

INDEX PRODUCT

CONDITIONS OF ELECTRONIC AUCTION - 14. 3. 2025, 10:00 - UGS DAMBOŘICE

Parameters of Offered Storage Capacity

Total Storage Period		3 storage years* (1.4.2026 - 1.4.2029)	
Working Gas Volume		500 000 MWh	
Injection Output	5 306 MWh/day (120 days)	Withdrawal Output	6 890 MWh/day (90 days)
Minimum booked storage capacity	0%	Type of capacity	annual
Size of additional storage capacity	300%	Kind of capacity	with fixed output

Financial Parameters

Initial price of Auction Premium per 1 MWh		0 EUR / storage period*	
Price step of Auction Premium per 1 MWh		0,1 EUR / storage period*	
Storage User's obligation to provide technological gas (Gas in Kind)		YES	1,20%
Financial security	0 CZK	Penalty for failure to sign the storage contract	10 000 000 CZK

Parameters of Electronic Auction

Type of auction	Capacity Auction	Auction mode	Standard
Start of the Auction	14.3.2025, 10:00	Request for participation deadline	14.3.2025, 9:30
Auction round time	10 minutes	Interval between auction rounds	1 minute

Annexes

General Auction Terms and Conditions	Annex No. 1	Sample Storage Contract	Annex No. 2
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* S:

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Company registered in Commercial Register at the Regional Court Brno, Reg.No. B 5870
Company is holder of the Environmental Management System Certificate acc. ČSN EN ISO 14001 and ISO 45001



Parameters of the indexed product and total price

The subject of the auction is the reservation of storage capacity for a three-year storage period, with the resulting price to be determined separately for each storage year as follows:

The partial price for storage capacity for a particular storage year ("SY") will be determined for each fixation period according to the following Formula:

$$P_{D,SY} = SW_D + K$$

where:

$P_{D,SY}$ is the partial price for storage capacity in each storage year SY for a particular fixation day

SW_D is the value of the SW Spread for a particular fixation day, defined in the SW Spread section.

K is the auction premium, which is the only part that will be competed in the auction.

The size of the auction premium K shall be determined based on the results of the electronic auction ended on [●], whereby the auction premium per MWh under this Agreement shall be EUR [●].

The total annual price for storage capacity for each storage year is calculated after the completion of the partial fixations in accordance with these conditions and is determined by the average of the partial prices weighted by their working gas volumes multiplied by the booked working gas volume.

The partial working gas volume of reserved storage capacity together with the partial price are referred to as "Partial Fixation".

The injection and withdrawal capacities will then be added to the total fixed working gas volumes using the PRO RATA principle.

The storage operator shall have the right to make partial fixations at his discretion withing the time limited fixation period, which lasts:

- For SY 2026/27 from the date of signing the contract till 30 September 2025
- For SY 2027/28 from the date of signing the contract till 30 September 2026
- For SY 2028/29 from the date of signing the contract till 30 September 2027

The storage operator has the right to request from the storage user current screenshots showing the parameters of the current SW spread on the market and in such case the storage user is obliged to provide such screenshots immediately (within 10 minutes after receiving the request). In case the storage operator decides to execute a partial fixation for a particular storage year SY, it shall inform the storage user without undue delay of the size of the partial fixation (the size of the working gas volume for which the price is to be fixed) according to the rules set out below.

The storage user has the right to execute the partial fixations at its discretion within the time-limited fixation period, which lasts:

- For SY 2026/27 from 1 October 2025 to 30 March 2026
- For SY 2027/28 from 1 October 2026 to 30 March 2027
- For SY 2028/29 from 1 October 2027 to 30 March 2028

In case the storage user decides to execute a partial fixation for a particular storage year SY, it shall inform the storage operator of the size of the partial fixation (size of the working gas volume for which the price is to be

fixed), the fixed price and at the same time provide current screenshots capturing the parameters of the current SW spread on the market according to the rules set out below.

The storage user is required to have made partial fixations on the last day of the storage user's fixation period for a given storage year SY that are in aggregate equal to 100 % of the reserved working gas volume. If the sum of all partial working gas volumes from the partial fixations made for a given storage year SY is not equal to 100 % of the reserved working gas volume for each year, an automatic partial fixation shall be applied. In the case of Automatic Fixation, the unfixed part of the storage capacity will be automatically fixed at the price calculated in the Automatic Fixation Period as the arithmetic average of the SW spreads.

Automatic fixation period for the calculation of the average SW spread is the period from 1.3. – 31.3. always preceding the respective storage year. The reference market for the determination of the fixation prices will be the Trading Hub Europe ("THE"), specifically the data on the <https://www.eex.com/en/market-data/market-data-hub/natural-gas/futures> in the section "EEX THE NATURAL GAS FUTURES", tab "Season", column "Settlement Price".

The minimum working gas volume of the partial fixation is 15% of the total reserved storage capacity in a given SY and the maximum working gas volume of the partial fixation is 50% of the total reserved storage capacity in a given SY, always rounded to the whole MWh.


The minimum price of the partial fixation is 2.5 EUR/MWh of the reserved storage capacity and the maximum price of the partial fixation is 4.5 EUR/MWh of the reserved storage capacity and also applies to the Automatic Fixation Period. If the Maximum Price is exceeded ($P_D > \text{Maximum Price}$), the P_D price will not apply but the Maximum Price will be set. In case the P_D price is below the Minimum Price ($P_D < \text{Minimum Price}$), the P_D price will not apply but the Minimum Price will be set.

Partial fixations are terminated:

- (a) in the event that the entire working gas volume of reserved storage capacity is fixed before the end of the Storage Operator's or Storage User's Fixation Period; or
- (b) on the last specified day of the Partial Fixation that falls within the Storage User's Fixation Period or Automatic Fixation Period, if applicable.

Information about the partial fixation

A partial fixation must be executed between 10:00 and 15:00 CE(S)T and one partial fixation may be executed per business day that is also a business day in the Czech Republic, the United Kingdom, the Federal Republic of Germany and the Netherlands. Information on individual partial working gas volumes will be sent to the e-mail addresses listed below:

Storage User's email address for communication regarding partial fixations: 

Storage Operator's email address for communication regarding partial fixations: sales@mnd-es.cz

SW Spread

The reference market for pricing the fixation will be the Dutch Title Transfer Facility ("TTF") and the current location spread between TTF and THE. The SW spread value for a given fixing day is calculated according to the following formula:

$$SW_D = TTF SW_y + L$$

Where:

TTF SW_y represents the arithmetic average of the current market bid and ask in the respective application for the time spread SUM/WIN for the given SY on TTF (The relevant application for fixation TTF SW_y , THE/TTF

SUM_y and THE/TTF WIN_y shall be Joule or any equivalent liquid application). If the SUM value is lower than the WIN value, then the absolute value is used for the TTF SW_y. If the SUM value is greater than the WIN value, then 0 is used.

L represents the current location spread between THE and TTF, and is calculated as follows:

$$L = (WIN_y \text{ THE/TTF}_{bid} + WIN_y \text{ THE/TTF}_{ask}) / 2 - (SUM_y \text{ THE/TTF}_{bid} + SUM_y \text{ THE/TTF}_{ask}) / 2$$

The condition of the fixation is that the current marked bid ask spread for each of the three products is no more than 0.2 EUR/MWh or that both parties agree on the market price for the three products. In the event that one of the mentioned prices is not available, the price for the last traded quantity will be used as the reference price.

Exchange of information

Any further communication, including information on the implementation of the Automatic Partial Fixing and the calculation of the resulting unit price, shall also be made by e-mail to the e-mail addresses specified in this Annex, unless otherwise agreed.