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2024

Implementing Auction Rules for the allocation of annual available Capacity in accordance with the Regasification Code cleared by ARERA resolution No. 469/2023/R/Gas on 17th October 2023¹ - Open Season 2024.

1. Recitals and definitions

Whereas:

- a) The Regulatory Authority for Energy, Networks and Environment ("ARERA") adopted Resolution No. 660/2017/R/Gas "Regulatory reform regarding the allocation of the LNG regasification capacity on the basis of market mechanisms (Auctions)" and relative Annex A "Integrated text of the provisions concerning guarantees of free access to the liquefied natural gas regasification service (TIRG)" and "Tariff regulation criteria for the liquefied natural gas regasification service for the sixth regulatory period (2024-2027)" on 9th May 2023, Resolution n° 196/2023/R/Gas;
- b) the Ministry for Economic Development adopted the decree of 8 July 2020, "Criteria on the basis of which the Regulatory Authority for Energy Networks and Environment defines the procedures for assigning the quota of capacity not subject to exemption for interconnectors to and from countries outside the European Union and regasification terminals and repeal of the decree of 28 April 2006" ("MISE Decree"), which sets out the criteria for allocating regasification capacity not subject to exemption.

¹ Please note that Adriatic LNG launched Consultation No. 15 of the Regasification Code on 15/03/2024, which ended last 29/04/2024. At the time of publication of this Implementing Auction Rules, verification by ARERA is pending. If the Resolution is published during the Open Season 2024, version no. 15 of the Regasification Code will be deemed to have been implemented.

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- c) by Resolution No. 576/2020/R/Gas, ARERA amended and updated the TIRG in order to incorporate the provisions of the MISE Decree.
- d) during the period from 2 February to 22 March 2021, the Operating Company (as following defined on the relevant session “Definitions”) submitted for public consultation an illustrative document relating to the possible products and the main characteristics of the mechanisms and rules of the “Open Season”, or “Annual Allocation”, procedure for the allocation of the portion of Annual regasification Capacity not subject to exemption in compliance with the MISE Decree and ARERA Resolution No. 576/2020/R/Gas, together with a proposal to update the Regasification Code. As a result of the public consultation, these proposals were substantially amended, also to consider ARERA's observations. The amended Regasification Code was subsequently cleared by ARERA with Resolution No. 355/2021/R/Gas of 3 August 2021;
- e) the new Annual Subscription Process is aimed at offering the European gas market a process that enables the allocation of Available Capacity for up to a period of 25 years, also guaranteeing the allocation of capacity in accordance with criteria of efficiency, cost-effectiveness and safety of the gas system, as well as meeting the need to protect competition, as required by the MISE Decree and the principle of maximising the utilization of the Terminal pursuant to Chapter II Article 2.4.3 of the Regasification Code;
- f) the Operating Company is required to publish and constantly update the status of the Terminal Capacity in its Electronic Communication System;
- g) in compliance with the Regasification Code (that provides to contemporary publish the Available Capacity as indicated at point f), and the implementing auction rules – “Implementing Auction Rules” as follows defined – for annual allocation by means of “pay as bid” auctions) with this Implementing Auction Rules for Open Season 2024 annual allocation, the Operating Company therefore intends to implement the procedures provided by the Regasification Code for the assignment of Available Capacity for periods equal to or greater than the Thermal Year via competitive auction according to the methods and terms described below;
- h) ARERA has adopted on May 27th June 2023 the resolution n° 288/2023/R/GAS regarding on Reserve Prices definitions for allocations of regasification capacity. Entry Costs shall be included in the Reserve Price defined by the Operating Company.
- i) Finally, with the aim of simplifying the methods of participation in the Binding Phase of the Annual Subscription Process for Available Capacity and reducing the administrative activities for the Applicants, the Operating Company has developed an IT platform called "Portale Asta" also accessible from Electronic Communication System (portaleasta.adriaticlng.it), maintaining impartiality and equal treatment between Interested Operators (as defined below) for the purposes of participation in the Annual Subscription Process.

Definitions

Capitalised terms refer to the definitions set out in the Regasification Code and, where not defined therein, shall have the meanings set out below:

- (i) **“Access Request”** has the meaning reported on Chapter II.2.4.2 of the Regasification Code [**Richiesta di Accesso** in the Italian text]
- (ii) **“Annex Price Form to the Access Request”** (also "Annex Price") means the form that the Applicant submits to the Operating Company, in the manner defined by it and communicated to the Interested Operators and/or Applicants during the Binding Phase, in which the Applicant submits offer/s for Available Capacity; each Annex Price is uniquely linked to an Access Request submitted by the Applicant. In particular, in the Binding Phase, following the sending of the Annex Price, the Access Request will mean the latter integrated with the relevant Price Form [**Allegato Modulo Prezzo alla Richiesta di Accesso** in the Italian text].
- (iii) **“Applicant”** means any operator who meets the requirements of the Regasification Code and who presents the Access Request(s) referred to in the art. 4.3 [**Richiedente** in the Italian text].
- (iv) **“Bid Bond”** has the meaning assigned to it in Article 4.8, is the guarantee to provide by the Interest Operator who wants to partake the Annual Subscription Process [**Bid Bond** in the Italian text];
- (v) **“Binding Phase”** has the meaning assigned to it in point iv) of Article 2.4.2 of Chapter II of the Regasification Code as described in greater detail in Article 4 of these Implementing Auction Rules for annual Capacity allocation. The Binding Phase starts on July 17th, 2024 and will end on 31th July, 2024 at 12 P.M. CET [**Fase Vincolante** in the Italian text];
- (vi) **“Declaration of Interest”** has the meaning assigned to it in Article 5.3 [**Dichiarazione di interesse** in the Italian text];
- (vii) **“Entry Costs”** means the cost of downstream transportation on “take or pay” basis provided for in resolution ARERA no 288/2023/R/GAS to be calculated considering Tariff 2025 as defined with Resolution of Arera no 216/2024/R/GAS with coefficient of multiplication 1 (one) converted from €/y/Smc/d in €/lcm for the purpose of the Annex Price to the Access Request by using a liquid/gas volume ratio of 611 [**Costo di Entry** in the Italian text];
- (viii) **“Non-Binding Phase”** has the meaning assigned to it in point iv) of Article 2.4.2 of Chapter II of the Regasification Code where, with the exception of the confidentiality obligation, neither the Interested Operator nor the Operating Company undertakes binding commitments as described in detail in Article 4 of the Implementing Auction Rules for annual Capacity allocation. The Non-Binding Phase starts on June 20th, 2024 and will end on July 12th, 2024 – 5 P.M. CET [**Fase Non Vincolante** in the Italian text];
- (ix) **“Notice of opening of the Annual Subscription Process (Non-Binding and Binding Phase)”** has the meaning assigned to it in Article 4.1 [**Avviso di avvio della Procedura Annuale di Sottoscrizione (Fase Non Vincolante – Fase Vincolante)** in the Italian text];
- (x) **“Operating Company”** is Terminale GNL Adriatico S.r.l., with registered office in Via Santa Radegonda 8, 20121 Milan, recorded in the Milan Company Register under no. 1788519, VAT number and tax code no. 13289520150 [**Gestore** in the Italian text];

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- (xi) “**Portale Asta**” is the IT tool made available by the Operating Company through the Electronic Communication System as platform to collect Annex Price to the Access Requests;
- (xii) “**Unit Charge**” means the amount expressed in €/lcm in real terms 2024² that the Applicant undertakes to pay for the Available Capacity. The Unit Charge does not include VAT. [“**Corrispettivo Unitario**” in the Italian text]

2. Purpose

- 2.1 The purpose of these Implementing Auction Rules for annual available Capacity allocation is to implement the Annual Subscription Process of Available Capacity provided for in the Regasification Code by communicating the operational indications regarding the participation methods that the interested parties who possess the requirements set out below, must adopt.
- 2.2 The allocation of Available Capacity carried out by means of the Annual Subscription Process is performed on an annual basis and in accordance with the criteria defined in the Regasification Code as implemented in these Implementing Auction Rules for annual Capacity allocation.

3. Participation procedure

- 3.1 Participation in the Annual Subscription Process is granted on impartial and under equal conditions to all parties meeting the requirements set forth in Article 4 below. Participation in the Binding Phase is granted to accredited Interested Operators.
- 3.2 The allocation process is made of two phases: (i) a **Non-Binding Phase** and (ii) a **Binding Phase**, which details are provided below.

4. Performance of the allocation process

Phase 1: Non-binding Phase - Duration and Procedures

- 4.1 The Non-binding Phase is opened by the Operating Company by publishing it on the Electronic Communication System [“Notice of opening of the Annual Subscription Process (Non-Binding and Binding Phase)”].
- 4.2 The Operating Company publishes on its Electronic Communication System the updated data on Available Capacity.

² The price to be applied during the contractual period will be revalued annually, before the start of each thermal year, at the actual inflation rate recorded in each month of September, as measured by ISTAT in the national consumer price index for families of workers and employees, net of tobacco. For the first contractual year, the reference ISTAT index is that relating to the month of subscription of the regasification capacity, i.e. July 2024.

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4.3 Each interested party shall declare to the Operating Company, by completing the Declaration of Interest which includes a confidentiality obligation, for each interested party, in the form published in the Electronic Communication System and included here in Annex 1 ("**Declaration of Interest**"), no later than 17.00 (seventeen) P.M. C.E.T. on July 12th, 2024:

- i. that it meets all the Access Conditions set out in Article 2.4.4 of Chapter II of the Regasification Code;
- ii. its express and full acceptance of the provisions set out in the Regasification Code and in these Implementing Auction Rules for annual Capacity allocation;
- iii. that it is not subject to bankruptcy proceedings or not subject to debt recovery actions by the Operating Company;
- iv. elected signatory has, pursuant to and for the effects of Italian President Decree no. 445/2000 the necessary powers of representation to sign in the name and on behalf of the interested party, the Declaration of Interest and provide adequate documentation to support the powers of representation.

4.4 Within the deadline indicated in point 4.3, each interested party in participating in the Annual Subscription Process has to submit to the Operating Company the **Modulo di Accesso al Portale Asta** (Annex 2) for the issue, once accreditation has occurred, of the access credentials to the subjects identified to operate on the Portale Asta by name and account of the interested party. The interested party is responsible for the correct use and activities that take place through his/her account and/or through the use of access credentials to the Portale Asta and undertakes to guarantee compliance with the instructions and operational indications made available by the Operating Company for using the Portal. Communications and notifications sent through the Portale Asta to the interested party are sent to the persons indicated in the Modulo di Accesso al Portale Asta by the interested party.

4.5 The party that signs a Declaration of Interest becomes an **Interested Operator**.

4.6 Interested Operators, to partake the Annual Subscription Process, must obtain a Qualified Electronic Signature (QES) certificate in PADES format in the name of the person vested with adequate powers of representation who will sign the documentation relating to the Annual Subscription Process and contractual documentation, provided by an authorised provider included on the official EU list (<https://eidas.ec.europa.eu/efda/tl-browser/#/screen/home>) or, alternatively, another similar and suitable means to meet the same requirements that will be evaluated by the Operating Company at its sole discretion. The purchase, installation and configuration of the hardware, software, PADES digital signature certificate and PEC (certified e-mail) box remain the sole responsibility of the Interested Operator.

4.7 All documentation must be sent by Interested Operators to the Operating Company at the following certified email address [terminale.gnl.adriatico_mercato@pec.it] and, where applicable, digitally signed using a Qualified Electronic Signature (QES) certificate in PADES format or, alternatively, another similar and suitable means to meet the same requirements that will be evaluated by the Operating Company at its sole discretion. The Operating Company, by way of example, may (but will not be obliged to) consider the following means of signature suitable: valid digital signature certificate, issued by a body included in

the public list of certifiers kept by the Agenzia per l'Italia Digitale (provided for by article 29 of legislative decree no. 82/05); a certifier operating on the basis of a license or authorization issued by a Member State of the European Union and in possession of the requirements set out in Regulation no. 910/14; a certifier established in a State not part of the European Union when one of the following conditions is met: i. the certifier possesses the requirements established by Regulation no. 910/14 and is qualified in a member state; ii. the qualified certificate is guaranteed by a certifier established in the European Union, in possession of the requirements set out in regulation no. 910014; iii. the qualified certificate, or the certifier, is recognized under a bilateral or multilateral agreement between the European Union and third countries or international organizations".

4.8 Bid Bond and Access Request

- a) To partake the Annual Subscription Process, the Interested Operator must submit to the Operating Company no later than the same deadline as per article 4.3 above, and has to:
 - (i) declare by means of the subscription of the Access Request/s³ (Annex 3) to comply with Access Requirement as set forth on the Regasification Code at Chapter II, article 2.4.2 and 4.2 and,
 - (ii) provide a guarantee issued by an Approved Guarantor in the original and in the form available in the Electronic Communication System or, alternatively, a non-interest bearing security deposit in the amount of Euro 250,000.00 (two hundred and fifty thousand) (the "**Bid Bond**"). The guarantee must be sent to the certified email address [terminale.gnl.adriatico_mercato@pec.it] if signed with a digital signature, or sent by certified email with subsequent sending of the paper document signed with a holographic signature within the following [3 (three)] working days if not signed with a digital signature. Failure to present the Bid Bond or the other guarantees referred to in article 10 of chapter III of the Regasification Code will result in the Operator's rejection of the Access Request.
- b) The interested Operator may submit a maximum of 3 (three) Access Requests. The Interested Operator will not be obliged to submit, in the subsequent Phase 2, an Annex Price to the Access Request.
- c) An Interest Operator who submits an Access Request becomes **Applicant**.
- d) The Bid Bond guarantees the signing of the relative Capacity Contract and the delivery of the guarantees referred to in Article 10 of Chapter III of the Regasification Code by the Interested Operator (then the Applicant) to which the Available Capacity is allocated following the Annual Subscription Process, in compliance with the provisions of Article 2.4.2.(a) of Chapter II of the Regasification Code. If the User is found to be in compliance with such execution and delivery obligations, the Bid Bond shall be returned at the request of the Applicant within a reasonable period of time.
- e) If the Applicant to which regasification capacity Available Capacity is allocated does not sign the Capacity Agreement and/or does not provide the guarantees referred to in Article 10 of Chapter III of the Regasification Code for any reason whatsoever, the Applicant shall be declared disqualified from

³ The Interested Operator must use the Access Request Form available in the section of the Electronic Communication System dedicated to Open Season 2024 <https://www.adriaticlng.it/it/mercato/servizi-del-terminale/open-season> compliant with the standard of the Regasification Code but specifically modified for participation in the 2024 annual procedure.

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the assignment in accordance with the Implementing Auction Rules for annual Capacity allocation and the Operating Company may, at its discretion, call on the Bid Bond. ARERA will be informed promptly.

- f) If at the conclusion of the Annual Subscription Process no Available Capacity is allocated to the Applicant, it may ask for the Bid Bond to be returned, which will be returned by the Operating Company within a reasonable period of time.
- g) The Bid Bond shall remain in force until at least eight (8) Business Days after the closing of the Annual Subscription Process i.e. until August 6th 2024.
- h) The Interested Operator which has submitted the Bid Bond is entitled to submit to the Operating Company, no later than at the time of delivery of the Annex Price to the Access Request, a single overall documentary guarantee in lieu of the Bid Bond and covering the Capacity Agreement, in the form available in the Regasification Code published in the Electronic Communication System.

4.9 Parties cannot become Interested Operators and/or Applicants, or they will lose this status, if they have not made at the date of submission of the Declaration of Interest or they do not make at any time during the Annual Subscription Process the payments due to the Operating Company on the basis of any obligation whatsoever (e.g. Capacity Agreements), for amounts invoiced and already due. The Operating Company shall promptly inform ARERA of this circumstance so that it may adopt the appropriate measures.

4.10 If the above-mentioned documentation, Bid Bond included, and the checks in accordance with the criteria set out in the Regasification Code and Regulations are satisfactory, the Operating Company will notify the accreditation to the relative Interested Operator within two (2) Business Days to participate to the Binding Phase of the Annual Subscription Process and to this purpose will send in a specific communication: a) the access credentials to the natural persons indicated by the Interested Operator in the Modulo di Accesso al Portale Asta; b) the connection to the Portale Asta for configuring personal access password. The Interested Operator must carefully guard the access credentials and password received, taking into account that they are strictly personal and that they will also be valid for subsequent accesses to the Portale Asta⁴.

Phase 2: Submission of the Annex Price to the Access Request - Reserve Price.

4.11 *Timing and procedures for submitting the Annex Price to the Access Request ("Annex Price").*

- a) The period of time for the submission of *Annex Price* shall start on July 23rd (twenty-third) 2024 – 9.00 (nine) A.M. CET and shall end on July 25th (twenty-five), 2024 at 12:00 (twelve) PM C.E.T., under penalty of exclusion. it being therefore understood that any Annex Price to the Access Request sent

⁴ Unless otherwise indicated, for Interested Operators already authorized to access the Portale Asta, it will not be necessary to send the Modulo di accesso a Portale Asta, unless there are changes to the identified natural persons. In this case, the data provided will replace and cancel the previous ones

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after the scheduled date cannot be examined, the Operating Company declines any responsibility in this regard. The Annex Price will be sent using the Portale Asta. If the Annex Price is sent to the Operating Company via the Portale Asta, on 25 July 2024, delivery must take place no later than 12.00 (twelve) CET.

- b) The Applicant may make a maximum of 3 (three) Annex Price per session each attached to the relevant Access Request sent in the accreditation phase to the Binding Phase [(4.8 a) i)], within the timescales indicated in point 4.3 .
- c) Each accredited Interested Operator may submit for each Access Requests, one Annex Price for Available Capacity for quantity and duration within the maximum allocation period set at 25 (twenty-five) years pursuant to the Decree of 8 July 2020, i.e. by 2049.
- d) The Applicant shall transmit the Annex Price available on Portale Asta indicating regarding the available Capacity available:
 - the offered Unit Charge (A). expressed in real terms 2024⁵ ; and
 - the **Entry Cost (B)**⁶; and
 - the total **A + B** which it irrevocably undertakes to offer LNG volumes expressed in lcm for a period of time within the maximum Available Capacity limit and the maximum allocation period established as 25 (twenty-five) years, i.e. by 2049;

The offered Unit Charge may be single and constant for the entire duration of the Available Capacity requested or may be modulated and divided into time periods of up to three-month period within the total duration of the Available Capacity requested depending on the session configuration set up by the Operating Company. The Entry Cost shall be constant and the one provided for in the tariff regulation i.e. no discount or increase; and the **net present value** of the Access Request in **Euros** as per the modality pursuant to Article 5 of these Implementing Auction Rules for annual Capacity allocation.

- e) Until the expiry of the peremptory deadline for the presentation of the Annex Price, the Applicant may replace the previous Annex Price saved on the Portale Asta with another updated Annex Price. The Annex Price to the relevant Access Requests presented in ways that do not comply with the conditions set out in the Regasification Code and the Implementing Auction Rules are not admitted to the Annual Subscription Process and will therefore be considered invalid, without any liability being borne by the Operating Company.
- f) Annex Price filled in and saved on Portale Asta referred to the relevant Access Request shall be considered binding, unconditional, irrevocable and valid **(i)** until the expiry of the Binding Phase, or if

⁵ The price to be applied during the contractual period will be revalued annually, according to the timing of the thermal year, at the actual inflation rate recorded in each month of September, as measured by ISTAT in the national consumer price index for worker families and office workers, net of tobacco. For the first contractual year, the reference ISTAT index is that relating to the month of subscription of the regasification capacity, i.e. July 2024

⁶ For the calculation of Entry Costs losses and consumptions shall not be computed.

earlier (ii) until the Operating Company notifies the Applicant that the auction has ended. No justification or reason shall entitle the Applicant to declare its Access Request ineffective, invalid or otherwise revoked. Should the Access Request be accepted by the Operating Company, the Applicant irrevocably undertakes to sign the Capacity Agreement annexed to the Regasification Code as verified by ARERA with the resolution n. 286/2023/R/GAS.

- g) In the event of unavailability of the Portale Asta, the Operating Company will promptly communicate in writing via certified email to the Applicants the alternative application methods and terms for participation in the procedure and for the presentation of the Annex Price Form to the Access Request.

4.12 Reserve Price - minimum Capacity Contract value

- a) The reserve price ("RP") in €/lcm referred to in point (vi) of Article 2.4.2(a) of Chapter II of the Regasification Code for Available Capacity and Incremental Capacity, shall be defined by the Operating Company. Pursuant to resolution of ARERA n° 288/2023/R/Gas the RP will include the Entry Costs.
- b) The RPs shall be delivered by the Operating Company to the notary public prior to the commencement of each session and is kept confidential.
- c) Annex Price made below each RP for Available Capacity will not be considered and will not and will not participate in the Annual Subscription Process.

5. Allocation criteria, communication of results and signing of the Capacity Agreement

5.1 The allocation criteria are set out in Article 2.4.2 a) of Chapter II of the Regasification Code and implemented in these Implementing Auction Rules for annual Capacity allocation.

5.2 Per point v) of article 2.4.2 a) of Chapter II of the Regasification Code, in the event more than two (2) Access Requests are delivered, the Available Capacity is allocated to the combination of Access Request with the highest overall economic value.

5.3 The methods for calculating the net present value (also, "NPV" ["VAN" in the Italian text]) of the Access Request are: the NPV of any Annex Price relating to the Available Capacity requested by an Applicant and the Entry Costs shall be calculated as the sum for all the duration in the Annex Price of the real price(s) offered in €2024/lcm for the relevant volumes in relation to which such real price(s) is(are) offered and discounted of the Discount Rate defined by the Operating Company plus the Entry Costs.

By way of example only, a simulation of modality of NPV calculation is provided here below under attachment 6.

5.4 The methods for communicating the outcome of each session of the auction and the auction are set out in point viii) of Article 2.4.2 a) of Chapter II of the Regasification Code.

6. Miscellaneous

- a) Choice to waive Entry Costs: as set forth on resolution 288/2023/R/GAS within 15 days from the closure of the Procedure, Applicant to whom Available Capacity is allocated shall notify the Operating Company whether or not intend to make use of the measure referred to in article 2 of the ARERA Resolution no. 288/2023/R/GAS and pay the entry costs as per the tariff determined from time to time and applicable on the basis of the tariff measures adopted, as provided for in article 3 of the above Resolution. It is understood that if the Applicant to whom Available Capacity and/or Incremental Capacity is allocated intends to make use of the measures referred to in the aforementioned article 2, in terms of Entry Costs, it is bound by a *take or pay* obligation also in relation to the Entry Costs Entry⁷.
- b) Communications: the certified email address for any communication pursuant to the Implementing Auction Rules for annual Capacity allocation unless otherwise expressed by Operating Company is terminale.gnl.adriatico_mercato@pec.it
- c) Date and time: For the purposes of these Implementing Auction Rules for annual Capacity allocation, to determine the date and time of the actual delivery of documentation listed at article 4.3 to the Operating Company, the date and time specified on the certified email of the Operating Company or, regarding Annex Price, the document provided and downloadable in pdf format from Portale Asta. In the event of failure of Portale Asta, if the Operating Company opts for other methods of receiving the Annex Price, the date and time of receipt of the Annex Price Form at the notary in charge or what indicated on the certified mailbox (PEC).
- d) Consistent with the provisions of the TIRG and the provisions adopted by the Operating Company in implementation thereof, the Operating Company reserves the right to amend, cancel, withdraw, suspend or terminate the Annual Subscription Process, at its sole discretion, by giving notice in the Electronic Communication System, by the deadline for determining and announcing the allocation(s) of Available Capacity. Adriatic LNG is not liable whatsoever from any amendment, suspension, cancellation or termination of the Annual Subscription Process, the rejection of any Access Request or the acceptance of another Access Request. Interested Operators, Applicants and any other party having an interest in the Annual Subscription Process may not, individually or collectively, claim against the Operating Company, in respect of the aspects for which it is responsible, any expectation whatsoever in relation to the award and signing of contracts and/or the allocation subject to the allocation procedure or any right to compensation, reimbursement or indemnities whatsoever. Applicants will therefore not be able to make any claims for compensation and/or indemnity and/or reimbursement of expenses, including those possibly incurred for participation in this procedure, even if the Operating Company does not sign any Capacity Contract.
- e) The Operating Company shall not be held liable for and shall not pay the charges and expenses incurred by Interested Operators, Applicants or any other party participating in any capacity in any phase of the Annual Subscription Process, regardless of whether the Annual Subscription Process is

⁷In addition to take or pay obligation for Unite Charge

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amended, cancelled, revoked, suspended or discontinued and/or their Access Request is accepted or rejected for any reason.

- f) The Implementing Auction Rules for annual Capacity allocation shall be interpreted and governed by the laws of the Italian Republic. The Italian version of the Implementing Auction Rules for annual Capacity allocation is the only binding version.
- g) The Operating Company shall not, in any way, be held liable for information provided over the telephone. **Recording on any media whatsoever, including electronically, of telephone calls, video calls, meetings in person or the like is not permitted. The Applicant will be able to rely exclusively on the official communications of the Operating Company, such as those transmitted via certified email or via the Portale Asta. Any Applicant or interested party in participating in the Annual Subscription Process accepts that all communications relating to the Procedure are strictly private and confidential in form and character and therefore cannot be recorded in any.**
- h) Interested Operators, Applicants or any other party participating in any capacity in any phase of the Annual Subscription Process acknowledge the commercially sensitive nature of the Annual Subscription Process and that the existence and content of subsequent discussions and communications shall be confidential and must not be disclosed to third parties without the express written consent of Adriatic LNG. Information, provided in any manner and in any media, received from Interested Operators, Applicants and any other party is to be treated as strictly confidential and may not be used for any purpose other than to participate in the Annual Subscription Process pursuant to the Implementing Auction Rules for annual Capacity allocation.
- i) In case of discrepancy between the Implementing Auction Rules for annual Capacity allocation and the Regasification Code, the latter shall prevail.
- j) For all matters not expressly governed by these Implementing Auction Rules for annual Capacity allocation, reference shall be made to the provisions set forth in the Regasification Code.

7. Annexes

The following annexes made available in the Electronic Communications System of the Operating Company (www.adriaticlng.it) constitute an integral part of these Implementing Auction Rules for annual Capacity allocation:

Annex 1 - Declaration of Interest Form

Annex 2 – Access Form to Portale Asta

Annex 3 – Access Request Form Open Season 2024

Annex 4 - Bid Bond - guarantee

Annex 5 - Guarantee in lieu of Bid Bond and covering the Capacity Contract

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Annex 6 - Conventional parameters for calculation of Net Present Value and example of its calculation

Annex 7 – Contract for Regulated Capacity

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**Annex 6 to implementing Auction Rules for Annual Capacity Allocation
Conventional parameters for calculation of Net Present Value and example of its calculation**

Conventional parameters for calculation of Net Present Value for 2024 Annual Capacity Allocation:

- Conversion rate from standard cubic meter of natural gas into liquid cubic meter (lcm) of LNG is: 611
- Discount rate: 6.1% real⁸
- Calculation of Entry Costs:
 - Calculation of Entry costs regarding Available Capacity with the purpose of determining VAN are converted from 2025 Cavarzere entry charge CPe, for Cavarzere Entry Point, equal to 1.157255 €/y/Scm/d using a liquid-to-volume ratio of 611.365 days per year at delivery of 28.4⁹ M SCM/day
 - a multiplicative coefficient equal to 1 (one)
 - The losses and consumptions shall not be computed.

Example 1 – Access request for Available Capacity

The following example of an Access Requests is proposed to illustrate how NPV is calculated.

Access Request for all the available capacity **starting in January 2029 and lasting 5 years** (i.e. ending in December 2033), that is equal to 228M SCM/year for the years 2029 and 2032, and 648M SCM/year for the years 2030, 2031 and 2033 with a proposed Unit Charge (“Corrispettivo Unitario”) in real 2024 prices on a yearly basis equal to **11.0€/lcm + Entry Costs equal to 2.114€/lcm**.

Based on the assumptions above the Net Present Value is calculated as follows:

$$\begin{aligned} \text{NPV}_{\text{€},2024} = & \\ & (11+2.114) \cdot (228.000.000/611) \cdot D6 \quad + \quad (11+2.114) \cdot (648.000.000/611) \cdot D7 \quad + \\ & (11+2.114) \cdot (648.000.000/611) \cdot D8 \quad + \quad (11+2.114) \cdot (228.000.000/611) \cdot D9 \quad + \\ & (11+2.114) \cdot (648.000.000/611) \cdot D10 \end{aligned}$$

with:

- $D_i = 1/(1+6.7\%)^i$
- $i = 5$ to 9

Net Present Value of the Access Request would be **Euros 32,468,145**.

⁸ WACC as reported on Resolution 556/23/R/GAS

⁹ Send out awaited starting from 2026 is 28.4 million scm/day

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For the sake of clarity, standard parameters above are meant as reference for the purpose of calculating NPVs for the allocation only, it being understood that Charges applicable to the Capacity Agreements shall be adjusted on a yearly basis considering the actual inflation rates provided, in the month of September of each year, by the Italian Institute for Statistics (ISTAT) in the following index: “indice nazionale dei prezzi al consumo per le famiglie di operai e impiegati, al netto dei tabacchi (general index “ISTAT FOI”)” published in the Official Journal pursuant to art. 81 of law 27 July 1978, n. 392. For the first contractual year, the ISTAT index will be considered with reference to the month of subscription of the capacity (July 2024).

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