



26ο Εθνικό Συνέδριο «Ενέργεια & Ανάπτυξη 2022»

The role of Natural Gas as a strategic transition fuel in a rapidly changing environment

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Overview

- **The role of Natural Gas in Europe**
- The transformation of the Greek Market
- DEPA's positioning in the changing environment

Recent Developments at EU level

EU policy post 2019:
Acceleration of decarbonization
path

- Green Deal
- Fit for 55 package

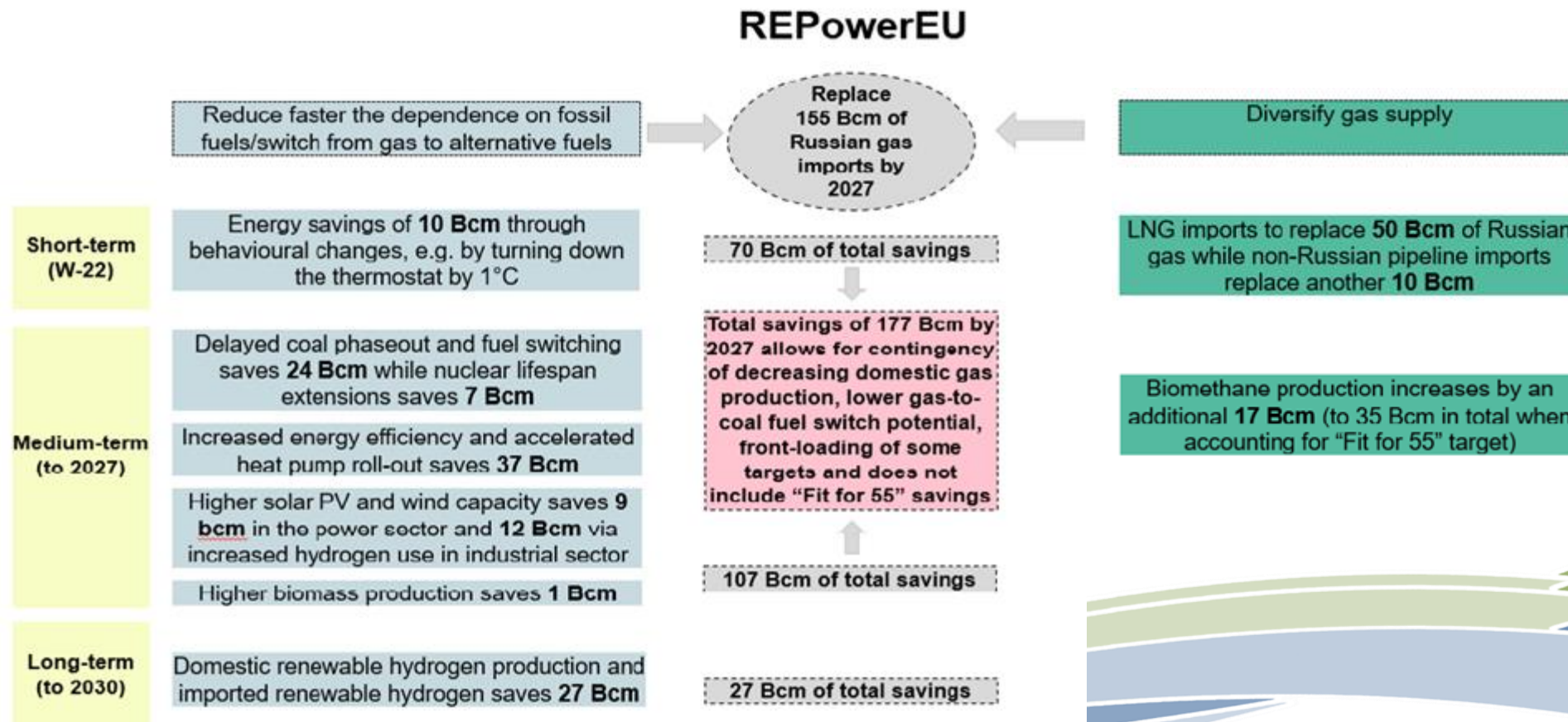
Russian – Ukraine war (Feb. 2022):
EU measures to replace Russian gas
imports

- RePowerEU



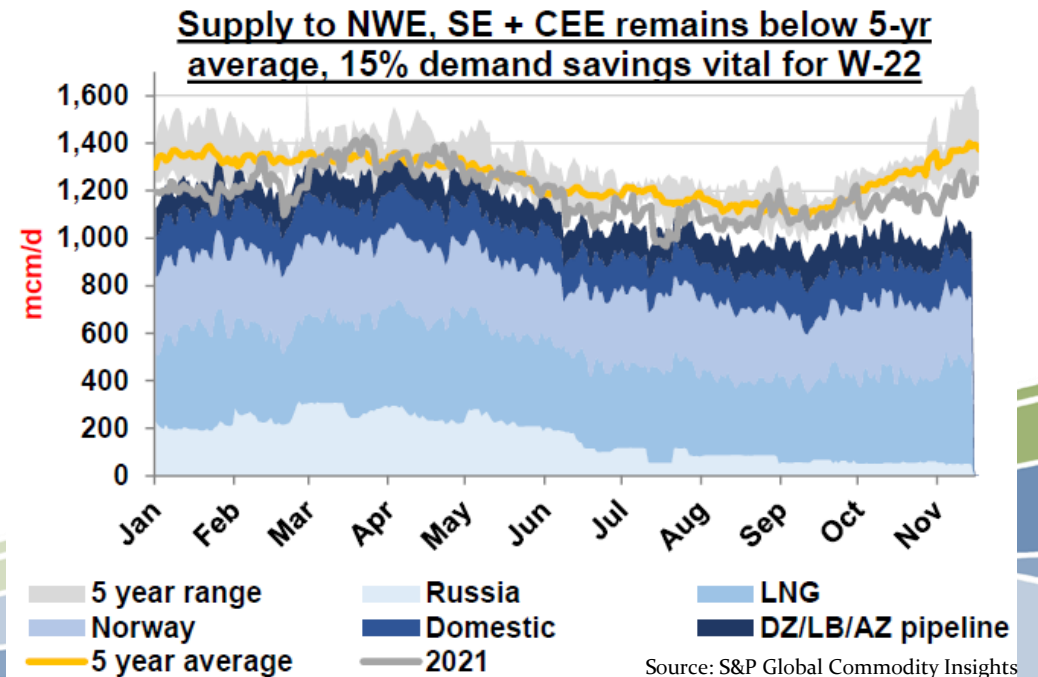
Lack of clarity on the future role
of natural gas

The real challenge for Europe to implement its energy choices



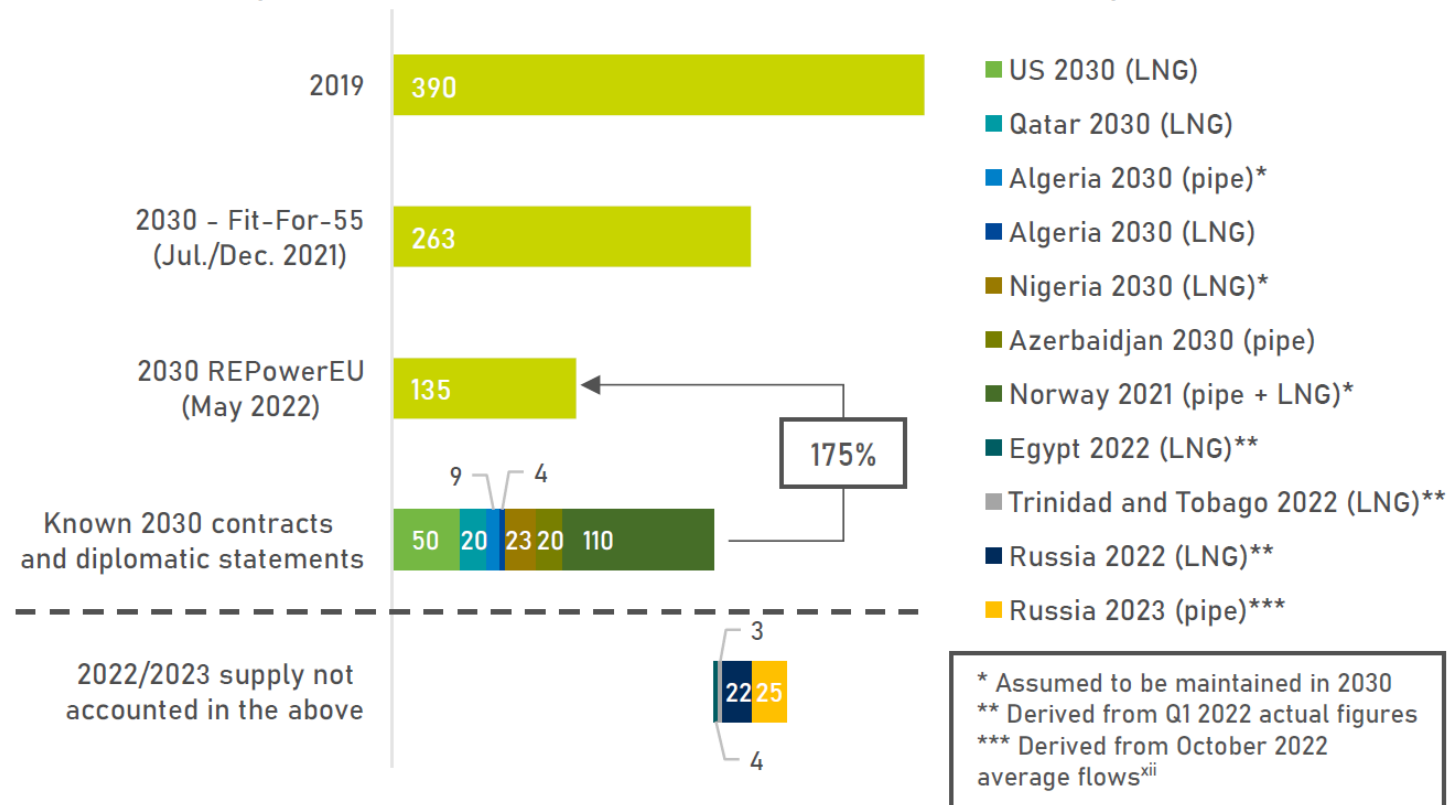
EU relies on consumers and LNG to limit Russian gas exposure

- Russia's invasion of Ukraine on Feb. 24 had triggered a major energy supply and security crisis that sent commodity prices to new highs, with wider implications for the global economy.
- The conflict has put further considerable pressure on gas markets and raised uncertainty in the context of an already tight market.
- Gas demand forecasts for almost all regions had been revised downwards.
- Lower Russian supplies had largely been compensated for by LNG, "turning Europe into the premium market and drawing cargoes away from Asia Pacific and other regions."
- There are no legally binding import restrictions on Russian gas in the EU, yet there is a strong drive to reduce the bloc's exposure to Russian energy imports.



Are the targets of RePowerEU clear and realistic?

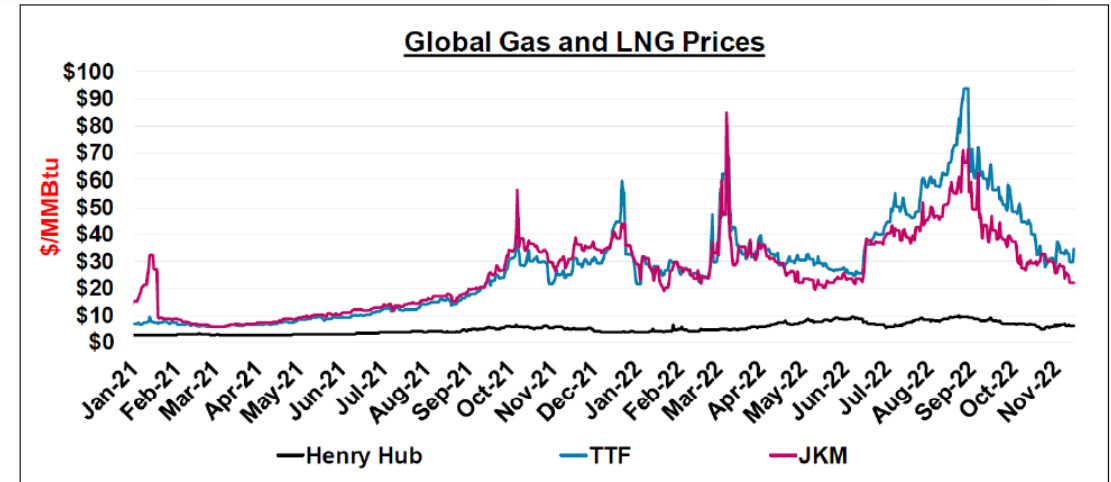
Natural gas consumption 2019 and Fit-for-55 & REPowerEU 2030 projections vs. diplomatic statements, known contracts and current imports (bcm)



Europe and Asia compete for global LNG supplies

Price signals towards the right direction

- Until now, spot LNG cargoes are heavily concentrated in the Asian markets. China was the largest spot LNG market in 2021.
- Towards the end of 2021 prices rose sharply in some regions, from the record lows of 2020 to new record highs. This was an effective price signal for the supply to go to where it is needed most in a situation of an extremely tight market, with no excess capacity and demand growth outpacing new supply additions.



Source: S&P Global Commodity Insights

Wholesale Price Map 2021



Source: IGU

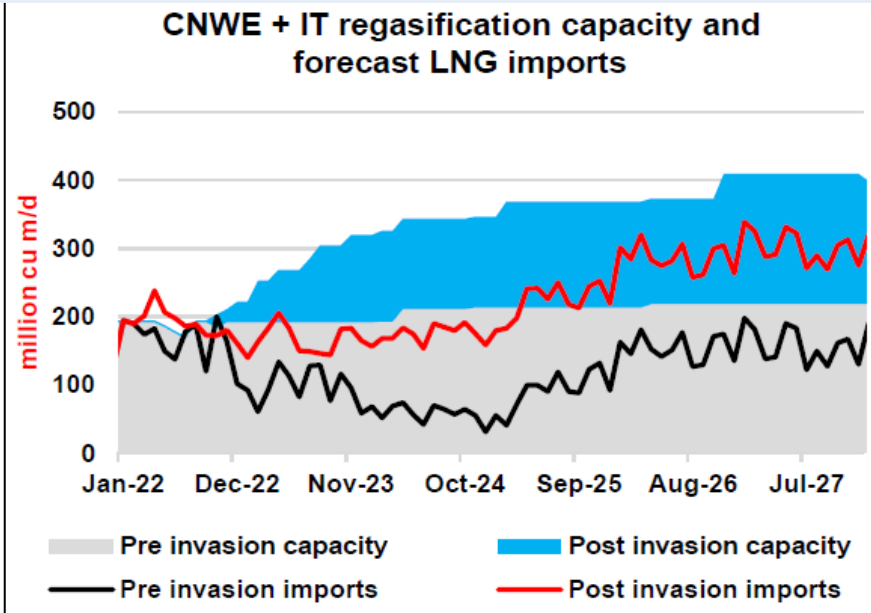
Price volatility indicates the need for more energy input

- The global gas market has been able to respond very effectively to the significant change in LNG flows, most recently being diverted to Europe to replace declining pipe imports from Russia.

Diversifying EU market with LNG

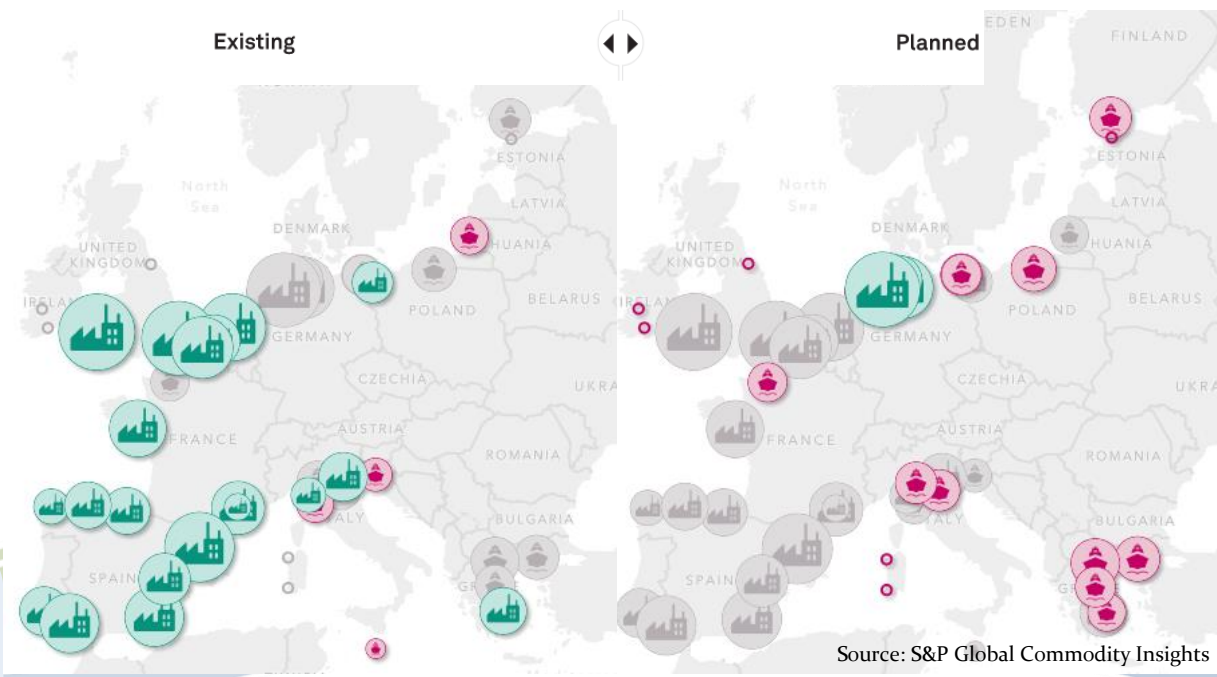
Europe's race to secure floating LNG storage

Intra-regional disparities between countries with spare regasification capacity and those with high dependency on Russian pipeline gas (capacity bottlenecks), highlights the need for additional LNG infrastructure.



European LNG import facilities

- Sized by capacity (Bcm) Maximum: 21.2 Minimum: 0.7
- FSRU planned (pink icon)
- Capacity unknown (grey icon)
- Permanent site (green icon)



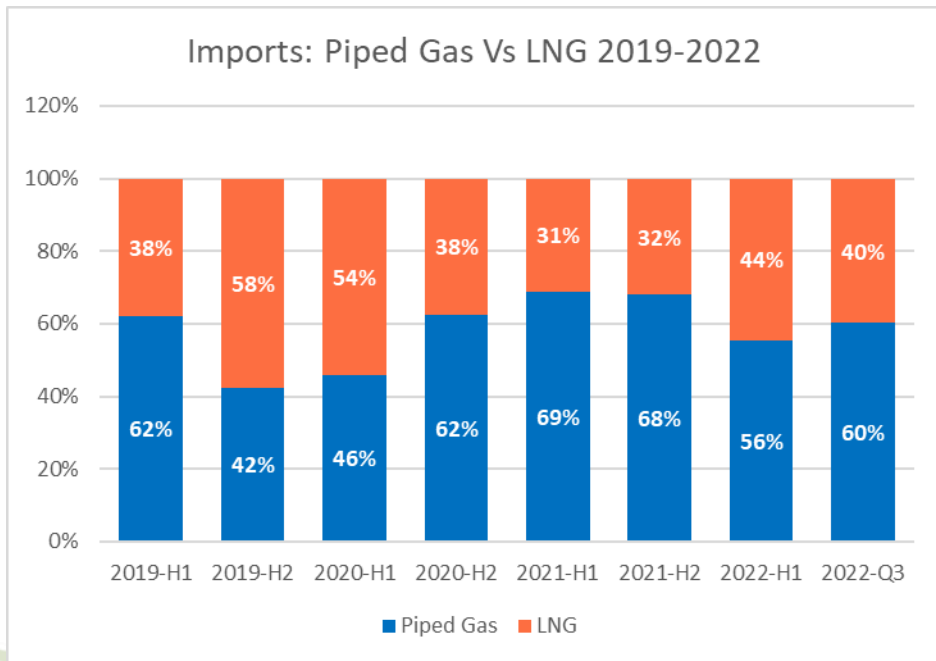
Countries across Europe are rushing to secure new LNG import infrastructure as they look to cut Russian pipeline imports, with plans being made to realize numerous projects, both old and new, in record time. Many of the terminals will also be future-proof and technically able to import hydrogen and ammonia. Most of the plans are for floating LNG import facilities which can be installed more quickly than onshore, permanent import terminals.

Overview

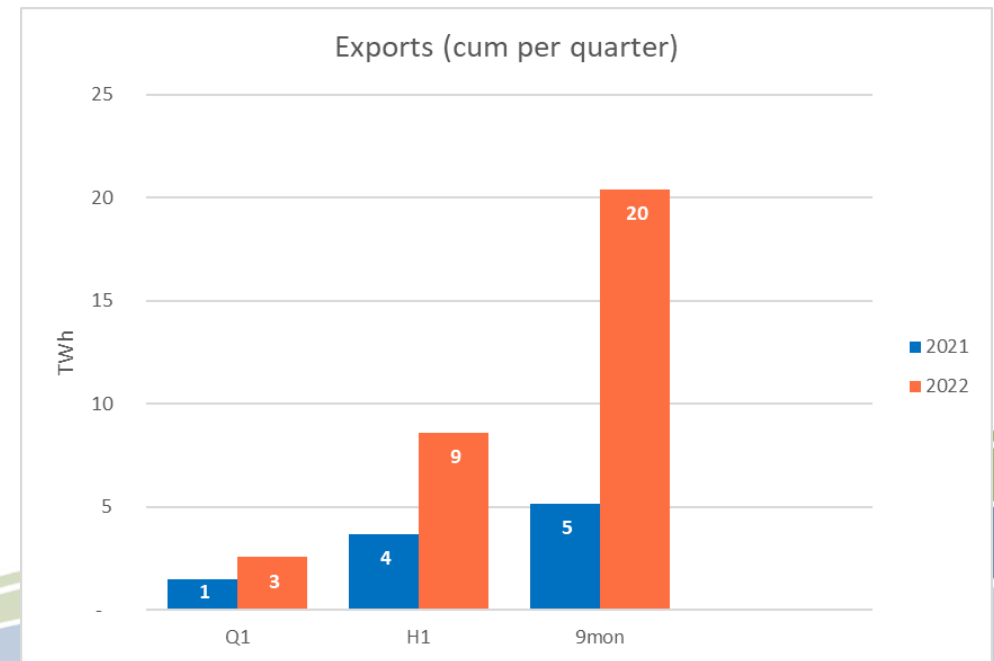
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Greece: From destination country to regional hub.

- In the first 9 months of 2022, out of 65,4 TWh of total gas imports, 43% referred to LNG imports, and 57% referred to piped gas imports (vs 32%-68% for the whole 2021).



- During the first 9 months of 2022 exports from Greece reached 20,4 TWh, almost tripled compared to 2021.



Greek energy/gas market: Expected developments

Supply side

- Power mix: Accelerate RES deployment, but natural gas will remain a key pillar
- Infrastructure: Exploit new LNG terminals to enhance Greece's role in achieving SE Europe security of supply and diversification of supply sources.
- Accelerate investments in green gas production technologies (H2, biofuels), being in favor of EU decarbonization targets

Demand side

- Focus on energy efficiency measures (Energy savings)
- Enhanced LNG role – Development of ssLNG market
- Gas market: Increased uncertainty (initially negative impact, followed by slower development depending on gas price deflation rates)

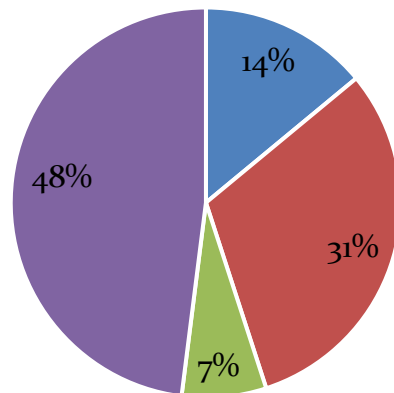
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DEPA commercial S.A.: a leading gas supplier

DEPA COMMERCIAL is the main importer of pipeline gas and Liquefied Natural Gas (LNG) in Greece, having more than 25 years of experience in the Greek market.

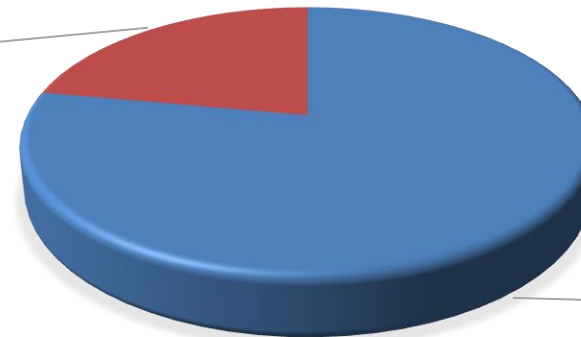
DEPA's CONTRACTUAL IMPORT VOLUMES (2022)



■ LNG ■ AZERBAIJAN ■ TURKEY ■ RUSSIA

DEPA GAS SALES IN 2022

Neighbouring markets; 22%



Domestic sales; 78%

With a diversified gas portfolio with LT contacts promotes security of supply and competitive prices

DEPA Commercial promotes the country's emerging role as regional gas hub.

20% stake in the Alexandroupolis FSRU, a strategic infrastructure for the future regional gas system

Long-term booked capacity in both Alexandroupolis FSRU and IGB pipeline



- Alexandroupolis FSRU will represent a **strategic LNG import infrastructure, increasing security of supply and allowing market participants to seize LNG import opportunities in the South East Europe**
 - Binding market test was successfully concluded;
 - Project COD (commercial operation date) set by the end of 2023 / beginning of 2024
 - 5,5 bcm regasification capacity
 - 153 500 cm LNG storage capacity
- IGB started commercial operation in 01.10.2022. IGB will be able to transport annually 3 bcm of gas to Bulgaria (transportation capacity may be expanded up to 5 bcm).

<https://www.gastrade.gr/en/the-project/?privacy=updated>

*LNG terminals of Alexandroupolis also incorporate another FSRU project "Thrace LNG", currently in pre-approval phase.

DEPA's strategic transformation into a vertically integrated energy group.

The strategic choice of DEPA Commercial is to transform from a Natural Gas wholesaler in Greece, to an integrated, regional energy company, creating additional value from synergies within its core assets.



DEPA's Development Plan

Key DEPA's Initiatives

- ❑ Strengthen position in the energy retail market through Fysiko Aerio – Greek Energy Company
- ❑ Enter the electricity market leveraging from RES production and gas fired power generation
- ❑ Take position in key regional infrastructure (FSRU Alexandroupolis)
- ❑ Promote renewable gases (Hydrogen & bio-methane projects)
- ❑ Develop new gas delivery models – Gas for road and marine transport (CNG-Fisikon / SSLNG projects)

Total 5-year Investment plan of more than 130 M€
(including direct investments and participations in JVs /associations)

Working for a sustainable Energy Future

DEPA Commercial: a key player in the Greek Energy System

- Contributes continuously to the ***Greek Economy*** with a dynamic presence in the Energy Sector
- ***Provides secure*** and diversified supplies of natural gas at ***competitive prices***
- Participates or is positioned in ***large regional projects*** (TAP, IGB, Alexandroupolis FSRU, storage), enhancing the country's transformation into an important regional gas hub
- ***Supports the society*** to face the current energy crisis, by ***granting more than 170 M€*** until now, to lower end gas users' bills
- Is ***self-transforming*** in order to contribute to a ***greener energy future***

Thank you!