BULGARTRANSGAZ

ЕДНОЛИЧНО АКЦИОНЕРНО ДРУЖЕСТВО
БУЛГАРТРАНСГАЗ
Изх. № БТГ 24-00-1186(2)
дата: 16.06. 20 25г.

TO
ALL INTERESTED PARTIES

INVITATION
FROM BULGARTRANSGAZ EAD
TO TENDER

DEAR MADAM/SIR,

Hereby, we invite you to submit your tender for provision of a financial service "Financing" representing bank financing in the form of a loan, for the purpose of financing the investment costs of Bulgartransgaz EAD related to implementation of project:

"Expansion of Bulgartransgaz EAD gas transmission infrastructure for implementation of the Vertical Gas Corridor initiative of the gas transmission operators of Bulgaria, Greece, Romania, Hungary, Slovakia, Ukraine and Moldova".

According to Art. 13, para. 1, item 9 of the Public Procurement Act (PPA), loans, including bank loans, are excluded from the scope of the PPA, regardless of whether they are related to issuance, sale, purchase or transfer of securities or other financial instruments. In this regard, Bulgartransgaz EAD should not apply the rules of the PPA when conducting this procedure for selection of a financial institution.

1. Subject:

The subject of this procedure is selection of a contractor/s of financial service "Financing", i.e. bank financing in the form of a loan intended to cover part of Bulgartransgaz EAD investment costs related to implementation of project:

"Expansion of Bulgartransgaz EAD gas transmission infrastructure for implementation of the Vertical Gas Corridor initiative of the gas transmission operators of Bulgaria, Greece, Romania, Hungary, Slovakia, Ukraine and Moldova".

Offers may be submitted from financing institutions and/or consortia of financing institutions are eligible.

Parameters and terms and conditions of the requested financing sought are as follows:

1.1. Total amount – equivalent in EUR to BGN 200 million.
1.2. Repayment deadline - 5 years starting from the end of the grace period;
1.3. Grace period on principal - until 01.01.2027;
1.4. The interest rate should be the sum of 1-month EURIBOR + interest margin. All fees and commissions on the loan should be included in the proposed interest rate (EURIBOR + interest margin);
1.5. Repayment – monthly. During the grace period only interest shall be paid;
1.6. Minimum amount of financing from each participant - EUR 25 million;
1.7. The loan agreement will be secured by a state guarantee, provided in accordance with the requirements of an Ordinance on the conditions to be met by investment projects financed with state loans and the projects applying for financing with a state guarantee (refer to item 6 of this invitation).

Individual loan agreements will be concluded between the selected participants and Bulgartransgaz EAD, and guarantee agreements will be concluded separately between the Ministry of Finance and the relevant bank.

Annex No. 8 contains a sample (non-binding) standard form of a guarantee agreement, provided for information.

Annex No. 9 contains a standard form of a loan agreement.

1.8. Bank institution with which the loan agreement will be concluded should conclude a guarantee agreement with the Ministry of Finance.

1.9. No fees or commissions for early repayment;

The funds will be used to finance and refinance expenses under the following concluded contracts:

- Contract No. 6706/06.06.2024 with subject: Spatial planning, investment design, procurement of the necessary materials and equipment, construction and commissioning of new sites for the expansion of the gas transmission infrastructure of Bulgartransgaz EAD in order to increase the capacities at interconnection points Kulata/Sidirikastro and Negru Voda/Kardam", Lot No. 1: Site "Looping from Kulata to Kresna";

- Contract No. 6721/13.06.2024 with subject: Spatial planning, investment design, procurement of the necessary materials and equipment, construction and commissioning of new sites for expansion of the gas transmission infrastructure of Bulgartransgaz EAD in order to increase the capacities at interconnection points Kulata/Sidirikastro and Negru Voda/Kardam: Lot No. 2: Site "Gas Transmission Pipeline from Piperevo to Pernik":

- Contract No. 6707/06.06.2024 with subject: Spatial planning, investment design, procurement of the necessary materials and equipment, construction and commissioning of new sites for the expansion of the gas transmission infrastructure of Bulgartransgaz EAD in order to increase the capacities at interconnection points Kulata/Sidirikastro and Negru Voda/Kardam", Lot No. 3: Site "Looping from Rupcha to Vetrino".

- Contract No. 6754/05.07.2024 with subject: Investment design, supply of the necessary materials and equipment, construction and commissioning of a construction site: Compressor station Kardam - reversal and expansion of the capacity and the control system;

1.10. The credit institutions with which particular contracts will be signed are not entitled to impose restrictive conditions on Bulgartransgaz EAD to conclude contracts for issuing bank guarantees in favour of the European Commission, in accordance with case AT.39849 BEH-gas, to the Customs Agency, GASTRADE S.A., as well as commercial bank guarantees of up to EUR 2 million.

1.11. Drawdown of the loan funds will be made in accordance with the needs for financing the project costs in tranches, and is planned to be in the period from 15.09.2025 until 15.12.2025.

1.12. Interest will be due only on the drawdown part of the loan, starting from the date of each withdrawal.

1.13. Draw funds shall be converted into BGN at the official fixed BNB rate (1 EUR = 1.95583 BGN). Currency conversion should be made by the credit institution on the account of Bulgartransgaz EAD, specified in the loan agreement.

Each participant may submit only one tender as per the requirements of this invitation.

The Contracting authority reserves the right to conclude a financing agreement/s in the amount and with participants according to the needs of the project, based on the submitted tenders, evaluated pursuant to the procedure of item 5. Tender submission does not create for the participants a right to conclude a contract. The Contracting authority is not obliged to conclude a contract for the full announced volume of the financing sought under Art. 1, item 1.1. and reserves the right to conclude contracts in a total amount exceeding the announced volume.

2. Definitions:

- "Proposed interest margin" - includes all fees and commissions related to the loan.
- "Consortium" - a contractual association of two or more financing institutions for the purpose of participation in this procedure for selection of contractors to provide loan funds to Bulgartransgaz EAD.

3. Tenders' content:

3.1. Price offer (Annex No. 2), shall **includes**:

a) Proposed annual interest rate – interest margin with a state guarantee inclusive of all loan-related fees and expenses;

b) Proposed annual interest rate – interest margin without a state guarantee inclusive of all loan-related fees and expenses

c) Loan amount;

d) Sample repayment schedule in monthly instalments as per the participant's template.

3.2. Submission of documents by the financing institution:

a) Information and administrative data about the participant (Annex No. 1);

b) Certified copy of documents for compliance with the requirements under item 4, a) - d) of this invitation;

c) Declaration on eligibility (Annex No. 3);

d) Declaration of confidentiality (Annex No. 4);

e) Declaration for absence of clauses by the credit institution for mandatory use of ancillary services for which there is no economic necessity for Bulgartransgaz EAD (Annex No. 5);

f) Declaration for restrictive conditions against Bulgartransgaz EAD regarding issuing of bank guarantees (Annex No. 6);

g) Declaration certifying non-involvement of the credit institution in prohibitive/sanctions lists (Annex No. 7).

If the participant is an association of financing institutions, the above documents must be submitted by each participant in the association.

4. Eligibility Requirements for Participants:

The participants must possess the relevant qualifications and experience and prove them by submitting the required documents.

Participants who meet the following conditions shall be eligible:

a) the participant is licensed to provide bank services on the territory of the Republic of Bulgaria in line with the Law on Credit Institutions including via branch or on the basis of the freedom to provide services in the EU. If the participant is an association, at least one of the participants in the association must meet this condition;

b) Hold a long-term credit rating of at least:

- Ba3 (Moody's) or
- BB- (S&P/ Fitch/Bulgarian Credit Rating Agency (BCRA);

c) International financing organization, operating on the territory of Bulgaria based on signed and ratified intergovernmental agreements and arrangements;

d) Government fund established to provide short- term and long-term financing, the scope of which includes financing of infrastructure projects in the energy sector;

Note: *Requirements under points (a) and (b) do not apply to participants (or participants in consortia) that meet the criteria under (c) or (d).*

Participants must maintain compliance with (a) throughout the contract term and use their best efforts to maintain compliance with (b). The Contracting Authority reserves the right to request supporting documentation during the contract term.

4.1 Documents to be attached to the tender:

4.1.1. A copy of a valid license or permit in accordance with the applicable legal rules. If the participant is an association of financing institutions, the document shall be submitted by at least one of the participants in the association.

4.1.2. A copy of a credit rating document. If the participant is an association of financing institutions, the document shall be submitted by each participant in the association.

4.1.3. Participants meeting the requirement under item 4(c) or (d) shall submit a copy of the instrument of incorporation.

4.1.4. An authorization document when the person submitting the offer is not the legal representative of the participant. A power of attorney shall be submitted which shall contain an explicit statement that the authorized person has the right to sign the tender and represent the participant in the procedure. If the participant is an association, state the partner representing the association for negotiation purposes.

Where the participant is an association of no particular legal structure and status, indicate the names of all participants therein.

If the participant is an association of financing institutions, the partner representing the association shall be authorized to communicate with the Contracting authority.

Participants shall be disqualified if:

- If their offers fail to meet the eligibility requirements pre-set herein;
- If failing to submit any of the documents in line with the requirements hereof or after being additionally required by the Contracting authority it had not been submitted within the specified deadline.

5. Tender Evaluation Methodology

The evaluation will be carried out based on the criterion "most economically advantageous tender", where:

- Calculating the total interest payable over the loan period, using the participant's repayment schedule and proposed margin over 1-month EURIBOR;
- Dividing the total interest by the proposed loan amount to determine the weighted average annual cost (as a percentage);
- Ranking tenders in ascending order based on the financing cost – the lowest cost receives the highest score.

In case of identical scores, preference will be given to the participant offering a higher loan amount.

The Contracting Authority reserves the right to invite eligible participants with complete documentation to optimize their offers within a specified timeframe.

6. Issuance of State Guarantee

With decision No. 484/05.07.2024 the Council of Ministers had approved the issuance of a state guarantees in 2025 under new loan agreements of Bulgartransgaz EAD in the amount up to the currency equivalent of BGN 625 million for the financing of the investment project "Expansion of Bulgartransgaz EAD gas transmission system for implementation of the Vertical Gas Corridor initiative of the gas transmission operators of Bulgaria, Greece, Romania, Hungary, Slovakia, Ukraine and Moldova".

Main steps for concluding a loan agreement with an approved state guarantee:

1. Launching a procedure to raise funds;
2. Receiving offers from commercial banks;
3. Evaluating offers received from commercial banks and selecting a bank;
4. Negotiating the clauses of a draft agreement with a commercial bank;
5. Preparation of a draft of the guarantee agreement and its coordination with the Ministry of Finance
6. Submitting a draft decision by the Ministry of Energy and the Ministry of Finance to the Council of Ministers;
7. Decision of the Council of Ministers authorising the Ministry of Finance to negotiate a guarantee agreement and the Minister of Finance to sign it;
8. Clarifying a guarantee agreement between the Ministry of Finance and the commercial bank;
9. Signing a guarantee agreement between the Ministry of Finance and the commercial bank;
10. Ratification of a guarantee agreement by the National Assembly of the Republic of Bulgaria in the event of the conclusion of an international agreement.

Note: Bulgartransgaz EAD is not a party to the guarantee agreement. The conclusion, coordination and ratification of the guarantee agreement shall be carried out entirely between the Ministry of Finance and the relevant bank, without any legal commitment for Bulgartransgaz EAD to the content nor the terms and conditions of the agreement.

7. Deadline and tender submission procedure

a) Deadline for tender submission:

by 5 p.m. on 4 July 2025

Tenders shall be submitted electronically to the following e-mail address:

tenders@bulgartransgaz.bg

The tender shall be submitted as an archived file (.zip or .rar) and be password protected.

- The „Subject" field of the e-mail shall read:
- TENDER – Financing – [name of the participant]
- The password to access the archived file shall be sent separately, on 4 July 2025, by 5:00 pm, to the same e-mail address:

  tenders@bulgartransgaz.bg

- Tenders for which a password is not provided within the specified deadline will not be opened and will be considered invalid.
- Each Participant may submit only one tender. In case of more than one tender submitted by the same participant, the one received last in time will be considered to be valid.
- All documents shall be submitted in Bulgarian or English language.

b) Only tenders meeting all requirements laid down in this invitation shall be eligible for review, evaluation and ranking.

c) The tender term of validity shall be at least 60 (sixty) days as of the tender submission deadline.

d) If missing documents and/or irregularities are found in a participant's tender, Bulgartransgaz EAD reserves its right to request in writing the participant to submit the missing documents and/or to eliminate the irregularities found within a certain deadline which cannot be less than two (2) business days. The failure on behalf of the participant to submit the necessary documents and information shall result in their exclusion from the procedure.

8. Signing a loan agreement

Notification of the signing of a loan agreement will be sent to the participants whose offers has been evaluated as the most economically advantageous.

During the term of the signed loan agreement, the Contractor shall make all efforts to comply with the requirements, laid down in the eligibility requirements in item 4(a) and (b), as this has been declared by the participant in the course of the procedure. This circumstance shall be confirmed by the Contractor upon request by the Contracting authority (the absence of such confirmation shall not prejudice the obligations of the borrower in accordance with the loan documentation).

Contact person:

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9. Additional clarifications and information:

The banking institutions intending to submit a tender may submit written inquiries related to the project implementation and/or the financial condition of Bulgartransgaz EAD by the close of business on 25.06.2025.

Inquiries must be sent to: **tenders@bulgartransgaz.bg**

The invitation and all accompanying documents are published on the website of Bulgartransgaz EAD (www.bulgartransgaz.bg) in Bulgarian and English language and submitted to the financing institutions with which Bulgartransgaz EAD has contractual relations at the time of the publication of the invitation.

We look forward to receiving your proposals.

Sincerely,

Vladimir Malin

Executive Dire