

**Brief information about Natsionalna Elektricheska
Kompania EAD**

Natsionalna Elektricheska Kompania EAD (NEK) is a single-owner joint-stock company, 100% owned by Bulgarian Energy Holding EAD, with a seat in Sofia. NEK's main activity is electricity generation and trading.

NEK conducts a nationally responsible policy for development of the national economy. The Company plays a crucial role in ensuring the electricity security of the Republic of Bulgaria. It is the largest electricity company in the country, the biggest producer of electricity from HPP and a big trader of electrical energy. The Company performs the most complex functions in the energy market, combining the commitments of a public supplier with respect to electricity purchase and sale on both regulated and non-regulated markets, electricity generation from HPP, functions of a supplier of last resort and a coordinator of different balancing groups. NEK provides reliable reserves to the Electricity System Operator (ESO EAD) for primary, secondary and tertiary regulation, thus ensuring safe and reliable operation of the electric power system.

NEK has licenses issued by the Energy and Water Regulatory Commission (EWRC) for electricity generation from HPP and PSHPP; public supply of electrical energy, supplemented with rights and obligations of a special balancing group coordinator; electricity trade, supplemented with the rights and obligations of a standard balancing group coordinator; electricity supply from a supplier of last resort, supplemented with the rights and obligations of a special balancing group coordinator.

NEK owns and operates, through its HPP Enterprise, 30 HPP and PSHPP with total installed capacity of 2713 MW in a turbine mode and 937 MW in a pumping mode. Hydro power plants play a key role in the electric power system capacity balancing. The average annual generation of electricity from HPP and PSHPP amounts to 3 300 000 MWh.

NEK also operates the largest PSHPP on the Balkan Peninsula and in South East Europe – Chaira PSHPP, which provides additional security and flexibility for the electric power system balancing and regulation. With 864 MW in a turbine mode and 798 MW in a pumping mode, this power plant is so designed that it can replace base load generating capacities in case of failure, including failure of 1000 MW in Kozloduy NPP.

NEK maintains and operates the large dams and hydro-engineering facilities through its Dams and Cascades Enterprise. It performs technical control, maintenance and repair of 40 dams (perennial, annual, seasonal, weekly and daily reservoirs), over 500 water catchments and hundreds of kilometres of free-flow and pressure derivations in the energy system. A large part of the dams are intended for multi-purpose use, therefore they are of essential importance for the economy in the country as a whole.

The largest hydro power facilities and/or multi-purpose hydro-engineering facilities on the territory of the country are operated within NEK's system in hydro power cascades, as follows:

- Belmeken-Sestrimo-Chaira Cascade;
- Batak Cascade;
- Dospat - Tsankov Kamak – Vacha Cascade;
- Arda Cascade.

NEK carries out electricity trading, ensures electricity supplies to the population on the regulated market, as well as trades electricity on the non-regulated market through all platforms of IBEX.

NEK guarantees the technical operation and maintenance of its HPP and PSHPP facilities through its own accredited laboratories for control.

NEK owns certificates issued by the Chamber of Constructors related to the execution of high-rise building construction, adjoining infrastructure, electronic communication networks and facilities; execution of construction works in the transport infrastructure of category IV; execution of construction works in the energy infrastructure; execution of construction works in the public works infrastructure, construction of hydro-engineering facilities and environmental protection.

NEK carries out investment activities that guarantee the security and development of the electric power system. The Company develops and implements major energy projects related to new generating capacities important for the electricity balance in the country.

NEK's assets include the Belene site, built for Belene NPP, where the equipment supplied for the future power plant is located. NEK performs the activities related to the equipment preservation and safe storage, as well as for the entire site. The site is licensed, with infrastructure completely built and total readiness for starting the construction of Belene NPP. NEK is the owner of all permits for the Project.