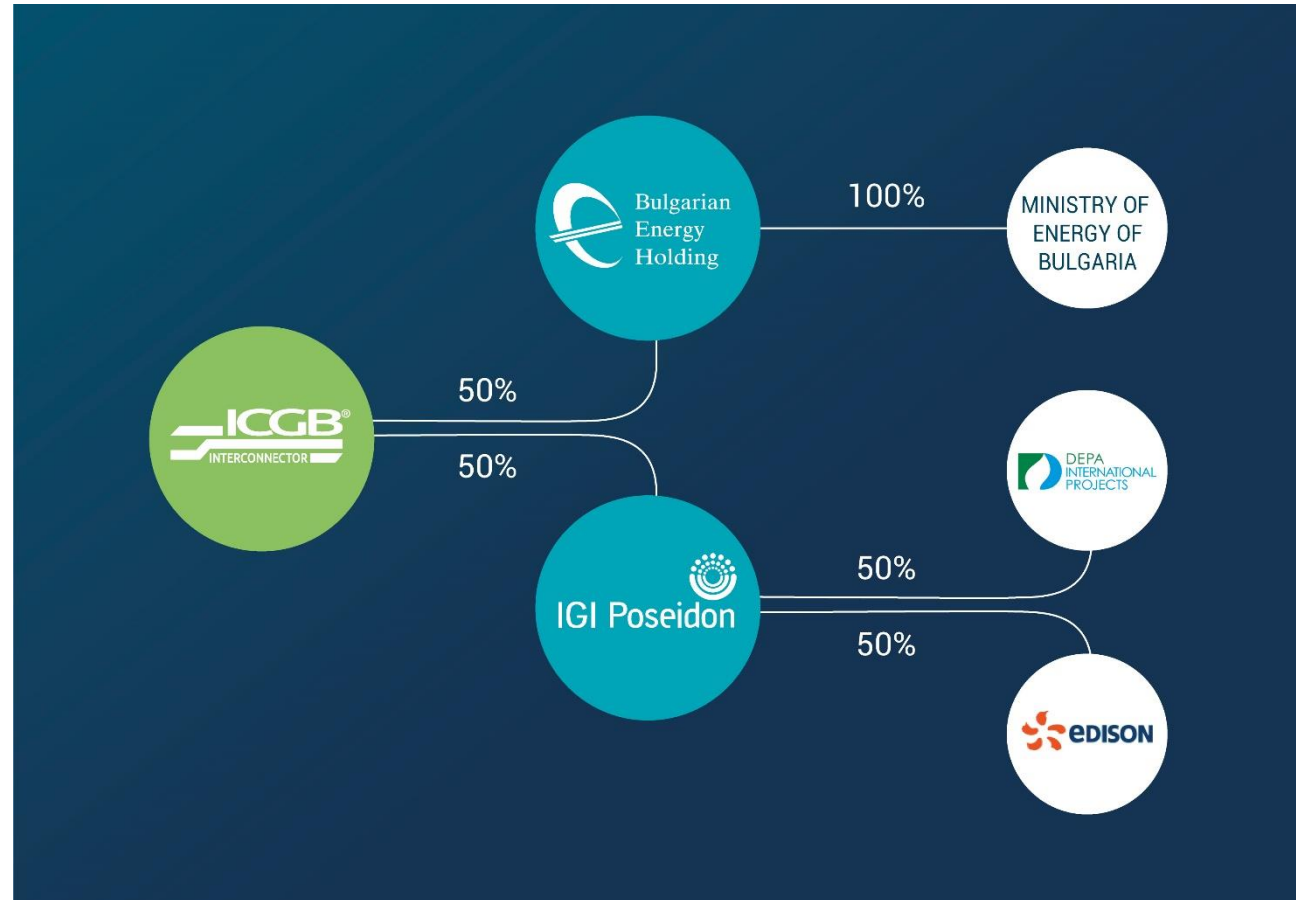
THE PROJECT

Managed by
the Project Company **ICGB AD**
with shareholders:

- Bulgarian Energy Holding EAD (50%)
&
- IGI Poseidon SA (50%).

ICGB

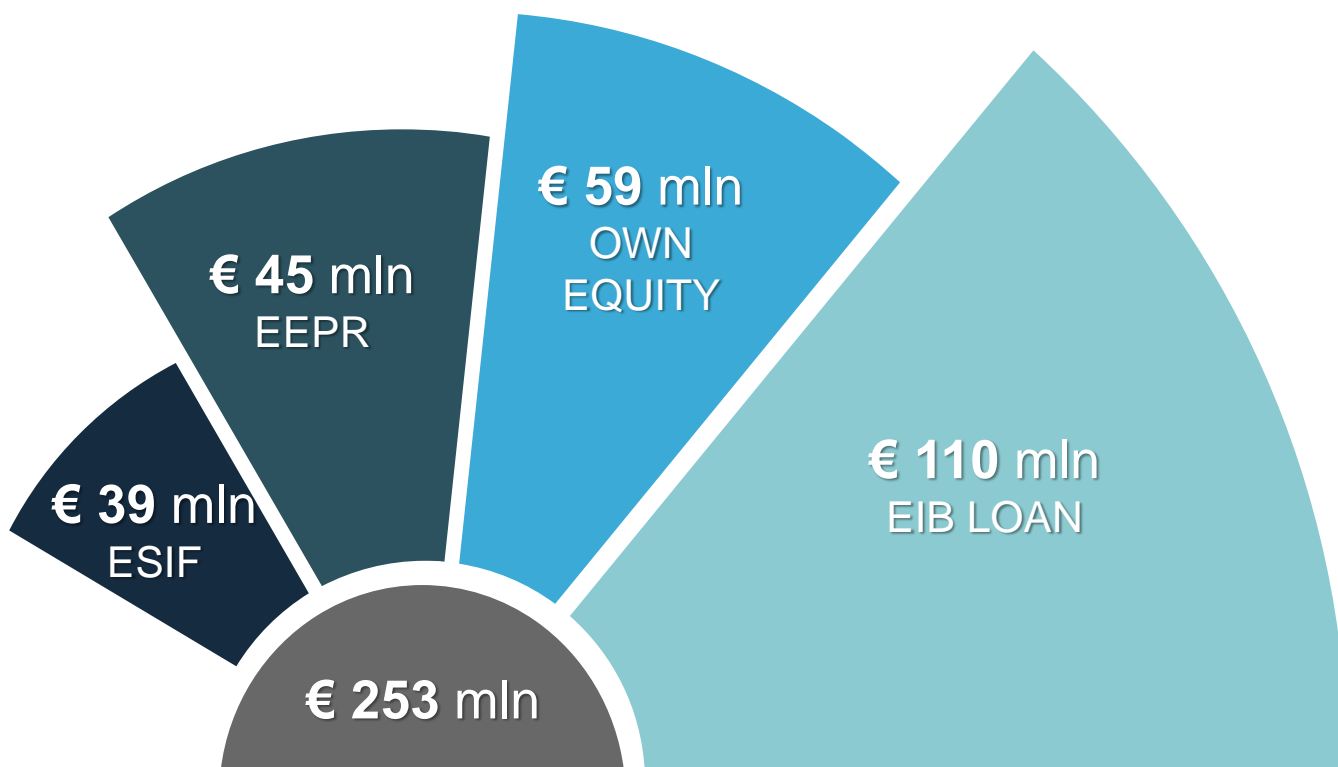
Operates the pipeline under an
“exempted” framework –
Ownership Unbundling,
Regulated Tariff and Third-Party
Access.



On 8th of August 2018 a
FINAL JOINT DECISION on the
Exemption of IGB Pipeline is
adopted by the National
Regulatory Authorities.

FINANCIAL STRUCTURE

EEPR, ESIF and SOVEREIGN GUARANTEE by the Republic of Bulgaria



● EUR 39 mln

*grant financing under the Operational Program
"Innovations and competitiveness"*

(European Structural Inv. Funds allocated to Bulgaria),
OPIC, extended eligibility period – 31/12/2022

● EUR 45 mln

EEPR grant financing

(eligibility period – 31/12/2021)

● SHAREHOLDERS'

Equity EUR 59 mln

● EUR 110 mln

*EIB long term loan financing secured by a Sovereign
Guarantee by Bulgaria;*

The loan will be provided to BEH (Bulgarian Shareholder) and
transferred to ICGB via on-lending agreement – tenor 25
years, concluded on 10 October 2019

THE INTERCONNECTOR GREECE - BULGARIA

THE TRANSPORTATIONS SYSTEM

INTERCONNECTION POINTS:

- **KOMOTINI:** where ICGB interconnects to TAP (and in near future DESFA)
- **STARA ZAGORA:** where ICGB connects to the Bulgarian gas transmission system of Bulgartransgaz

LENGTH: 182 Km

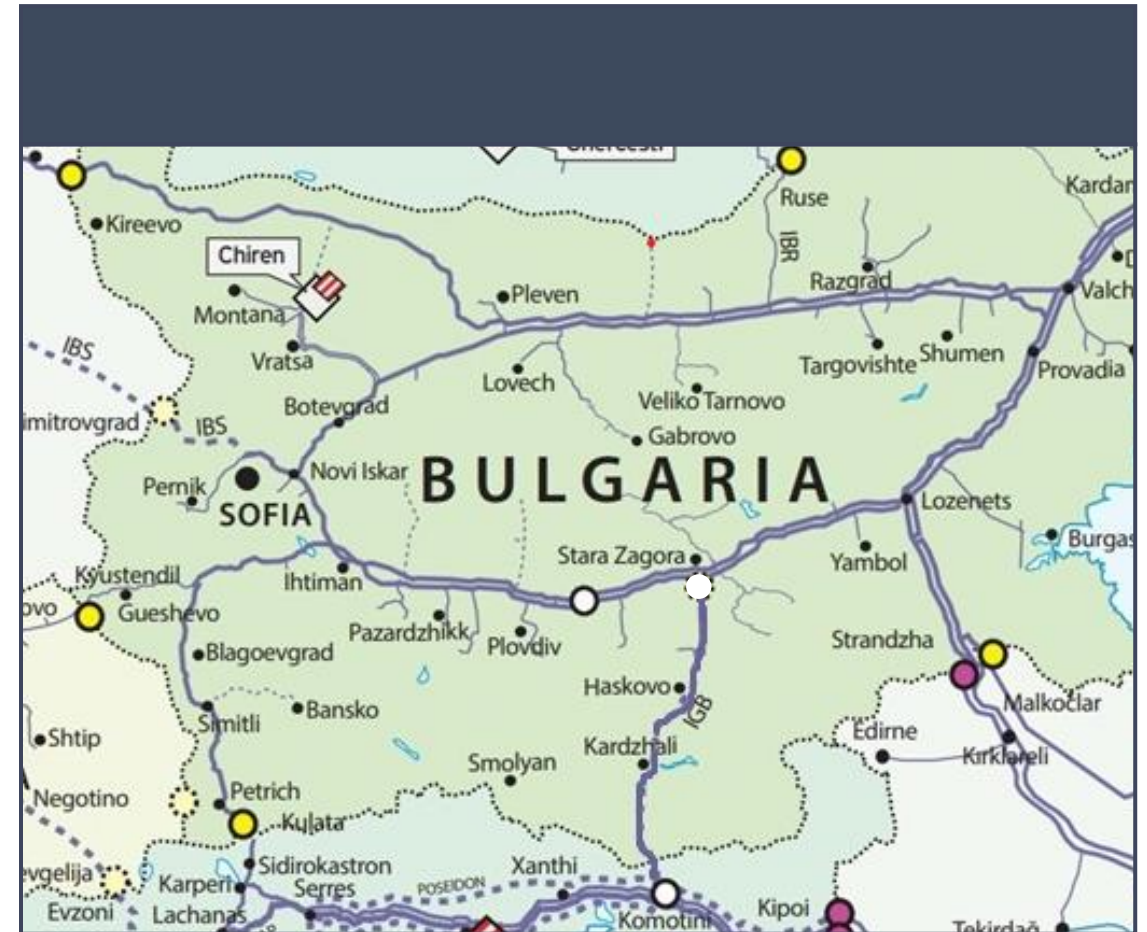
PIPELINE DIAMETER: 32 Inches

PIPELINE CAPACITY: 3 bcma, with the possibility to expand to 5 bcma

PHYSICAL DIRECTION: South to North, with the possibility to physically reverse the flow (subject to delivery and redelivery pressure levels)

METERING STATIONS:

- **GMS at Komotini** owned and operated by ICGB
- **GMS at Stara Zagora** owned and operated by ICGB



SUCCESSFUL START OF COMMERCIAL OPERATIONS

7:00 a.m. local time on 1 Oct 2022 marked the start of commercial operations for the gas interconnector Greece-Bulgaria.

In a ceremony held later that day in Sofia, Bulgaria, the President of the European Commission, a number of heads of State, and others welcomed the first delivery of natural gas through the IGB.

The landmark event was honored by the Prime Minister of Bulgaria Galab Donev, the President of the country Rumen Radev, the President of Azerbaijan Ilham Aliyev, the President of Serbia Aleksandar Vučić, the President of North Macedonia Stevo Pendarovski, the President of the European Commission Ursula von der Leyen, Prime Minister of Greece Kyriakos Mitsotakis and Prime Minister of Romania Nicolae Ciucă.



COMMERCIALISATION OF CAPACITY

REGULAR AUCTIONS ON PRISMA and RBP platforms

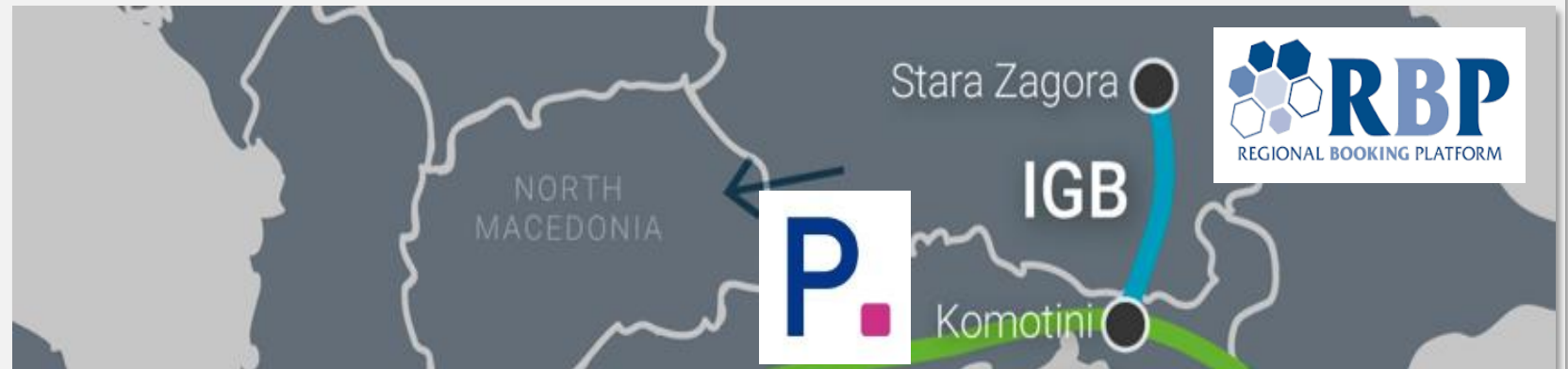
- IGB is currently offering its non-exempted capacity via auctions according to the CAM NC - Commission Regulation (EU) 2017/459 of 16 March 2017.

- **Entry Points in Greece**

- IP Komotini - TAP
- Planned IP Komotini - DESFA
- Available capacity offered on PRISMA

- **Exit Point in Bulgaria**

- IP Stara Zagora - Bulgartransgaz
- Domestic exit point of Kardzhali
- Available capacity offered on RBP



COMMERCIALISATION OF CAPACITY

Overview of YEARLY and QUARTERLY AUCTIONS Results



- **Capacity sold** for gas year 2023/2024:

85%



- **Quasi-yearly** and **Quasi-quarterly** capacity offered on IP with DESFA



- IP with TAP and IP with DESFA offered on **competing basis**.



- Total **Network Users** registered:

41

INCREMENTAL CAPACITY PROCESS - 2023



- ICGB launched an Incremental Capacity Process - 2023 in July 2023 to access market demand for potential capacity expansion.
- During the non-binding phase of the process, ICGB received demand requests for an additional capacity of over 4 bcm/y for several gas years.
- Based on the results of the non-binding phase, ICGB decides to proceed to the next phase – coordinated Design phase, where draft Project Proposals shall be prepared jointly with the adjacent TSOs.
- After a one-month public consultation, ICGB has submitted the draft Project Proposals for IP Stara Zagora and IP Komotini – DESFA to the NRAs for their coordinated approval. The Project Proposals were approved by the NRAs in the end of April 2024.
- As a next step, ICGB jointly with the other TSOs from the Vertical Gas Corridor, is aiming at performing the Binding Phase in July 2024.
- ICGB has already opened the registration for the Binding Phase and invites all interested parties to submit their registration documents until the 24th of June 2024, as per the instructions published on our website.

IGB EXPANSION PROJECT

Overview

- IGB Phase 2 Expansion Project - increase IGB's capacity from 3 bcm to 5 bcm per annum
- Expansion required to meet the growing demand for natural gas

Key Project Elements

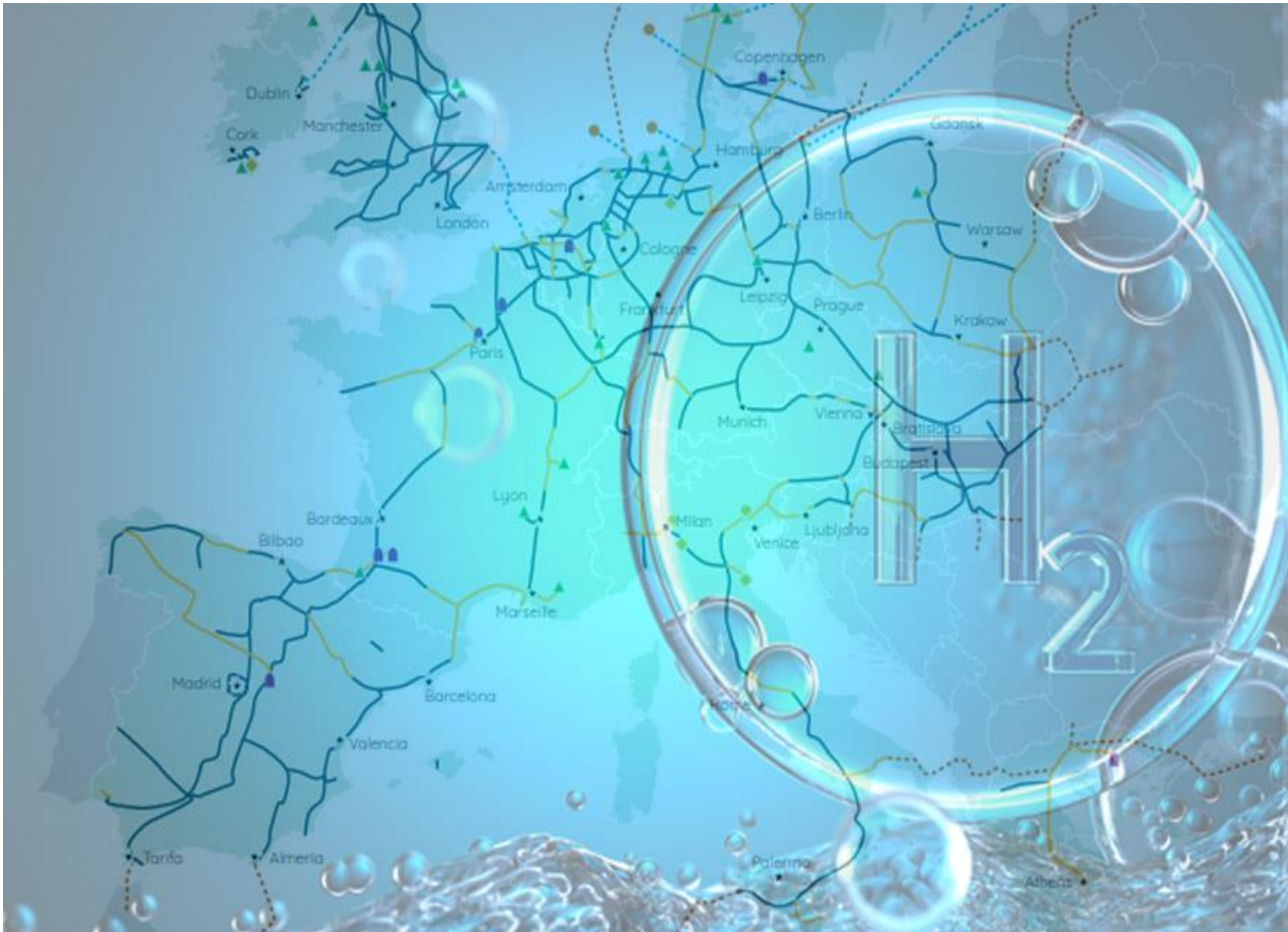
- Detailed engineering design stage
- Installation of additional process equipment at GMS 2 (Stara Zagora, Bulgaria)
- Overall integration of advanced ICS/SCADA system
- Commissioning and start-up of the newly built section

Project Benefits

- Enhanced flow capacity to accommodate additional quantities
- Reinforcement of the region's natural gas infrastructure
- Ensuring a secure and reliable energy supply



POTENTIAL FOR HYDROGEN TRANSPORT



- European gas transmission system operators are collaborating on a hydrogen initiative to create a hydrogen network across Europe, and the inclusion of IGB in this network can contribute to its success.
- The IGB pipeline is being assessed for its potential to transport hydrogen, which will enable the flow of low-carbon gases in the region.
- Initial estimates suggest that blends of up to 2% hydrogen are acceptable for the system, but further assessment is needed to determine the full potential of hydrogen blending.



STRATEGIC ROLE: ENSURING SECURITY OF SUPPLY AND DIVERSIFICATION FOR BULGARIA AND THE REGION

- ICGB adds a new reliable route for the gas supply to Bulgaria, providing key contribution to the security of supply and diversification of gas sources in the SEE Region.

Currently through IGB, Network Users ensure the coverage of more than 1/3 of the domestic gas demand of Bulgaria.

IGB significantly reduces the dependency from a single gas source allowing LNG and Azeri gas to reach Bulgaria, increasing the liquidity of the Bulgarian Gas Market.

Since its first month of operation (October 2022), ICGB became the first import route for Bulgaria.

IGB enables use of gas as energy source and contributes to the reduction of CO2 emissions.

IGB is designed to be expanded to 5 bcm/y further enhancing the security and diversification of supply routes.

IGB could transport hydrogen blend and be repurposed for hydrogen transportation in the future, contributing to the green transition.

SINCE START OF COMMERCIAL OPERATIONS ICGB
TRANSPORTED FROM KOMOTINI TO STARA ZAGORA MORE THAN

2 billion Nm3



Natural Gas Interconnector Greece-Bulgaria



Stara Zagora
DIMITROVGRAD
HASKOVO
KARDZHALI
Komotini

IGB

GAS INTERCONNECTOR
GREECE-BULGARIA

A GAME-CHANGER ON THE ENERGY MAP

