

# ANNOUNCEMENT FOR AUCTION

(electronic process)

HEXUM Földgáz Company Limited by Shares (registered office: 2151 Fót, Fehérkő utca 7. building, company registration number: Cg. 13-10-042153, tax number: 13780960-2-44, hereinafter referred to as HEXUM Földgáz Zrt. or the Tendering Party) announces an Auction for the booking of free storage capacities on the day hereunder. The Auction will be conducted by HEXUM Földgáz Zrt. in accordance with the Auction Rules attached to this Auction Announcement as Appendix no. 1.

## Auction details

Name of the Auction:	Storage capacity auction no. 4/2024 – 1 year
Deadline for registration:	November 20, 2024. - 16:00 hours
Offer Period:	Storage year 2025/2026
Auction Type:	Dutch type electronic auction
Starting date of Electronic Auction Process:	December 02, 2024. - 10:00 hours
Time band available for testing the Electronic Auction Platform <sup>1</sup>	November 29, 2024. – between 10:00-16:00 hours
Basic duration of the Electronic Auction Process	14 minutes
Duration of price acceptance <sup>2</sup> :	For the initial price: 4 minutes For further stage of the auction process: 2 minutes
Bid currency:	EUR
Initial price (EUR/MWh):	Will be published at the start of the Electronic Auction Process to the participating Tenderers on the Electronic Auction Platform.
Minimum price <sup>3</sup> :	Not public
Bid decrement rate:	<b>0,1 EUR</b>

<sup>1</sup> Only for Tenderers with accepted registration.

<sup>2</sup> To be filled in for Dutch and Japanese type electronic auctions.

<sup>3</sup> To be interpreted for Dutch type electronic auctions.

Number of Auction Rounds that can be announced:	min. 1, <b>max. 7</b> (after the 1st auction round, a new auction round will only be held if the previous auction round is closed successfully and the capacity bundles announced in the Auction have not been sold in full)	
Contents of one product bundle *		
• Mobile capacity	54 084 552 kWh	
• Non-interruptible Injection capacity	208 608 kWh/day	
• Interruptible Injection capacity	198 048 kWh/day	
• Non-interruptible Withdrawal capacity	386 304 kWh/day	
• Interruptible Withdrawal capacity	386 352 kWh/day	
• Injection cycle (planned)	15.04.2025. – 30.09.2025.	
• Withdrawal cycle (planned)	15.10.2025. – 31.03.2026.	
Number of tender bundles announced (LOT)	30	bundles
Maximum number of tender bundles applicable per tenderer:	30	bundles
By submitting a Bid, the Tendering Party accepts and agrees the following:	<ul style="list-style-type: none"> <li>- If in the future, either European Union or Hungarian law(s) impose mandatory storage for Member States and/or system users and in connection therewith a "use it or lose it" system is introduced, the Tendering Party will apply it to the capacities sold in the relevant Auction in accordance with the regulations in force at the time.</li> <li>- The parties will immediately incorporate the above changes in their respective gas storage contracts by amending the contract. The contracting parties will be obliged to cooperate in order to amend the natural gas storage contract.</li> <li>- You have read and accepted the terms and conditions of the individual model contract for the storage of natural gas attached to this Auction announcement.</li> <li>- You will not resell, directly or indirectly, in secondary capacity trading or otherwise transfer in any manner or by any title any unused storage capacity awarded in the Auction to a third party that is subject to a</li> </ul>	

	<p>sanction under a natural gas storage contract for the purpose of booking the storage capacity awarded in the Auction, and therefore any transfer of the booked capacity under any title would result in a violation of the sanction. For the purposes of this Auction Announcement, a sanction will be understood as a financial or property restrictive measure, economic or trade restriction or embargo imposed or enforced by the United Nations Security Council, the European Union, the United States Department of the Treasury, the United States Office of Foreign Assets Control (OFAC), the United States Department of State, the United States Department of Commerce (Bureau of Industry and Security), the competent authority of the United Kingdom or any other relevant sanctioning authority.</p>
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*The Offered Price is understood as a net amount, excluding VAT and any other official charges or tax-like amounts. The Offered Price does not include the injections turnover fee and the withdrawal turnover fee, which the Tenderer will pay in accordance with the decision of the Hungarian Energy and Public Utilities Regulatory Office setting the natural gas storage fee for the given storage year, based on its monthly turnover. The Offered Price does not include any fees for specific services eventually used by the Tenderer.*

*Total Capacity Booking Fee payable by the successful Tenderer for the Contract Period: the Offered Price (EUR/MWh) multiplied by the Mobile Capacity (MWh) booked by the Tenderer under this Auction.*

The Auction Rules and all further information related to the Auction are available on the website of HEXUM Földgáz Zrt. (<http://gaztarolo.hu/>).

HEXUM Földgáz Zrt. will involve ENERGIQ Kft. and its subcontractor Fluenta Europe Kft. as Auction Facilitator.

## **Registration**

The System User shall register as an Auction participant in order to participate in any Auction announced by the Tendering Party.

The System User will be eligible to participate in a particular Auction announced by the Tendering Party as a System User Eligible for submitting an Offer if:

- it has electronically submitted the registration documents required for the Auction to the Tendering Party through the Auction Registration Surface operated by the Tendering Party and these documents have been accepted;
- the amount of the Tender Security relating to the Auction has been credited to the Tendering Party's bank account by the deadline

Access to the Auction Registration Surface:

The System User can indicate his intention to get access to the Auction Registration Surface by filling in the online form available on the Tendering Party's website (gaztarolo.hu). By completing the form required to obtain access to the Auction Registration Surface and by submitting his data, the System User will accept the provisions of the User IT Rules (Appendix no. 2). After filling in the form and submitting the data, the Tendering Party will check the data submitted and, if they are correct, will send the technical information required to get access to the Auction Registration Surface to the System User by e-mail within 2 working days, who will therefore become a System User having a Technical Registration.

Documents required for registration:

A System User having a Technical Registration has the possibility to submit the registration documents for a given Auction electronically to the Tendering Party via the Auction Registration Surface. The following documents shall be submitted:

<b>Document</b>	<b>Expected frequency of submission</b>	<b>Form to be used</b>
1. Registrations Data Sheet (officially signed in original or with a certified electronic signature)	It shall be submitted once a calendar year as part of the first auction Registration (except in the case of data changes).	Auction Rules Appendix A.1.
2. Auction Declarations (officially signed in original or with a certified electronic signature)	It shall be submitted in connection with the given auction.	Auction Rules Appendix A.2.
3. Electronic bank document certifying the payment of the Tender Security	It shall be submitted in connection with the given auction.	
4. Partner Risk Declarations (officially signed in original or with a certified electronic signature)	It shall be submitted once a calendar year as part of the first auction Registration (except in the case of data changes).	Auction Rules Appendix A.3.
5. Specimen signature of the authorised signatory(s)	It shall be submitted once a calendar year as part of the first	

Document	Expected frequency of submission	Form to be used
representing the system user, or specimen signature countersigned by a lawyer	paper-based auction Registration (except in the case of data changes).	
6. Tenderer's company certificate of registration not older than 30 days, in case of a foreign company with a Hungarian translation.	It shall be submitted once a calendar year as part of the first paper-based auction Registration (except in the case of data changes).	

HEXUM Földgáz Zrt. reserves the right to request the participant to rectify any deficiencies in form or content or other non-conformities during the individual examination of the documents submitted during the Registration, by setting a deadline.

In the event of failure to comply with the request for the completion of the registration by the deadline, or failure to comply with the request, HEXUM Földgáz Zrt. will reject the registration with final effect and the participant will not be allowed to participate in the Auction.

If the documents are received after the deadline set for Registration, the Registration will be deemed unsuccessful and invalid.

In the case of a valid Registration, HEXUM Földgáz Zrt. will confirm the successful Registration to the Tendering Party via e-mail.

During the Auction, HEXUM Földgáz Zrt. undertakes to handle the documents and data submitted to the Auction confidentially and will not disclose them to third parties.

### Registration Security

The Registration Security will be a financial security specified by the Tendering Party in the amount of 50.000,- EUR, i.e. fifty thousand Euro for this Auction. The Tenderers shall pay the amount of the Tender Security during the Registration Procedure by bank transfer to the bank account of **HEXUM Földgáz Zrt. IBAN: HU08 1176-3945-0210-5888-0000-0000, in all cases referring to the exact auction ID ("4/2024 Storage Capacity Auction - 1 year")** in the communication field, and a statement and bank receipt confirming the transfer shall be attached to the documents that will be submitted during the Registration Process. The amount of the Tender Security shall be credited to the Tendering Party's bank account by the registration deadline specified in the Auction Announcement.

### Draft contracts:

The Tendering Party will within 2 working days after the successful Registration send to the Tendering Parties Registered for the given Auction a sample of the Gas Storage Contract and,

if relevant for the given Auction, the model of the Secondary Capacity Trading Contract for interruptible capacities.

## **Submission of an offer**

Electronic Auctions will be conducted through the Electronic Auction Surface provided by the Auction Operator, and the Tendering Parties may submit their Offers through this surface in accordance with the rules of the relevant Electronic Auction Procedure.

### Access to the Electronic Auction Surface:

Only Tendering Parties that have successfully registered for a given Auction will receive access to the Electronic Auction Surface for the given Auction. The data required for access will be sent by the Auction Operator to the e-mail address of the registered Tendering Parties specified during the registration process.

The Auction Operator will provide the Tendering Parties with the opportunity to test the Electronic Auction Surface and get prepared for the Auction within the timeframe specified in the Auction Announcement. The Auction Operator will provide telephone and electronic support to the Tendering Parties during the Auction.

By logging into the Electronic Auction Surface, the Tendering Parties who have registered for the relevant Auction agree to follow the rules of the Electronic Auction Process.

### Procedure for submitting offers:

Offers in a given Auction may be submitted through the Electronic Auction Surface provided by the Auction Operator in accordance with the relevant Electronic Bidding Rules.

**For the purposes of this Auction, the rules set out in the Dutch Electronic Auction Rules will apply.**

Before the starting date of the Electronic Auction Process, the Tendering Party shall specify the Bid Quantity, i.e. the quantity of capacity (number of announced capacity bundles), which the Tendering Party will bid to book at the Auction Price it has offered within the Electronic Auction Process. If the Tendering Party fails to specify the quantity or is late in doing so, and nevertheless participates in the Electronic Auction, the Tendering Party will automatically, without any further notice, consider the Bid Quantity for the Tendering Party as 1 Capacity Bundle (1 LOT) and will count it accordingly in the evaluation of the bidding process.

A Tendering Party may submit offers in the Auction for up to the number of storage bundles specified in the section "Maximum number of bid bundles" that can be applied for.

The Tendering Party will determine the Initial Price of the capacity bundles to be sold in the Auction. The Initial Price will be published at the start of the Electronic Auction on the Electronic Auction Surface to the Tendering Parties participating in the Auction.

Bids can be submitted with a valid bid made in the Electronic Auction Process. The Offer Price submitted in the Electronic Auction Process applies to one capacity bundle (1 LOT). The Tendering Party will consider as valid offers within the Electronic Auction Process all bids submitted through the Electronic Auction Surface using the e-mail address provided by the Tendering Party during registration.

**The Offer submitted by the Tendering Party in the Auction is considered as a proposal for concluding a contract, and the Tendering Party will remain bound to the Offer until the 15th (fifteenth) working day following the date of announcement of the auction results of the auction named as "4/2024 Storage Capacity Auction - 1 year", i.e. until December 19, 2024.**

The Offer Price is understood as a net amount, exclusive of VAT and any other official charges or tax-like amounts.

#### Definition of Products Announced for Auction

The Tendering Parties are entitled to submit offers during the Auction for the following Capacity Bundle:

Size of 1 capacity bundle:	54 084 552 kWh/storage year mobile capacity
	772 656 kWh/day withdrawal capacity, of that: <ul style="list-style-type: none"> <li>• 386 304 kWh/day non-interruptible</li> <li>• 386 352 interruptible</li> </ul>
	406 656 kWh/day injection capacity, of that: <ul style="list-style-type: none"> <li>• 208 608 kWh/day non-interruptible</li> <li>• 198 048 kWh/day interruptible</li> </ul>
Contractual period:	01.04.2025. 6:00 hours – 01.04.2026. 6:00 hours
Withdrawal / injection option:	70 / 133 days
Number of announced bundles:	30 bundles

## Contact person

After the announcement of the Auction only the following contact persons appointed by HEXUM Földgáz Zrt. will be entitled to provide information and answer to any further questions related to the Auction:

### For information arising until the Auction date:

**Name: Zsolt Molnar**  
**Phone: +36 20 9726029**  
**e-mail address: [molnar.zsolt@gaztarolo.hu](mailto:molnar.zsolt@gaztarolo.hu)**

### For information arising during and after the Auction:

in Hungarian

**Name: Gabor Bali (Representative of the Auction Operator)**  
**Phone: +36 30 9796980**  
**e-mail address: [gabor.bali@energiq.hu](mailto:gabor.bali@energiq.hu)**

in English

**Name: Dr. Judit Groszman (Representative of the Auction Operator)**  
**Tel: +36 20 2654401**  
**e-mail cím: [jgroszman@budapesti5000.hu](mailto:jgroszman@budapesti5000.hu)**

## Miscellaneous provisions

HEXUM Földgáz Zrt. will notify the winning Tendering Party(ies) following the evaluation in accordance with the provisions of the Auction Rules.

Following the Auction, the Tendering Party and the winning Tendering Party(ies) will conclude a Natural Gas Storage Contract for the awarded storage capacities in accordance with the provisions of the Auction Rules.

**We would call the attention of the Tendering Parties to the fact that contrary to the Auction Rules, HEXUM Földgáz Zrt. does not accept any parent company guarantee as a contractual security for the present capacity auction named as "4/2024 Storage Capacity Auction - 1 year", considering the current geopolitical situation and, in this context, the uncertainties related to the availability of natural gas resources and the unpredictable impact of anticipated further sanctions, furthermore, for the aforementioned reasons, the individual gas storage draft contract attached to the Auction Announcement differs from the Auction Rules.**



The Tendering Party explicitly reserves the right to suspend the Auction announced under this Auction Announcement for the entire duration of the Auction without giving any reason, or to withdraw the Auction Announcement without giving any reason.

In the event the Auction is withdrawn, the Tendering Party will not have no liability towards the registered Tendering Parties for any damages, interest, costs or other liabilities, and the Tendering Parties will bear their own damages and costs.

The Tendering Party reserves the right that in the event laws introduce restricting measures to movement or the Tendering Party imposes other restrictions with reference to war emergency, it can determine acts that do not require personal presence instead of those acts that require personal presence in the Auction Rules and/or the Auction Announcement, or that it can, if necessary, modify the deadlines specified in the Auction Rules and/or the Auction Announcement to a reasonable and justified extent. If any such measure is introduced, the Tendering Party will inform all participants of the process by e-mail.

**Fót, November 13, 2024.**

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**HEXUM Földgáz  
Company Limited by Shares  
Tendering Party**

**Appendix 1: Auction Rules**

**Appendix 2: User IT Security Policy**