



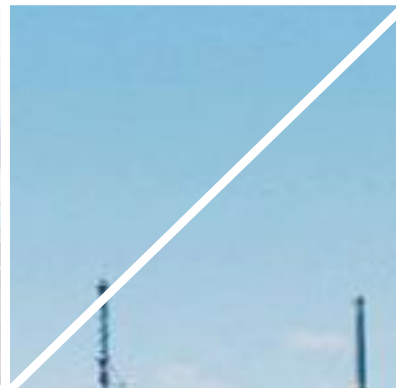
Bulgarian Energy Holding

Corporate Presentation

June 2021

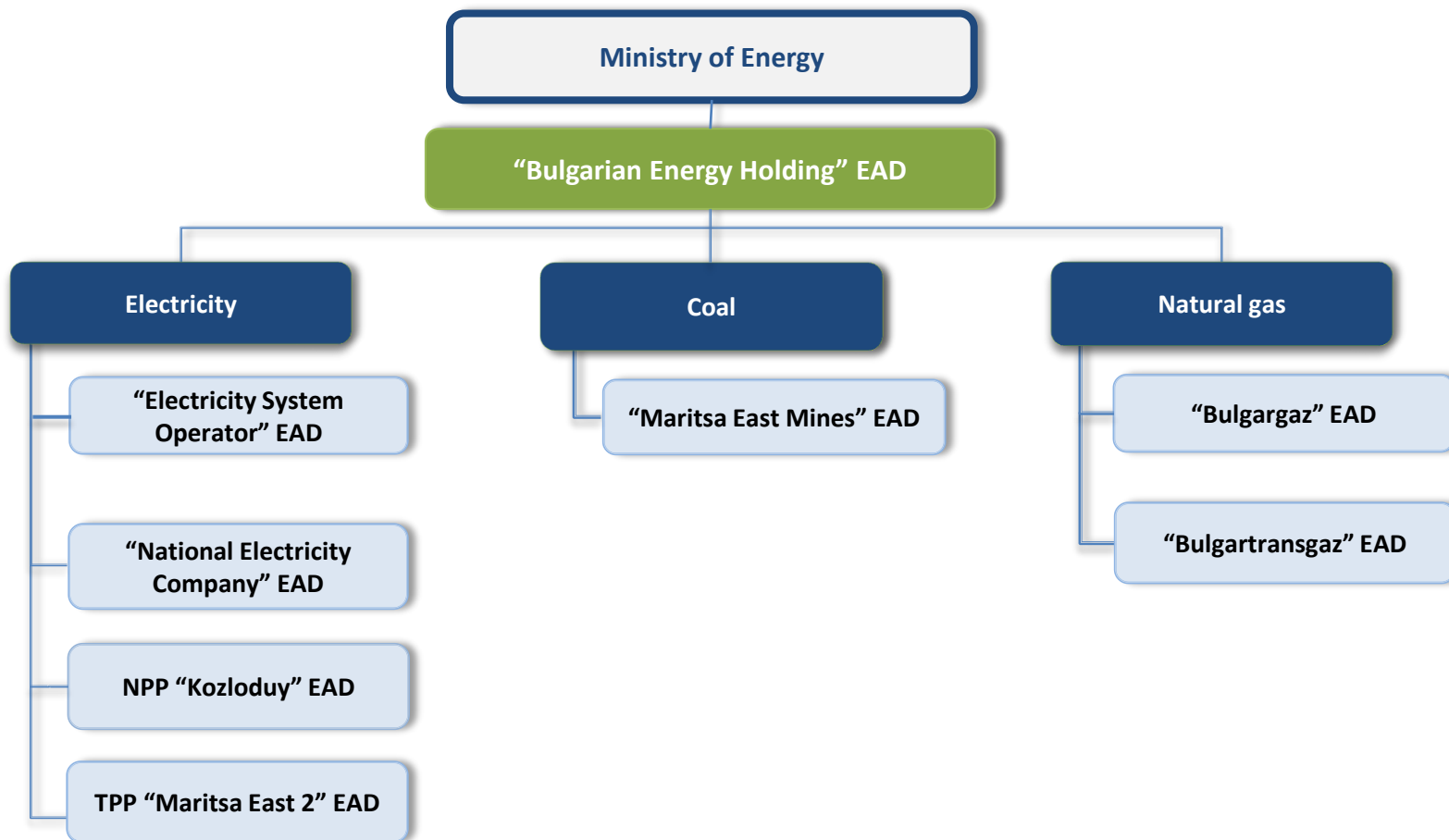
Certain statements in the following presentation regarding BEH's business operations may constitute "forward looking statements." Such forward-looking statements include, but are not limited to, those related to future earnings, growth and financial and operating performance. Forward-looking statements are not intended to be a guarantee of future results, but instead constitute BEH's current expectations based on reasonable assumptions. Forecasted financial information is based on certain material assumptions. These assumptions include, but are not limited to continued normal levels of operating performance and electricity consistent with historical levels, as well as achievements of planned productivity improvements and incremental growth from investments at investment levels and rates of return consistent with prior experience. Actual results could differ materially from those projected in our forward-looking statements due to risks, uncertainties and other factors. BEH undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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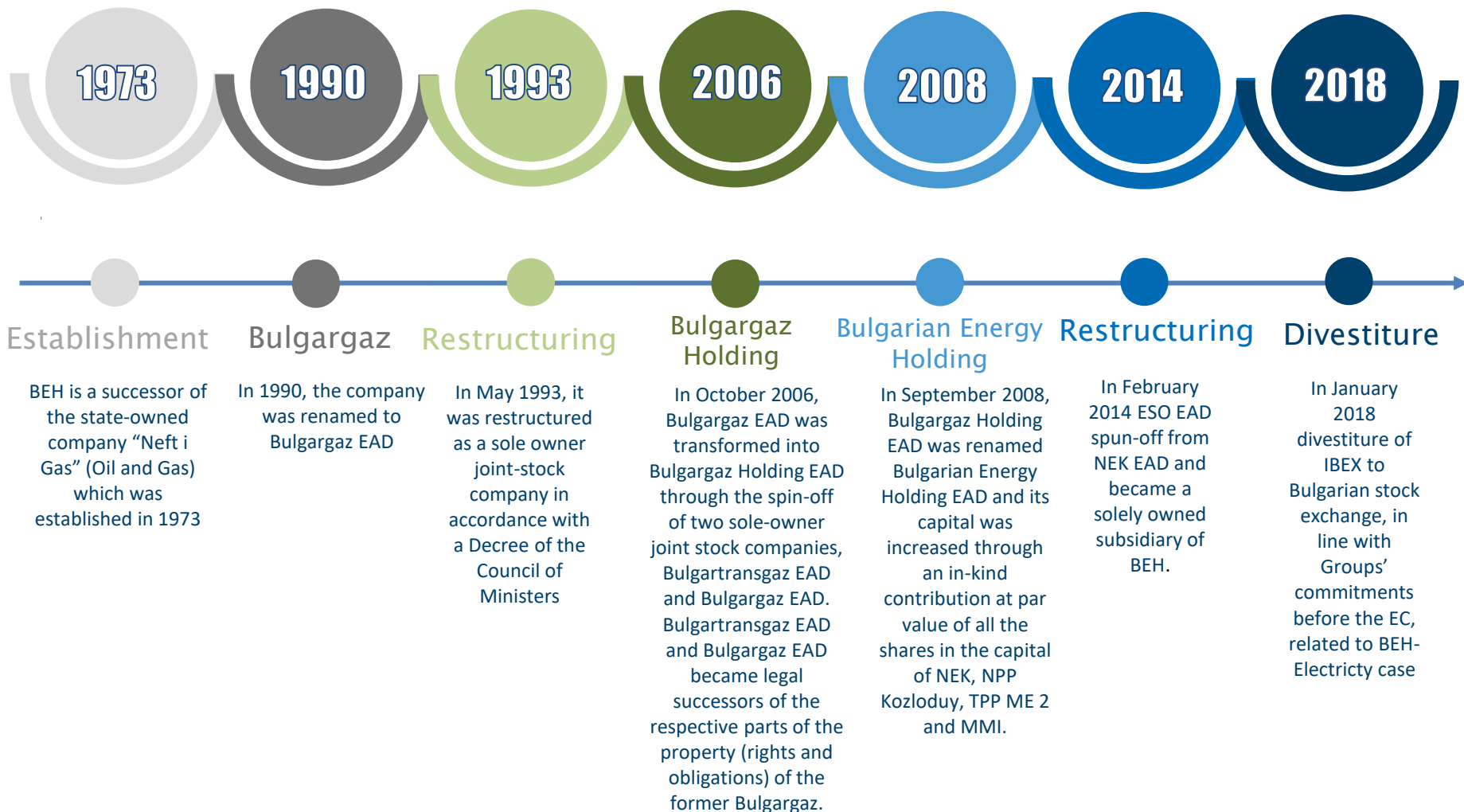


OWNERSHIP AND CORPORATE STRUCTURE

BEH consolidates the State's electricity and gas pipeline assets and establish a coherent and sustainable management strategy across the Group



History



Strategic importance of BEH Group

BEH Group is the largest holding company in Bulgaria. As of 31.12.2020:



Its assets amounted to BGN 20.4 bn (EUR 10.4 bn).



Group's revenues reached BGN 5.6 bn (EUR 2.9 bn) or 4.7% of the country's 2020 GDP (preliminary data).



More than 20 000 are employed in the Group.

BEH Group owns and operates strategic for national security energy infrastructure



Backbone of Bulgaria's power sector infrastructure with 6.3 GW installed electricity generation capacity (circa 56% of total electricity produced in the country in 2020).



Public supplier of electricity and natural gas.



Owner and operator of electricity and gas transmission assets (natural monopolies).

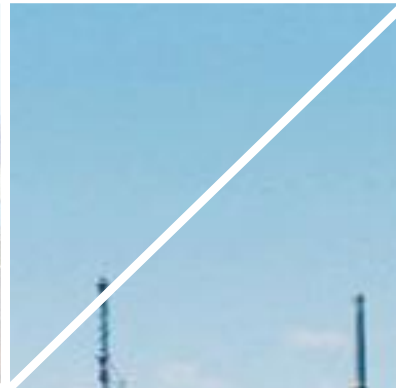


Involvement in strategic state-supported projects given Bulgaria's geographic location as a strategic hub on the energy map of Europe.

BEH has enjoyed and continues to enjoy strong support from the State

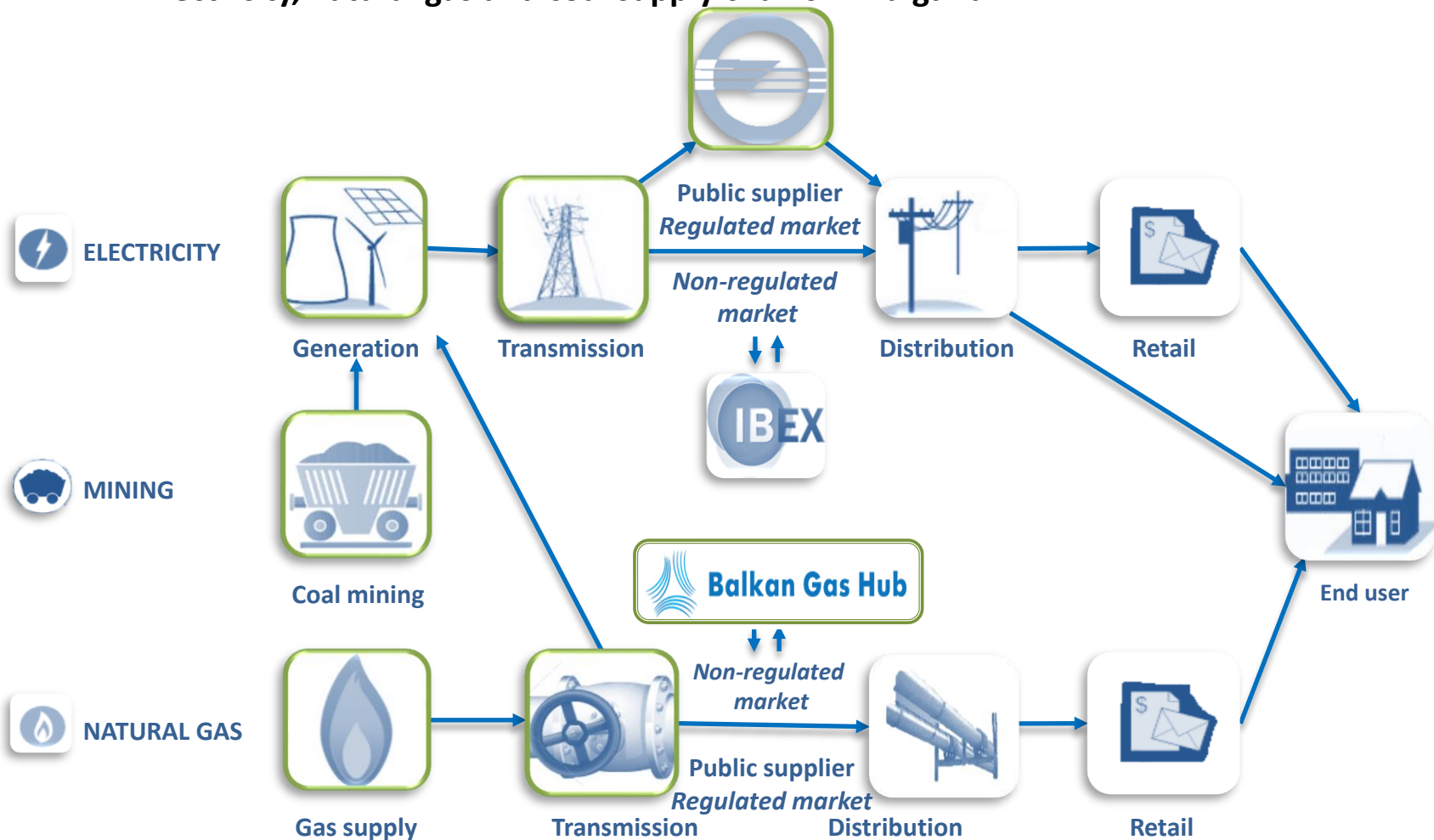
BEH is the sole government agent in the energy sector and operates as a department of the Ministry of Energy

- ▶ **100% state ownership** – The State executed equity injections in 2008 (in-kind increase) and in 2009 (cash increase of BGN 400m)
- ▶ **Strategic State entity** – BEH subsidiaries are identified as entities of the critical energy infrastructure the impairment or destruction of which would have material consequences for vitally important public functions, the health, safety, security, economic or social welfare of the population of Bulgaria
- ▶ **Privatization restrictions** – BEH Group is included in the "banned for privatization" list of companies that do not fall within the scope of privatization under the Privatization and Post-privatization Control Act (PPCA)
- ▶ **Legislative support** – Legislative and regulatory changes implemented since 2015 have significantly improved NEK's and respectively BEH's financial position
- ▶ **Strong operational linkage with the State** – BEH is the instrument Ministry of Energy for implementing policy in the energy sector. As such the company is mandated to manage all important State projects in the sector including the collaboration with the World Bank and the Bulgarian Academy of Sciences for developing policy recommendations, roadmaps and strategies for energy sector reform
- ▶ **State-guaranteed debt** – The State is committed to supporting the sound financial position of BEH Group through granting state guarantees for BEH's borrowings. EUR 110 million state guaranteed loan by EIB for IGB project
- ▶ **State "loan" to NEK** – The State via the Ministry of Energy provided EUR 601 million 7-year interest free reimbursable financial assistance to NEK to cover obligations under the Belene arbitration ruling



BUSINESS ENVIRONMENT BUSINESS STRATEGY

Electricity, natural gas and coal supply chains in Bulgaria



 Activities where BEH owns assets are marked in green.

**BEH's long-term strategy aims to guarantee security of energy supply and sustainability of the energy sector.
BEH is the instrument of the State for implementing the State's energy strategy**

ELECTRICITY

- ▶ Guarantee security of electricity supply
- ▶ Rehabilitation and expansion of transmission network
- ▶ Extension of the useful life of existing nuclear facilities
- ▶ Maintain the electricity generation balance through investments in generation facilities
- ▶ Increase exports and strengthen the position of Bulgaria as a strategic net exporter in the region
- ▶ Achieve a liberalized, transparent, integrated and competitive electricity market

NATURAL GAS

- ▶ Guarantee security of gas supply
- ▶ Modernize and expand existing gas network and storage facility
- ▶ Diversify supply sources and routes for supply through construction of gas interconnectors with neighbouring countries (Greece, Turkey and Serbia)
- ▶ Solidify position as strategic regional gas player, including through the development of the Balkan Gas Hub
- ▶ Expansion of the existing Chiren gas storage facility

MINING

- ▶ Guarantee security of lignite coal supply
- ▶ Maintain production capacity of MMI
- ▶ Improve efficiency of open pit mining, including through investment in new heavy mining equipment
- ▶ Continue satisfying the requirements of the thermal power plants in the Maritsa East Basin

The project is for expansion of gas transmission and transit infrastructure from Bulgarian-Turkish to Bulgarian-Serbian border and consists of a 474km cross-country high pressure gas pipeline between CS Nova Provadia and Serbian border

Capacity

Approx. 19.7 bcm/y at the entry point at the Bulgaria-Turkey border and approx. 13,7 bcm/y at the exit point at Bulgaria-Serbia border

Capex

€1.3 bln (of which the EPC contract **€1.102 bln** and construction of compressor stations **€0.2 bln**), VAT excluded

Financing

€1.1 bln loan from EPC contractor with 10 years repayment period, **€0.2 bln** equity.

Timing

Construction of high pressure gas pipeline system between compressor station Nova Provadia and Serbian border (Completed by end of 2020)

Commercial operation date – Already in operation for part of technical capacity; full capacity will be reached following the operation of the new compressor station Nova Provadia expected in 2nd Half of 2021).

Projects proceeds

Gas transportation through Balkan Stream is based on ship-or-pay obligations of the shippers, who have already reserved capacity on a long-term basis. Additional capacities may be reserved through capacity auctions under the EU Capacity Allocation Mechanism Network Code under Regulation (EU) 2017/459.

Revenues from gas transportation will vary, depending on the annual capacity profile under long-term gas transportation agreements, additional capacities being reserved and OPEX re-calculation on yearly basis. Applicable tariff mechanisms are designed to ensure coverage of OPEX, depreciation for tariff purposes and cost of invested capital, as approved by the energy regulatory authorities.



100%



IGB is a 182km cross-country high pressure gas pipeline between Komotini (Greece) and Stara Zagora (Bulgaria): approx. 31 km of the route is in Greece, 151km in Bulgaria.

Capacity

Up to **3 bcm/y**, with the possibility for increase of up to 5 bcm/y

Capex

Construction CAPEX expected to be approx. **€247m** (VAT excluded)

Financing

€42m already injected as equity by the shareholders, **€110m** EIB loan, **€84m** grant funding (**€45m** under EEPR and **€39m** under OPIC), ~ **€30m** VAT bridge loan

EU and state support

Included in the EU list for Projects of Common Interest.
Project of national importance – the only energy project with a committed state guarantee **of up to €110m**

Timing

End of construction – deadline **April 2021**.
Commercial operation date – deadline **Q2-Q3 2021**.

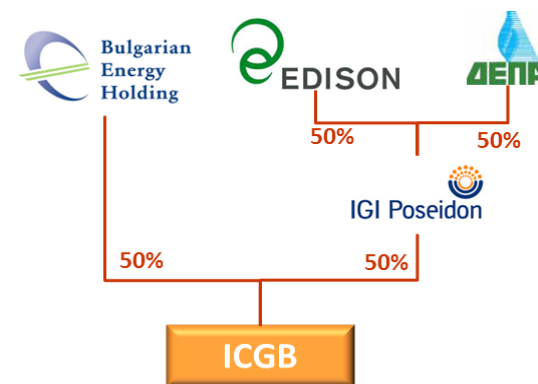
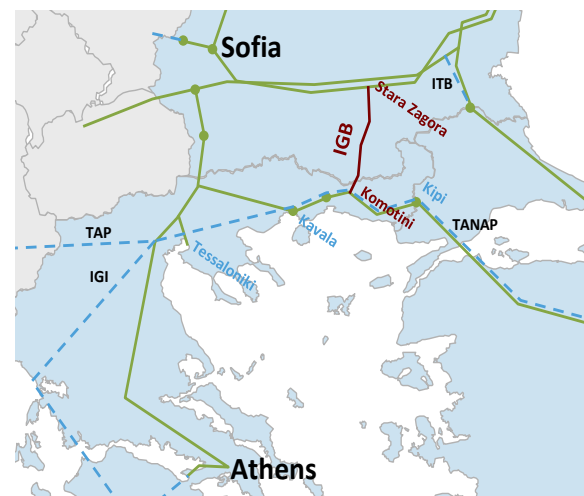
Strategic rationale

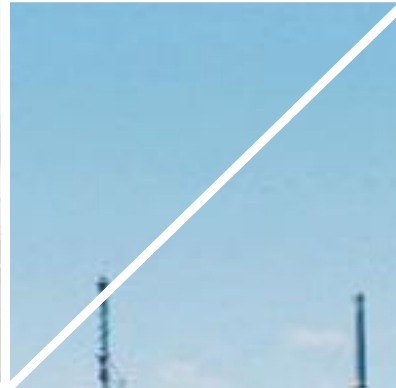
Connection of Southeastern Europe with natural gas supply sources from the Caspian region, Middle East, East Mediterranean and LNG
Imported gas through IGB can be transited to neighboring countries and beyond via other interconnectors such as IBR (BG-RO), IBS (BG-SER)

Current status

The Project Company ICGB has amended contractual schedule with the EPC Contractor due to COVID-19 related restrictions. Line Pipe supply has been completed, construction activities are under way in the Bulgarian and Greek sections.

Two tranches in total amount of EUR 60 million under the Finance Contract between BEH and EIB have been disbursed by January 2021. The funds have been provided to the ICGB project company to finance the implementation of project activities.





OPERATING ENVIRONMENT AND COMPETITION

Bulgarian energy sector Overview

Electricity market

- ▶ Hybrid model with two market segments: free (liberalised) market and regulated market.

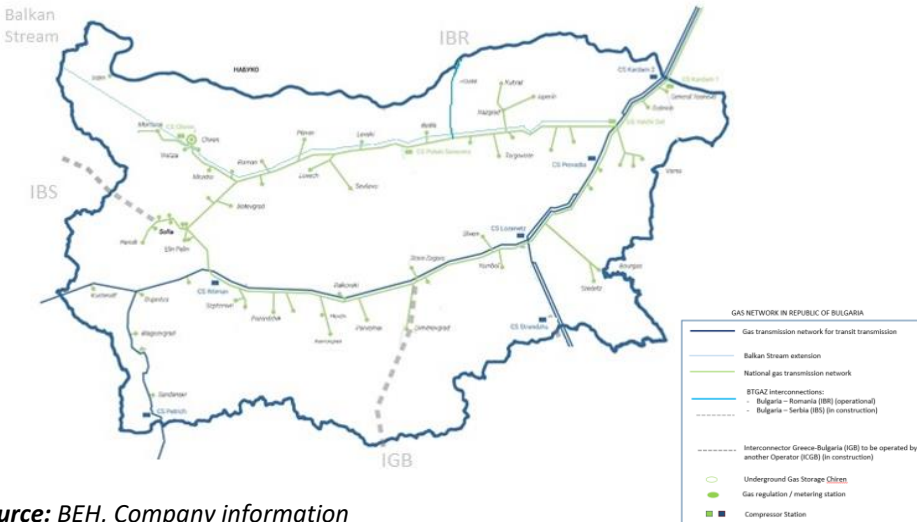
Gas market

- ▶ Currently, c. 95% of the natural gas supplied under 10-year agreement (until 2022) between Bulgargaz EAD and Gazprom Export LLC, but the country is in process of diversifying its natural gas sources and routes.

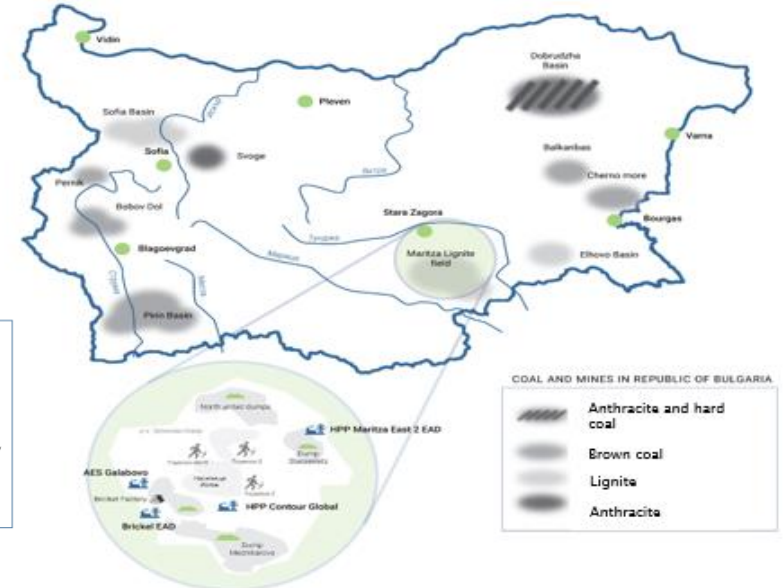
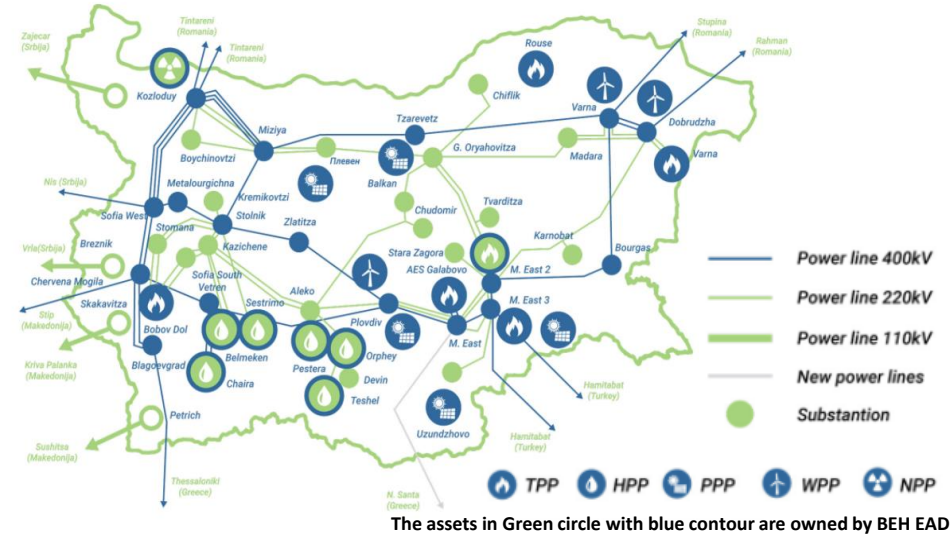
Coal market

- ▶ Lignite mining takes place in the Maritsa East mining complex which is in proximity to 3 large coal plants.

Natural gas infrastructure



Electricity infrastructure



Source: BEH, Company information

The Group is the leading electricity generator in Bulgaria and the sole operator of the electricity and gas transmission networks.

The Group is the only generator with nuclear, thermal and hydro generation plants in its portfolio.

Electricity

The Group's nuclear power plant generates electricity with the lowest marginal costs compared to other producers.

The Group's TPP Maritsa East 2 is the largest facility of its kind in Bulgaria. There are two similar TPPs in Maritsa East region with lower generation capacities – TPP AES-3C and TPP CounturGlobal. NEK has power purchase agreements with both of them.

The Group operates 30 biggest HPPs and PSPPs in Bulgaria, which together generated approx. 6% of Bulgaria's total electricity in the first half of 2020.

Gas

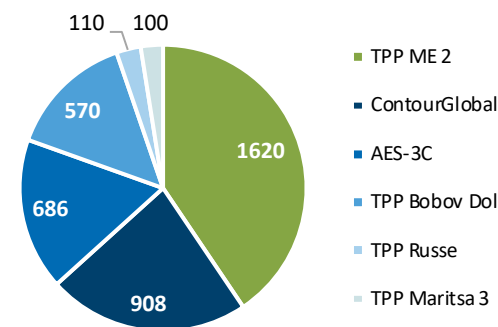
Bulgargaz is the sole licensed public supplier of natural gas. Market liberalization and construction of the planned interconnections with Serbia, Greece, Turkey and Romania will increase competition in the future through the facilitation of gas imports from different sources of supply.

Bulgartransgaz is the sole licensed gas transmission and transit company in Bulgaria.

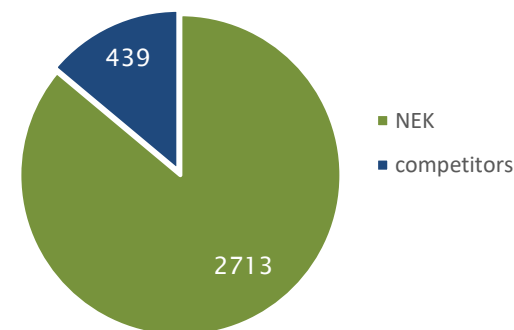
Coal

MMI is the only supplier of lignite coal to the bigger thermal power plants in Bulgaria located in Maritsa East region.

TPP Generation Capacity (MW)



HPP and PSPP Generation Capacity (MW)



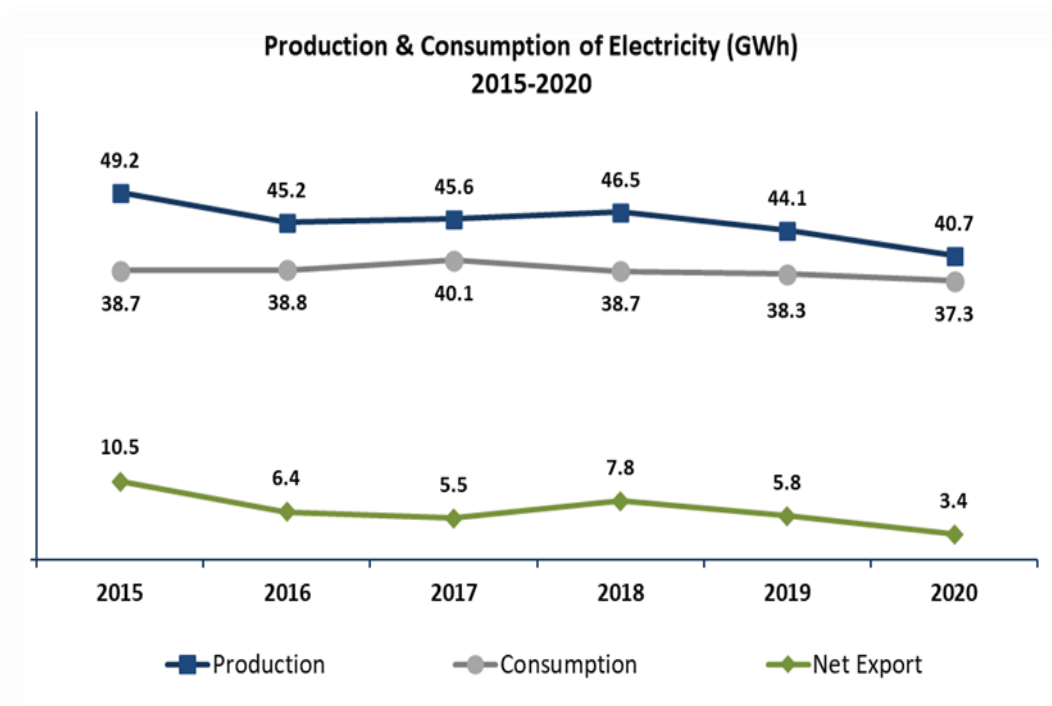
Gross domestic consumption is stable.

As a net exporter of electricity, Bulgaria's gross production is influenced by neighbouring countries electricity needs and export's fluctuations.

The increasing connectivity of Bulgarian transmission system and upcoming market coupling will lead to higher sensitivity of Bulgarian electricity market to the European electricity market dynamics and increased overall efficiency.

As of November 2019 Bulgaria is part of the **Single Intraday Coupling (SIDC)** via the coupling at the Bulgarian-Romanian border.

Integration of the Greek borders (BG-GR and GR-IT) into SIDC is planned to become operational in Q1 2022.



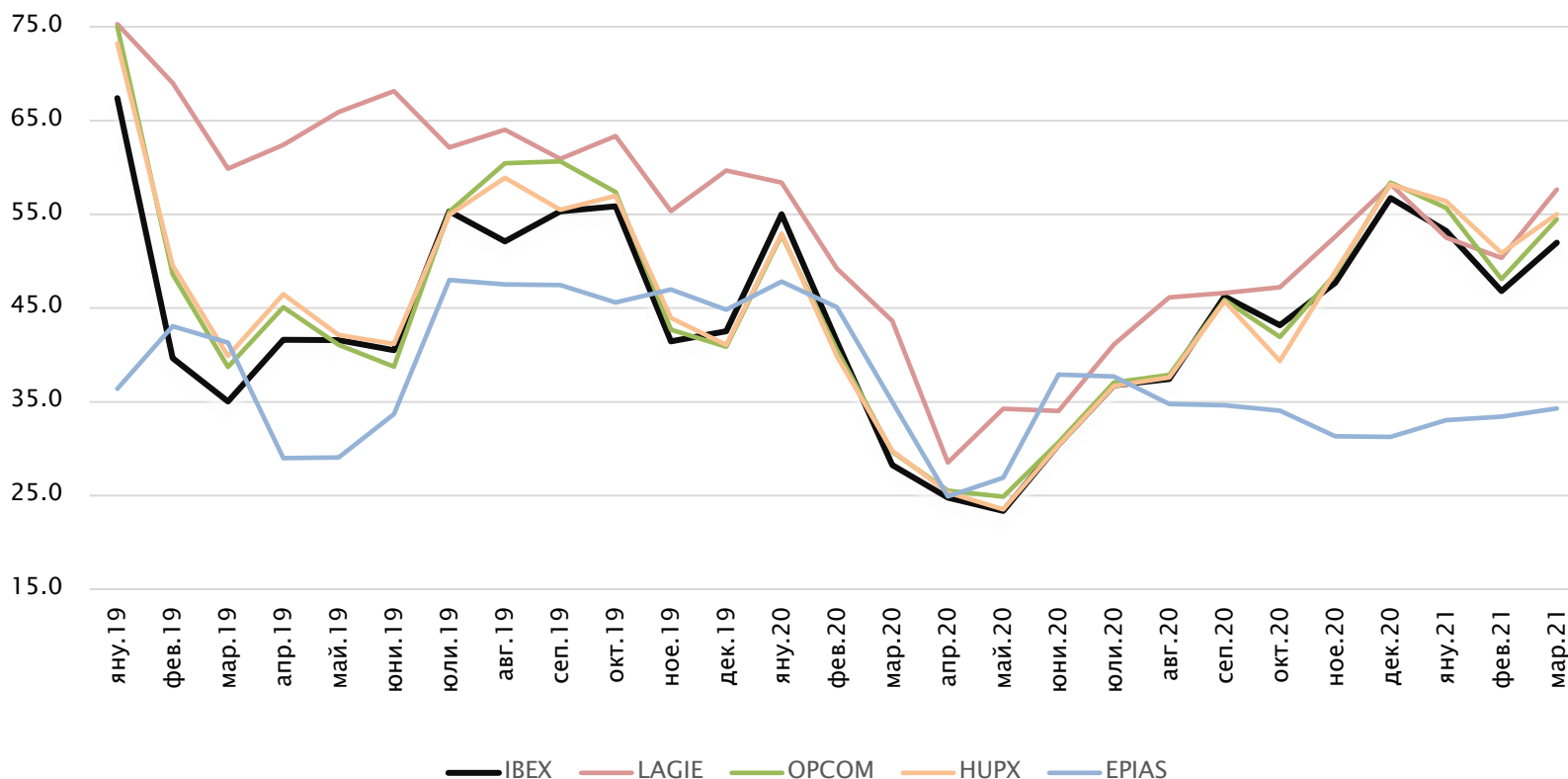
As an EU Member State, Bulgaria is currently implementing all procedures relating to the **Single Day-ahead Coupling (SDAC)**.

Implementation of the market coupling between Bulgaria and Romania is expected to go live in August 2021.

Electricity sector

Free market prices in Bulgaria and the region

PXs DAM Monthly Average Prices For Base Load (EUR/MW)



Source: Power exchange websites

Electricity sector

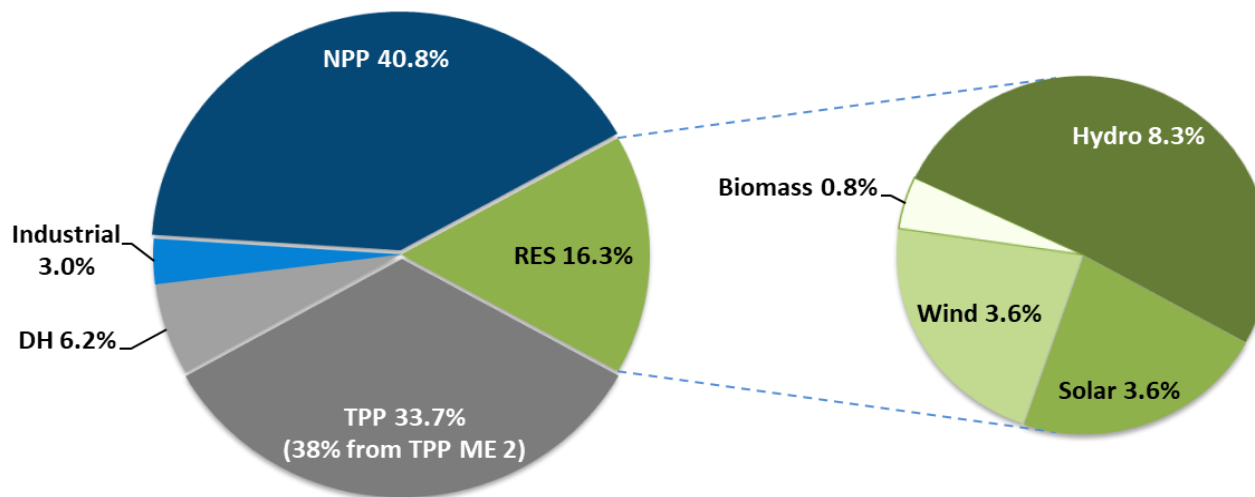
Diversified mix of generation capacity

BEH Group is the only generator with nuclear, thermal and hydro generation plants in its portfolio.

In 2020 power plants within BEH Group generated 22,828 GWh of electricity, which accounts for approx. 56% of total gross electricity produced in Bulgaria.

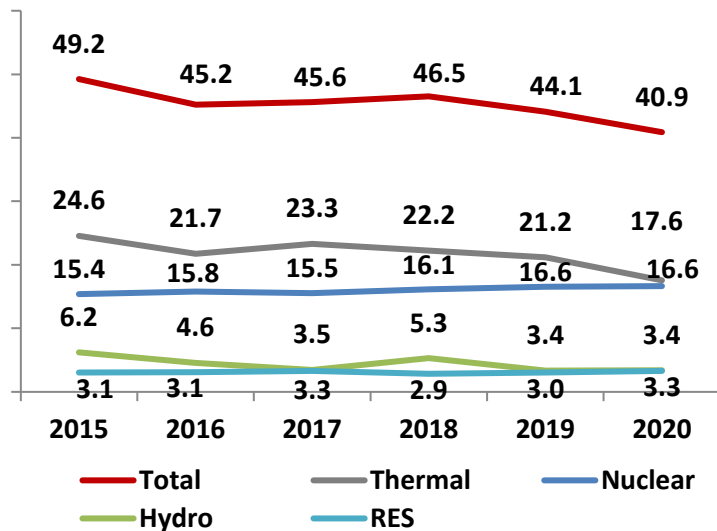
BEH generation facilities are the main providers of balancing and ancillary services, thus guaranteeing security and integrity of the electricity system in the country.

Gross Electricity Generation (2020,%)

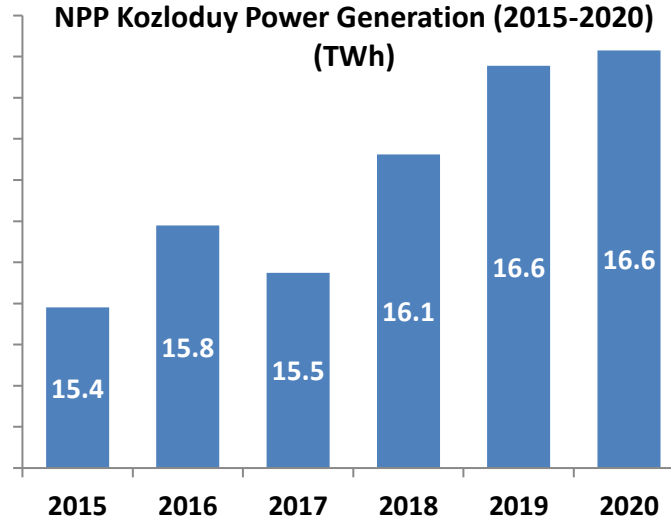


Source: ESO, 2020 Energy Balance

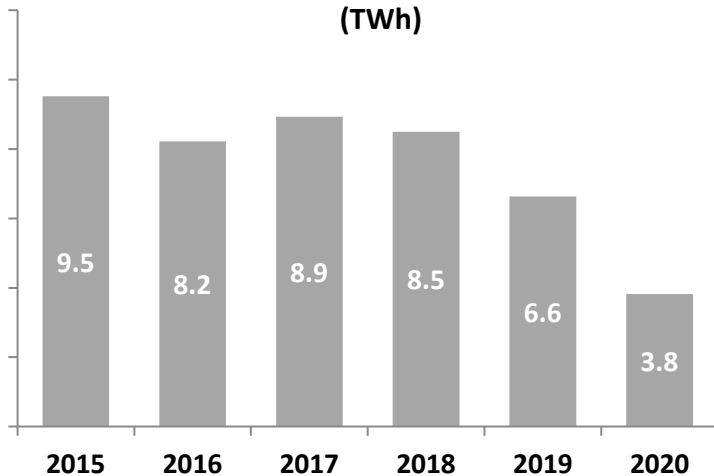
Power Generation (2015-2020) (TWh)



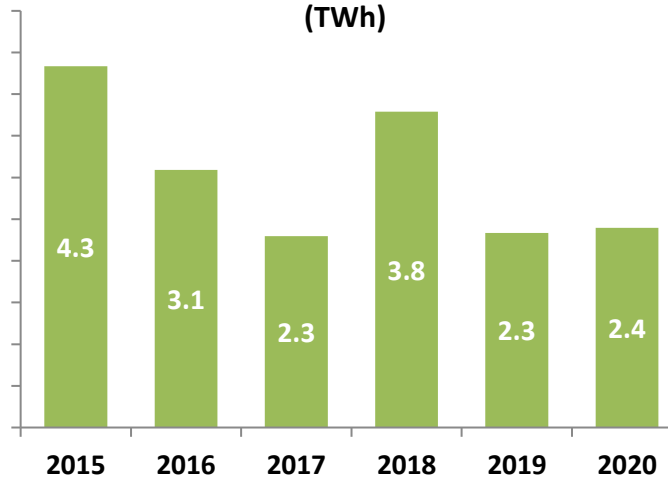
NPP Kozloduy Power Generation (2015-2020) (TWh)



TPP Maritsa East 2 Power Generation (2015-2020) (TWh)



NEK Power Generation (2015-2020) (TWh)



Since 2018 numerous legislative changes have been adopted towards achieving full liberalisation of the electricity market in Bulgaria

- RES and CHF producers with long-term contracts for mandatory purchase of electricity at preferential prices by NEK with installed capacity higher than 500kW were transferred to free market and are required to switch from preferential prices to compensation contracts through a premium with the SESF;
- Introduction of a competitive procedure for the provision of a preferential price or a premium for new entrant electricity producers through highly-efficient cogeneration. These competitions must comply with applicable EU state aid legislation;
- The procedure for holding parallel procedures for the approval of new prices and for changes in existing prices is envisaged. This aims to empower the EWRC to approve the prices of heat and electricity, the prices for transmission and distribution of electricity, the price (or a component of the price) and to set premiums, as well as to amend them during the regulatory period, if its necessary;
- Setting an estimated monthly availability of NEK by EWRC in order more accurate planning of the required amount of electricity for the needs of the regulated market to be achieved;
- All non-household consumers were transferred from the regulated to the free market;
- Transactions for purchasing of Cold reserve to ensure the security of the electricity system were suspended and replaced with tender procedures for purchasing of availability of additional services, namely participation in primary frequency regulation, automatic secondary regulation and manual secondary regulation of frequency and exchange capacity in accordance with the provisions of Regulation (EC) 2017/1485 of 2 August 2017

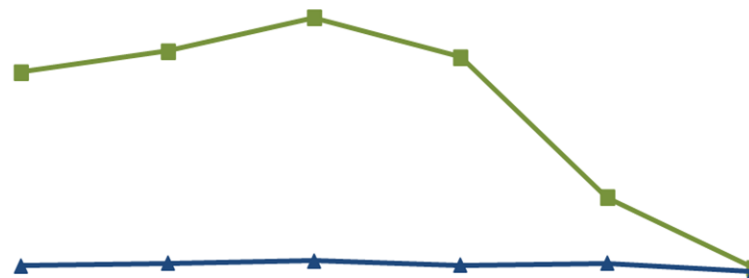
The natural gas domestic consumption is relatively stable and constant. A slide decline is observed in 2020 which is connected to the Covid-19 pandemic.

The transit capacity of the network is 17,800 mcm, contracted almost entirely to Gazprom under a long term contract (until 2030) with a 90% ship or pay clause.

In 2020 a significant decline in the transited volumes of natural gas was reported, mainly due to the virtually suspended transit to the Turkish border (launch of the Turkish Stream pipeline in Jan 2020 which become the main natural gas source for Turkey).

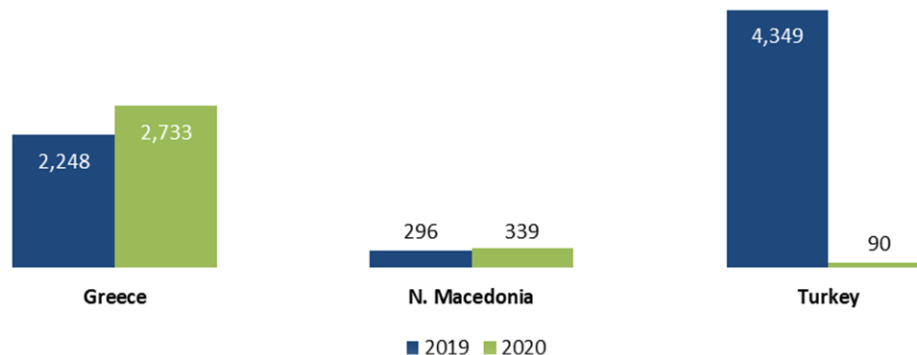
Capital investments for diversification of routes and sources of gas supply are under execution.

Natural Gas Transit & Transmission (mcm)



	2015	2016	2017	2018	2019	2020
Transit mcm	13,505	14,620	16,387	14,302	6,893	3,162
Transmission mcm	3,266	3,414	3,541	3,299	3,405	2,971

Natural Gas Transit (mcm)



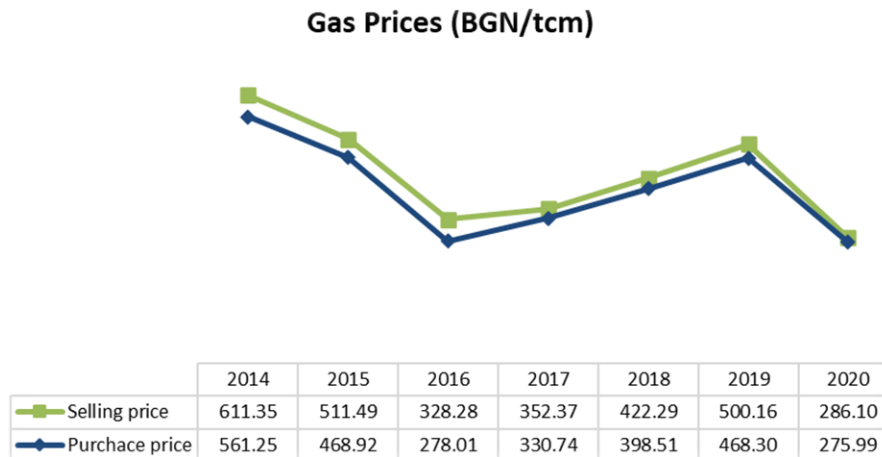
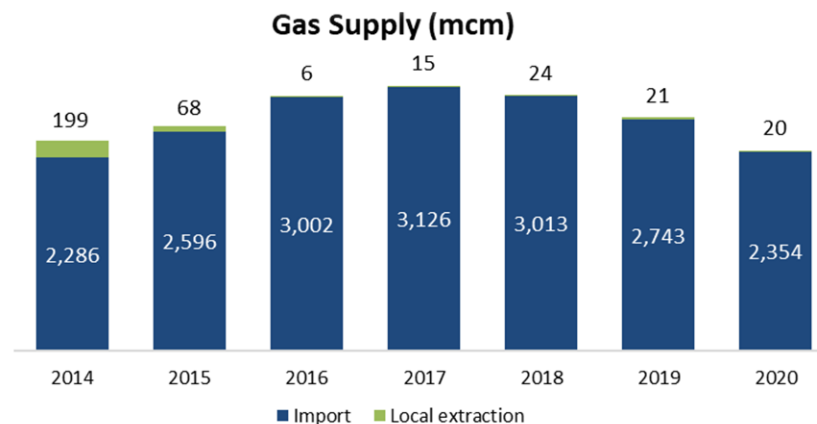
Gas supply is relatively stable, no significant fluctuations are observed. Local extraction is limited due to lack of local resources.

Import is secured by long-term ship or pay contract with Gazprom Export. From the beginning of 2020 the entry point for the natural gas supplied by the Russian Federation is changed – from the Bulgarian-Rumanian border to the Bulgarian-Turkish border.

From the beginning of 2021 a diversification of the delivery sources is observed as a result of the started deliveries from Azerbaijan via virtual delivery point in Greece.

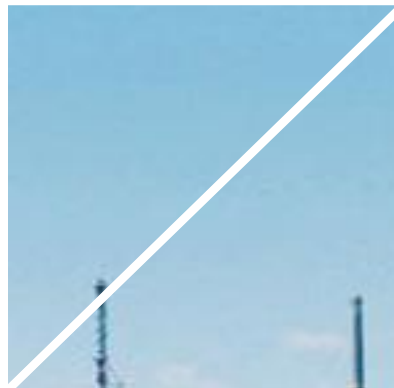
In 2020 the average delivery price was significantly lower YoY, due to the signed addendum to the contract for supply with Gazprom Export. The price will be determined on a monthly basis and contains TTF hub indexation (predominantly) and oil component.

The selling price is set by EWRC on a monthly basis, following cost-based methodology and additional margin for public supply services.



Source: Company data, Bulgargaz

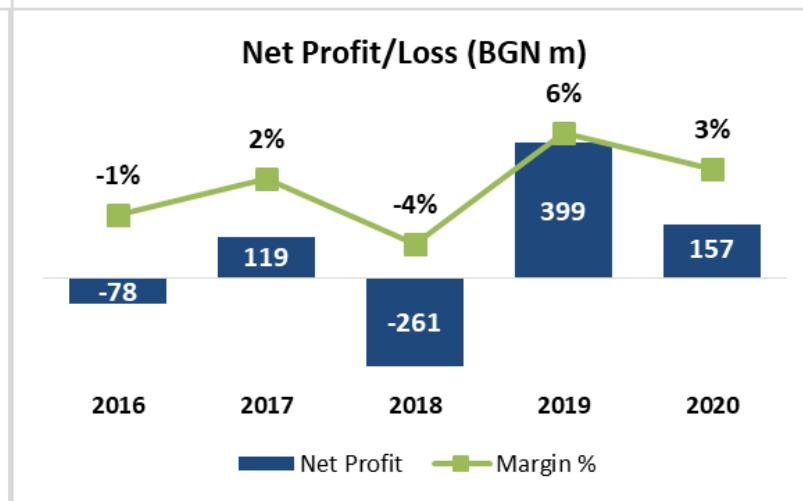
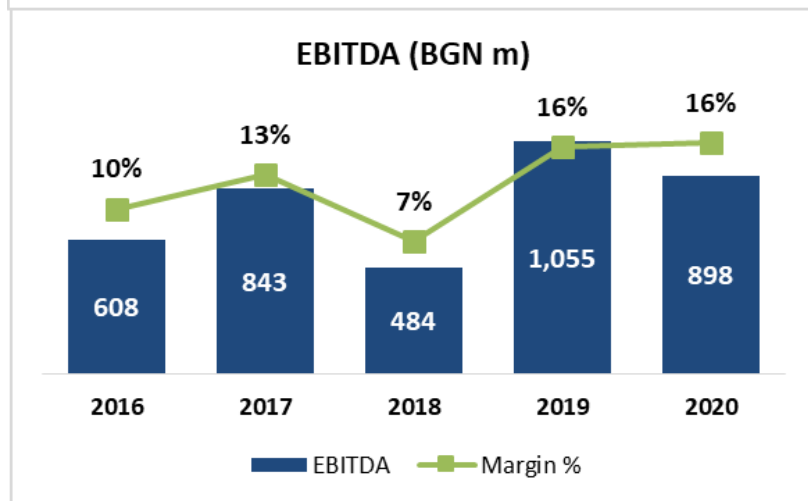
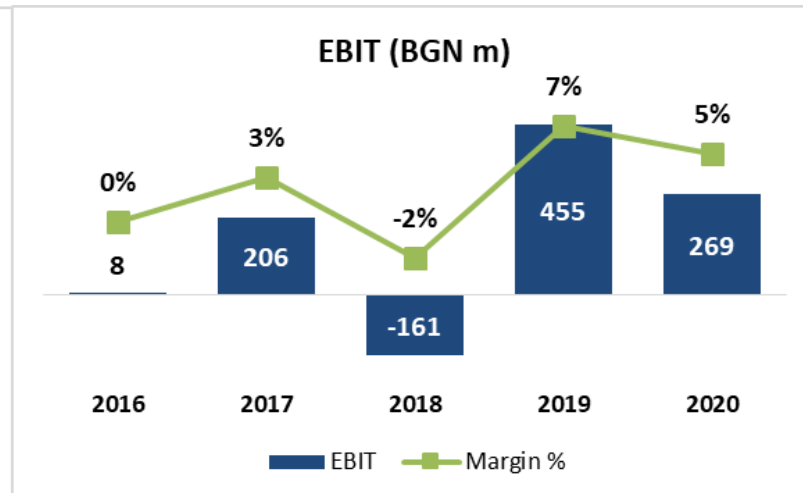
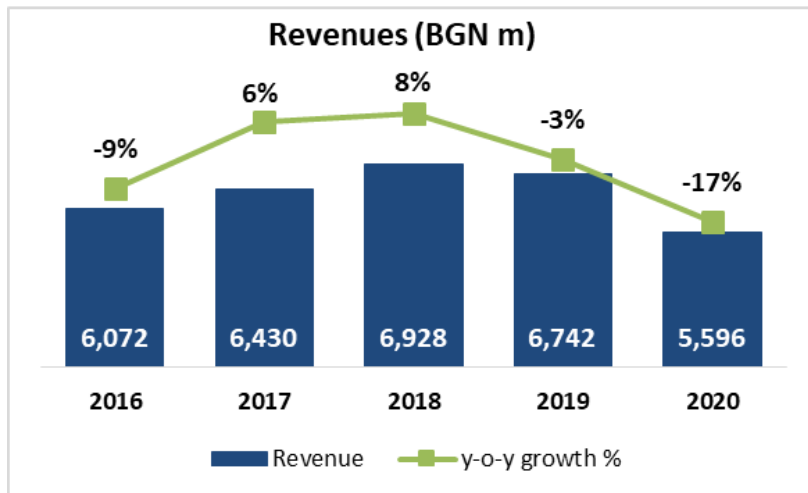
- ❑ On 18 January 2019 Bulgartransgaz EAD registered a subsidiary – “Balkan Gas Hub” EAD. The company operates the first natural gas trading platform in Bulgaria and aims to create all necessary prerequisites for the implementation of effective liberalization of the natural gas market in the country.
- ❑ As of 1 December 2019, a new obligation has been introduced for “Bulgargaz” EAD to annually offer for sale on the organized power exchange certain quantities of natural gas in accordance with the Natural gas release program, regulated in Art. 176a Energy Act. These quantities are offered for sale under the terms and conditions of an Agreement approved by the EWRC for the implementation of a Natural gas release program concluded between the operator of the organized natural gas market (“Balkan Gas Hub” EAD) and “Bulgargaz” EAD. The agreement also determines the procedure for conducting auctions for release, price mechanisms for release, including the initial price in an auction, the term of the agreement, types of products offered and the periods of their offering. The quantities of natural gas that the public supplier “Bulgargaz” EAD should sell in the organized exchange market, should not be less than: 2,220 GWh in 2020; 4,281 GWh in 2021; 6,342 GWh in 2022; 8,720 GWh in 2023; 11,099 GWh in 2024.
- ❑ According to the amendments to the EA, promulgated in SG on 08.10.2019, only entities possessing license for production and transmission of thermal energy as well as natural gas distribution companies will buy natural gas from the public supplier, at regulated prices. All other customers directly connected to the gas transmission network will be transferred from regulated market to free market.
- ❑ On 31st of December 2020 the first natural gas supplies from Azerbaijan had started. Due to the delay in the IGB interconnector commissioning, the quantities are delivered in Bulgaria through temporary interconnection point Nea Mesimvria, part of the Greek natural gas transmission system, operated by DESFA.
- ❑ A new company named “Bulgarian Energy Trading Platform AD” has been established with the purpose to create, develop and manage regional organised natural gas market in the Southeast Europe region. The company possesses a license for carrying out the activity of organization of a natural gas market, issued on 25.03.2021 by EWRC for a 35 years period.



FINANCIALS & FUNDING

Key financial data

P&L overview FY 2016 – FY 2020



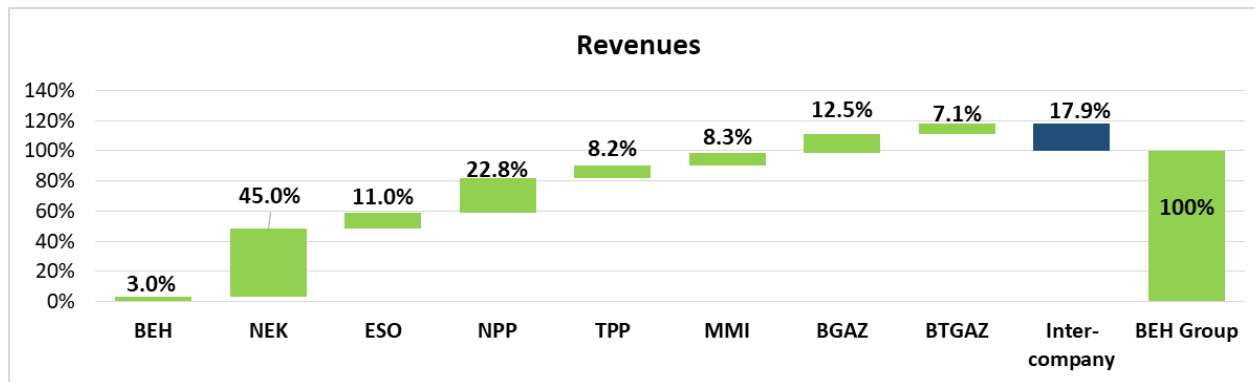
Key financial data

BEH Group revenue and OPEX structure FY 2020

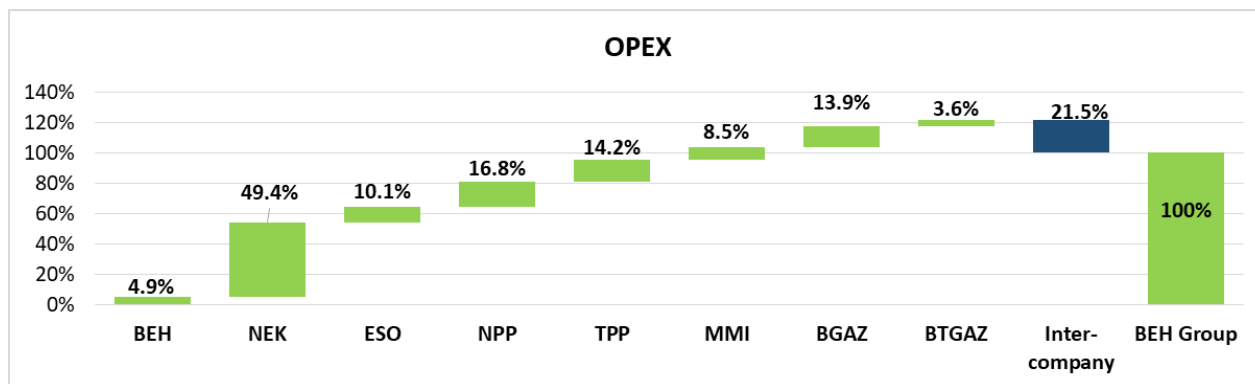
The biggest contributors to BEH Group revenues are NEK, NPP and BGAZ

In terms of allocation of operating costs there are no significant discrepancies to the revenue pattern

Related party transactions are balanced between the Group subsidiaries.



BGN m 170 2 519 617 1 277 460 462 699 395 1 002 5 596



BGN m 229 2 323 476 790 667 401 651 170 1 009 4 698

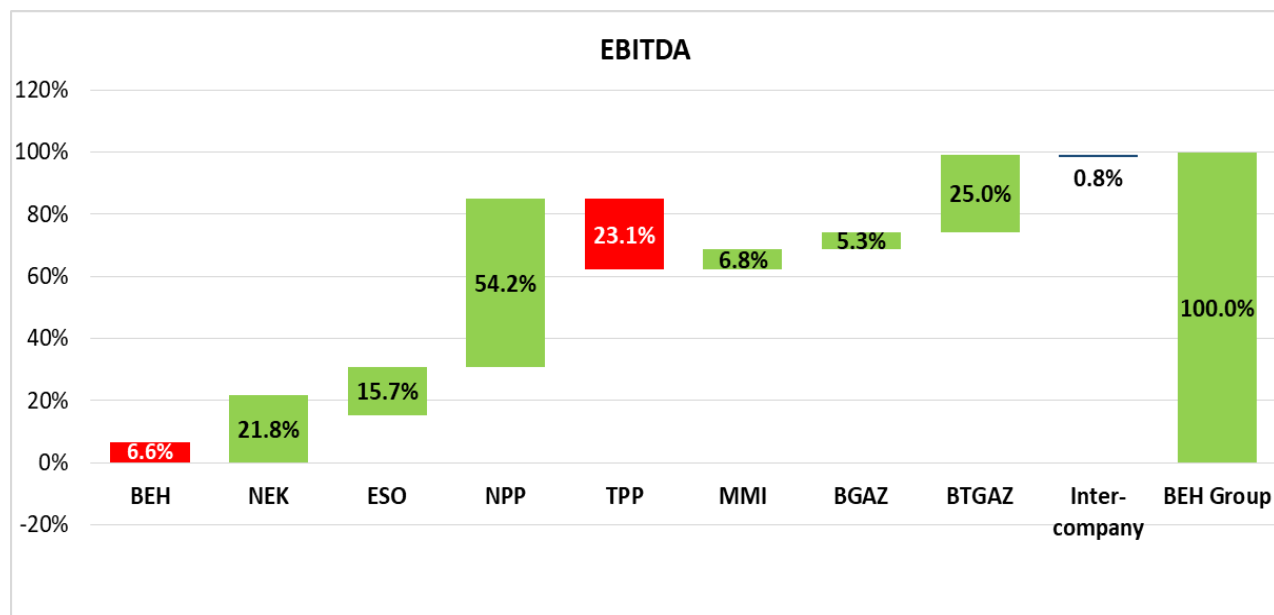
Key financial data

BEH Group profit structure FY 2020

The biggest contributor to BEH Group EBITDA profitability was NPP Kozloduy, followed by the two transmission system operators (ESO & BTGAZ) and NEK

In 2020 TPP reports negative EBITDA, due to increased CO2 costs

In 2020 BEH negative performance was influenced by the incurred expenses for impairment of receivables due to the review of the application of IFRS 9 in accordance with existing good practices in this area in 2019



	BGN m									
EBITDA	-59	196	141	487	-207	61	48	225	-7	898
EBIT	-15	43	56	307	-341	-36	44	81	-49	189
Net	3	46	51	276	-330	-32	40	73	-31	157

Key financial data

2019 - 2020 performance

2020 performance:

- The COVID-19 lockdown affect negatively the BEH's performance, compared to 2019, but the financial results remain stable;
- 10.1% YoY decrease in the total electricity generated by BEH subsidiaries
- Higher prices of electricity achieved both on regulated and non-reregulated markets
- 14% YoY decrease in gas sales
- Stable performance in terms of revenues by both TSOs
- Increase in PPE due to completed works of Balkan Stream project
- Low WC due to bond 2016 mature
- Increase in CFF due to granted external funding by BTG for financing the CAPEX program

BEH Group (BGN M)	2019	2020	Y-o-Y change	
	Report	Report	BGN '000	(%)
Revenues	6,742	5,596	(1,146)	-17%
OPEX	(5,687)	(4,698)	989	-17%
EBITDA	1,055	898	(157)	-15%
D&A	(600)	(629)	(29)	-5%
EBIT	455	269	(186)	-41%
Financial Income	32	30	(1)	-4%
Financial expense	(108)	(151)	(43)	-40%
Revenues from associates	41	40	(0)	0%
EBT	419	189	(231)	-55%
Net profit	399	157	(242)	-61%
EBITDA Margin	16%	16%		3%
EBT Margin	6%	3%		-46%
Total Assets	18,703	20,423	1,719	9%
PPE	14,259	16,311	2,052	14%
Debt	2,827	3,320	493	17%
Equity	11,678	11,728	50	0%
Cash	1,684	1,446	(238)	-14%
WC	1,413	558	(856)	-61%
CFO	1,042	917	(125)	-12%
CFI	(1,516)	(1,547)	(31)	2%
CFF	323	650	327	101%

Electricity sector

Financial results 2019-2020

Revenue in 2020 decreased y-o-y due to COVID-19 lockdown and decrease in the volumes generated and sold on free market

The decrease is partially offset by the higher average selling price

The limitation of the public supplier's obligation impacted both revenues and cost of electricity sold but on bottom line the effect is positive

The electricity segment report net operating profit of BGN 191 M compared to BGN 316 M.

Given the extraordinary situation worldwide, in 2020 BEH managed to operate its assets in electricity segment in most effective and profitable way.

In the beginning of 2021 the economy is in a recovery mode so the expectations are for better results in 2021

Electricity	2019	2020	Y-o-Y change	
			BGN '000	(%)
Sales revenue from:				
- external customers	4,781.8	4,130.1	(651.6)	-14%
- other segments	644.5	742.6	98.1	15%
Segment revenues	5,426.2	4,872.7	(553.5)	-10%
Changes in finished goods and work in progress	(8.5)	1.6	10.1	-119%
Work performed by the entity and capitalised	30.1	34.7	4.6	15%
Cost of natural gas, electricity and other current assets sold	(2,798.2)	(2,420.5)	377.7	-13%
Cost of materials	(390.4)	(613.4)	(223.0)	57%
Hired services expenses	(253.6)	(278.8)	(25.2)	10%
Depreciation and amortization	(402.5)	(424.4)	(21.9)	5%
Employee benefits expenses	(600.8)	(609.1)	(8.2)	1%
Net impairment of trade receivables	6.9	4.3	(2.6)	-38%
Expenses for provisions	(343.8)	(79.3)	264.5	-77%
Other operating expenses	(349.4)	(295.7)	53.7	-15%
Segment operating profit/(loss)	315.9	192.2	(123.8)	-39%

Natural gas sector

Financial results 2019-2020

Revenue in 2020 decrease y-o-y due to:

- ▶ **changed pricing mechanism applied under the long-term supply contract with Gazprom Export;**
- ▶ **Lower sales volumes, because of the COVID-19 lockdown. In 2020 the sales were 25,038 GWh, compared to 29,204 GWh in 2019**

Revenues generated by BTG for transit, transmission, booked capacity and storage are relatively stable, compared to 2019

Natural gas	2019	2020	Y-o-Y change	
			BGN '000	(%)
Sales revenue from:				
- external customers	1,652.1	1,120.0	(532.0)	-32%
- other segments	110.6	75.4	(35.2)	-32%
Segment revenues	1,762.7	1,195.4	(567.3)	-32%
Changes in finished goods and work in progress	(0.1)	(0.0)	0.0	-32%
Cost of natural gas, electricity and other current assets sold	(1,263.0)	(759.5)	503.5	-40%
Cost of materials	(5.8)	(4.5)	1.3	-22%
Hired services expenses	(17.9)	(19.1)	(1.2)	6%
Depreciation and amortization	(104.7)	(108.4)	(3.8)	4%
Employee benefits expenses	(72.4)	(75.1)	(2.7)	4%
Net impairment of trade receivables	1.2	8.1	6.9	572%
Net impairment of property, plant and equipment	(0.2)	0.0	0.2	-100%
Other operating expenses	(21.6)	(43.7)	(22.1)	102%
Expenses for provisions	(103.2)	(1.5)	101.7	-99%
Technological losses of natural gas	(28.6)	(27.7)	0.9	-3%
Segment operating profit	146.4	164.0	17.6	12%

Coal mining sector

Financial results 2019-2020

Mining subsidiary is implementing 5-year overburden removal program to ensure long-term sustainability of mine

Revenue in 2020 decreased y-o-y due to lower consumption by the TPPs in the complex

Decrease is observed in OPEX, as well but due to the higher share of fixed costs the reported net results is negative

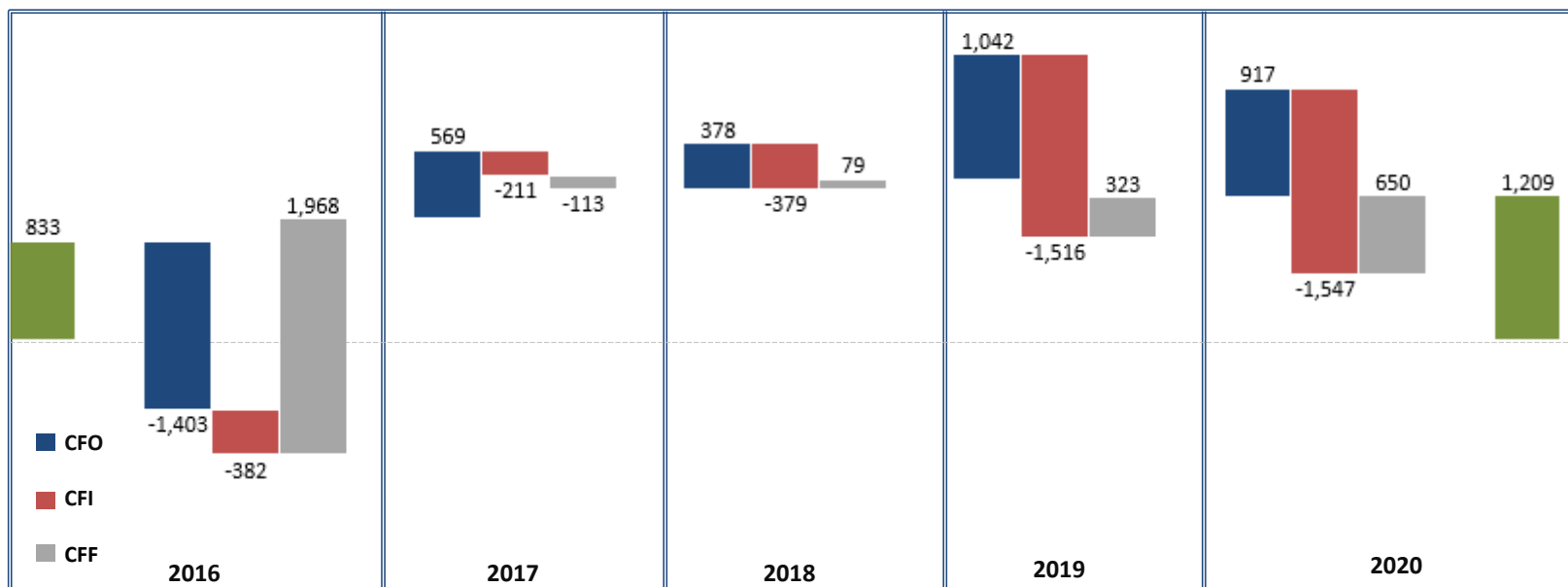
Lignite coal selling price is determined by a methodology approved with Ordinance the Minister of energy and it wasn't change during the reporting period.

Coal mining	2019	2020	Y-o-Y change	
			BGN '000	(%)
Sales revenue from:				
- external customers	314.6	341.8	27.2	9%
- other segments	199.3	119.9	(79.4)	-40%
Segment revenues	514.0	461.8	(52.2)	-10%
Changes in finished goods and work in progress	60.8	22.6	(38.2)	-63%
Work performed by the entity and capitalised	7.6	9.5	2.0	26%
Cost of natural gas, electricity and other current assets sold	(5.9)	(3.5)	2.4	-41%
Cost of materials	(144.8)	(103.6)	41.2	-28%
Hired services expenses	(47.0)	(33.2)	13.7	-29%
Depreciation and amortization	(92.6)	(95.7)	(3.2)	3%
Employee benefits expenses	(267.7)	(266.7)	1.1	0%
Net impairment of trade receivables	(1.6)	(6.0)	(4.4)	272%
Other operating expenses	(18.2)	(17.3)	0.9	-5%
Expenses for provisions	(3.4)	(2.7)	0.7	-21%
Segment operating profit/(loss)	1.2	(34.7)	(35.9)	-3065%

Key financial data

Cash flows FY 2015 – 2020

Consolidated Cash Flows (BGN m)



In 2016: BEH made payments to AO Atomstroyexport (ASE) in relation to arbitration decision and to IPPs with PPAs for settlement of payables (reflected in CFO). In order to secure needed funds BEH raised debt capital by issuing a second bond (reflected in CFF).

In 2019: CFO increased significantly YoY due to higher cash inflows from Security of the electricity system fund and lower cash outflows to suppliers as a result of elimination of NEK's obligations for mandatory purchase of electricity from producers with installed capacity of 1 MW or more.

In 2019 and 2020: CFI is influenced primary by large investments in PPE and in collateral USD deposits.

Improved liquidity at the end of 2020.

Key financial data

External debt – as at 31.12.2020

Main debt exposure in 2020:

BEH → BGN 2.3b

NPP → BGN 11m

NEK → BGN 13m +BGN 1,000m fin. assistance for Belene

MMI → BGN 29m

69% of the Group's outstanding debt are BEH bond issues

2% of the Group's outstanding debt is state guaranteed

30% of the Group's outstanding debt has collateral

Company	BEH Group outstanding debt	Bank	Interest rate	Maturity	Outstanding as at 2019	Outstanding as at 2020
BEH	Bond issue 2016		4.88%	2021	1,089	1,094
	Bond issue 2018		3.50%	2025	1,190	1,190
	Loan agreement for ICGB financing	EIB	6 m 0.259%	2045	-	59
NPP	Investment non-bank loan EUR	EURATOM	EURIBOR + 0.079% to 0.13%	2021	34	11
NEK	Investment bank loan EUR	ING Bank	4.75%	2020	8	-
	Investment bank loan EUR	EIB	from 4.341% to 4.844%	2022	21	13
	Financial assistance - Belene	Republic of Bulgaria	0.00%	2023	947	1,000
MMI	Investment bank loan EUR	DSK Bank	BIR + 1.89%	2024	17	13
	Investment bank loan EUR	DSK Bank	BIR + 1.89%	2024	5	4
	Investment bank loan EUR	DSK Bank	BIR + 1.69%	2022	6	4
	Investment bank loan EUR	DSK Bank	BIR + 1.69%	2022	6	4
	Investment bank loan EUR	DSK Bank	BIR + 1.59%	2022	6	4

Key financial data

External debt – as at 31.12.2020 (continued)

Debt exposure in 2020:

BTGAZ → BGN 921m

The funds are intended to cover investment costs in connection with the implementation of the Balkan Stream project and other large-scale investment projects

The Company fully repaid EUR 200m short-term loan in 2019

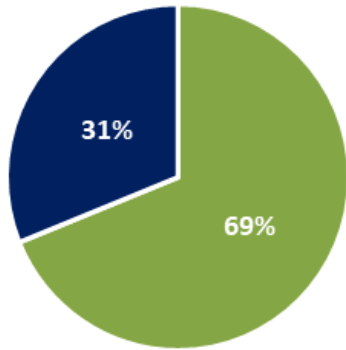
Proceeds were utilized for advance payments to Balkan Stream Project contractors

The company takes advantage of the favorable interest margin by providing dollar deposits as collateral of euro loans

Company	BEH Group outstanding debt	Bank	Interest rate	Maturity	Outstanding as at 2019	Outstanding as at 2020
BGAZ	Overdraft agreement BGN	Four commercial banks	from 0.99% to 2.95%	2020	52	-
BTGAZ	Investment bank loan EUR	UniCredit Bulbank	EURIBOR+1.65%	2026	-	196
	Investment bank loan EUR	Raiffeisenbank Bulgaria	EURIBOR+1.75%	2026	-	98
	Investment bank loan EUR	DSK Bank	EURIBOR+2.20%	2026	-	98
	Investment bank loan EUR	International Bank for Economic Co-Operation	EURIBOR+2.50%	2026	-	78
	Investment bank loan EUR	Eurobank Bulgaria AD	EURIBOR+2.25%	2026	-	65
	Investment bank loan EUR	ING Bank	BIR+2.10%	2025	-	41
	Investment bank loan EUR	Bulgarian Development Bank	EURIBOR +2.75%	2026	-	121
	Investment bank loan EUR	International Investment Bank	EURIBOR +2.75%	2026	-	98
	Overdraft facility EUR	United Bulgarian Bank	EURIBOR+1.30%	2021	-	19
	Overdraft facility BGN	UniCredit Bulbank	BIR+0.85%	2021	-	67
	Overdraft facility BGN	Citi Bank	BIR+1.35%	2021	-	41
	Investment bank loan EUR	Investment banks	from 0.15% to 0.50%	2020	391	-
Total excl. State loan (in BGN million)					2,825	3,318

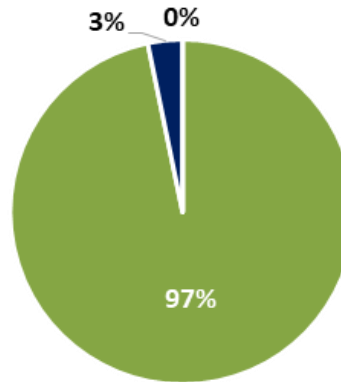
BEH Group debt profile as at 31.12.2020

Debt by type



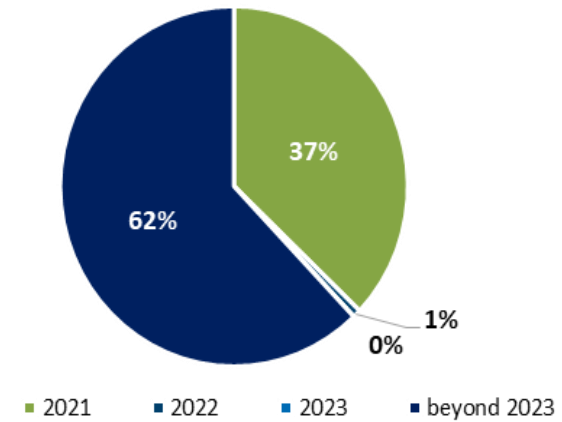
■ Bond issues ■ Bank loans and credit

Outstanding debt by currency



■ EUR ■ BGN

Debt repayment schedule



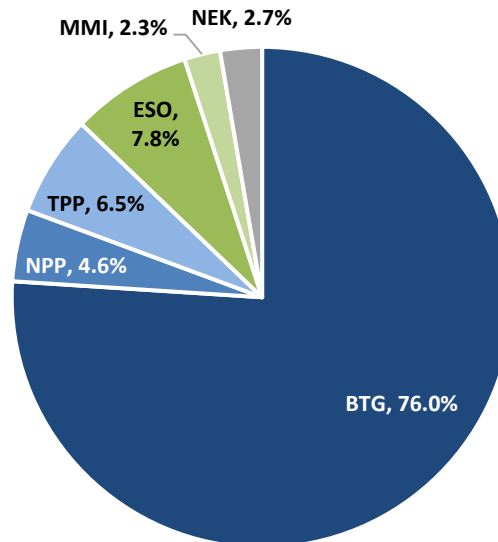
■ 2021 ■ 2022 ■ 2023 ■ beyond 2023

As at 31.12.2020, the Group's total capital expenditures amounted to circa **BGN 3,360 m**. **The main part of it is related to the Balkan stream project**

Progress on key investment projects is on track including:

- ▶ The construction of Balkan Stream project, IGB and Interconnector Bulgaria-Serbia
- ▶ Rehabilitation and expansion of the electricity and gas transmission networks as well as work on expanding the capacity of the Chiren underground gas storage facility
- ▶ Procedures for rehabilitation and purchase of new mining equipment at Mini Maritsa East

CAPEX Breakdown 2020



THANK YOU!