

RIGA FREEPORT AUTHORITY

INVESTOR SELECTION RULES

for the Project
"Development of Port and Logistics Infrastructure in Kundziņsala
for Wind Technology Manufacturing"

Riga, 2026

DEFINITIONS

Project – the project “*Development of Port and Logistics Infrastructure in Kundziņsala for Wind Technology Manufacturing*”, implemented in accordance with the European Union Cohesion Policy Programme 2021–2027, Specific Objective 2.5.1 “Investments Supporting the Achievement of STEP Targets”. The measures under this objective are defined by Cabinet Regulation No. 751 of 26 November 2024 “Implementation Rules for the Specific Objective 2.5.1 ‘Investments Supporting the Achievement of STEP Targets’ of the EU Cohesion Policy Programme 2021–2027”. The Regulation is available at: <https://likumi.lv/ta/id/356847>.

Project Objective – to strengthen the EU supply chains for critical offshore wind technology manufacturing by attracting producers of offshore and onshore wind technologies and their components, creating a green industrial zone for the manufacturing of wind energy technology components.

Clean Energy Technology Operator – a commercial entity planning to invest in the production of offshore and onshore wind technologies and their components.

Applicant – a Clean Technology Operator participating in the Investor Selection process in accordance with these Rules.

Information Material – the document “*Kundziņsala Wind Hub – a Large-scale Offshore Wind Component Manufacturing & Logistic Complex*”, which provides information on the Freeport of Riga, the Project, its infrastructure, and the Development Area. The Information Material is attached as Annex 1 to these Rules.

Infrastructure – the infrastructure to be constructed within the territory of the Freeport of Riga, Kundziņsala (including a high-load deep-water quay, deepened fairways, high-load Ro-Ro ramp, cargo handling and storage areas, road and rail access, water and sewerage networks, energy supply systems, etc.). A general description of the Infrastructure is provided in the Information Material.

Development Area – undeveloped land plots adjacent to the Infrastructure, covering approximately 76 ha.

Land Plot – the land plot within the Development Area, identified in the Information Material as Land Plot B (approx. 30 ha). The size and location of the Land Plot may be adjusted and specified based on the results of the second stage of the Investor Selection process.

Methodology – the *Methodology for the Granting of Land Lease and Building Rights*, approved by the decision of the Freeport of Riga Board No. 51 of 19 August 2022. The Methodology is available at: https://rop.lv/sites/default/files/2024-11/Nekustama_ipasuma_nomas_metodika%202024%20%281%29.pdf.

Facility – the offshore or onshore wind technology and component manufacturing facility that the Investor intends to construct on a Land Plot.

Investment – private investments that complement public support and must be made by Investors in the construction and operation of Facilities. The minimum total Investment amount for all Investors across the Development Area is EUR 40 million, of which at least 10% must be actually invested by 31 December 2029.

Investment Agreement – an agreement concluded between the Freeport of Riga Authority and the Investor on the investment in the Facility construction and the lease of Infrastructure.

Superficies Agreement – an agreement between the Freeport of Riga Authority and the Investor under which the Investor is granted the right to construct buildings and structures on land plots within the Development Area and to use them as an owner during the term of the agreement.

Auction – a procedure organized by the Freeport of Riga Authority for granting the right to lease Infrastructure.

Investor – an Applicant that qualifies as a Clean Technology Operator and has concluded an Investment Agreement with the Freeport of Riga Authority.

Freeport of Riga Authority – the Freeport of Riga Authority, registration No. 90000512408, legal address: Tala iela 1, Riga, Latvia, LV-1010.

Rules – these Investor Selection Rules adopted within the framework of the Project implementation.

1 GENERAL INFORMATION

1.1 In accordance with the European Climate Law, the Member States of the European Union have committed to reducing greenhouse gas emissions by at least 55% by 2050 and to becoming climate neutral by implementing various renewable energy (hereinafter — RES) and energy efficiency promotion projects. Furthermore, the European Commission intends to increase this target by requiring that by 2030, at least 40% of energy production within the EU must come from RES.

1.2 Due to the geopolitical situation, on 30 August 2022, eight EU Member States — including the Baltic States, Poland, Germany, and the Nordic countries (Sweden, Finland, Denmark) — signed the Marienburg Declaration. By signing the Declaration, the parties committed to increasing offshore wind capacity in the Baltic Sea region sevenfold by 2030, from 2.8 GW to 19.6 GW. The Declaration acknowledges the significant offshore wind potential of the Baltic Sea basin, which could reach 300 GW by 2050. It also emphasizes the importance of developing cross-border projects and ensuring the availability of suitable port infrastructure in the Baltic Sea region to support this expansion. The EU Maritime Spatial Planning Directive obliges coastal Member States to designate areas for offshore RES development to achieve ambitious energy transition targets by 2030.

1.3 The implementation of these policies has created unprecedented demand for RES sector manufacturing, assembly, and transport infrastructure in countries where such demand has so far been relatively limited, including Latvia. This opens up opportunities for the development of new industries. According to various analytical forecasts (GWEC, Woodmac, and BNEF), the EU's offshore wind capacity is expected to increase more than fourfold by 2035, corresponding to an average annual growth of more than 18 GW. It is expected that approximately 75% of this capacity will be installed in the North Sea and 25% in the Baltic Sea. Forecasts suggest that Latvia could achieve 14.5 GW of RES generation capacity by 2050 through the development of new RES projects.

1.4 Latvia and other Baltic Sea region countries are expected to face a growing demand for RES equipment (e.g., wind turbines, solar panel systems, etc.) as they develop onshore and offshore

wind projects in the near future. Given the large size of offshore wind turbines and their components, it is strategically appropriate to locate wind turbine component manufacturing facilities within port areas with access to quays, enabling efficient transportation to the destination countries via competitive maritime shipping.

1.5 Because of the highly specialized infrastructure required for the assembly and production of RES equipment, the number of ports suitable for developing such infrastructure is limited. The availability of large coastal sites with access to sea routes is one of the key prerequisites for attracting RES manufacturing companies — especially offshore wind component producers — to develop integrated high-load port, manufacturing, and logistics infrastructure.

1.6 The Freeport of Riga Authority has determined that the available land areas and the existing port infrastructure have significant development potential and provide a competitive advantage compared to other ports in the region for RES manufacturing infrastructure. However, this is only achievable if sufficient high-load cargo areas, deep-water berths, and other supporting port infrastructure can be constructed. The development of RES infrastructure at the Freeport of Riga would support the planned onshore and offshore RES projects in the Baltic and North Seas, positioning Riga as one of the key long-term logistics, manufacturing, and assembly hubs for RES components in the region.

1.7 Under these circumstances, the Freeport of Riga Authority is implementing the Project to develop a new port, logistics, and manufacturing support infrastructure complex between 2025 and 2029 in the Freeport of Riga. This will support the manufacturing, movement, and storage of onshore and offshore wind turbine components over an area exceeding 90 ha in Kundziņsala. The Project aims to strengthen the EU supply chains for critical offshore wind technology manufacturing by attracting offshore and onshore wind technology producers and their component manufacturers to develop a green industrial zone for wind energy technology production in Kundziņsala.

2 INVESTOR SELECTION OBJECTIVE

2.1 The objective of the investor selection procedure is to identify Applicants who meet the selection requirements and are interested in making Investments in line with the Project objectives, leasing Infrastructure, and obtaining Building Rights. During the negotiation procedure, additional information will be gathered to enable the Freeport of Riga Authority to conduct the selection and conclude the Investment Agreement necessary for achieving the Project objectives.

3 INVESTOR SELECTION PROCEDURE

3.1 The investor selection process consists of three stages:

3.1.1 In the first stage, the Freeport of Riga Authority identifies Applicants who meet the selection requirements, are interested in leasing Infrastructure, and intend to make Investments in the Development Area in line with the Project objectives. The Freeport of Riga Authority verifies the validity of the documents submitted by Applicants and checks whether any of the exclusion grounds set out in Section 4 of these Rules apply to them. All Applicants whose documentation is found to be valid and who are not subject to the exclusion under the grounds set out in Section 4 of the Rules will be invited to participate in the second stage — the negotiation procedure.

3.1.2 In the second stage, the Freeport of Riga Authority conducts individual negotiations with Applicants that meet the selection requirements. During these negotiations, the Freeport of Riga Authority will provide information on the Project and on how business activities are to be carried

out in the Freeport of Riga. At the same time, it will obtain information from Applicants regarding their intended activities, Investment objectives and Facilities, the planned Investment amount and timelines, the required size and location of the Land Plot for the construction of the Facility, as well as other issues relevant for achieving the Project objectives. Based on the information obtained during negotiations, the Freeport of Riga Authority will determine the size and location of the Land Plot and identify which Applicants have expressed interest in obtaining Building Rights for the construction of Facilities on specific Land Plot.

3.1.3 The third stage - an Auction will be organized if more than one Applicant expresses interest in obtaining Building Rights for the same Land Plot.

3.2 During the negotiation procedure, the Freeport of Riga Authority will hold separate discussions with each Applicant invited to participate in the second stage. All negotiations will be recorded. The negotiation procedure will take place between 2 and 6 March 2026, at a mutually agreed time. Negotiations will be held either in person or online at the Freeport of Riga Authority's premises at Tala iela 1, Riga, or online via Zoom or Microsoft Teams.

3.3 Applications for participation in the investor selection must be submitted to the Freeport of Riga Authority by 27th February 2026. The application form attached to these rules must be completed and submitted. The application must include the following attachments:

3.3.1 A document confirming the representative's authority to participate in the investor selection on behalf of the Applicant (unless such authority can be verified in a publicly accessible register);

3.3.2 The documents specified in Section 4 of these Rules;

3.3.3 A description of the intended activity, including information on the Applicant's experience in offshore and onshore wind technology component manufacturing, its planned operations in the Freeport of Riga, Investment objectives and Facilities, planned Investment amount and timelines, the required size and location of the Land Plot for the Facility construction, as well as other issues relevant for achieving the Project objectives.

3.4 Applicants registered outside Latvia must additionally submit a document issued by the competent authority of the relevant foreign country confirming that the Applicant is registered in accordance with the national laws of that country. This document must include (or be accompanied by additional documents containing) information on the Applicant's name, legal form, country of registration, registration number, registered office, ultimate beneficial owner(s), members of the management board, persons with representation rights, authorised signatories (proxies), and persons authorised to represent the Applicant in matters related to the branch.

3.5 Applications must be submitted in Latvian or English, either in paper form or as an electronic document. Paper applications must be sent or delivered to the legal address of the Freeport of Riga Authority. Electronic documents must be sent to the Authority's email address: info@rop.lv. All applications must be signed by a duly authorised person.

4 INVESTOR SELECTION REQUIREMENTS

4.1 The investor selection requirements are mandatory for all Applicants.

4.2 Applicants are eligible to participate in the investor selection if they meet the requirements set out in Article 18(1) of the Law on Ports of the Republic of Latvia, and if there are no other restrictions under external regulatory enactments that would prevent the conclusion of an

agreement with the Applicant. The law is available at: <https://likumi.lv/ta/en/en/id/57435-law-on-ports>.

4.3 To assess the Applicant's eligibility, the Freeport of Riga Authority will verify, using publicly available databases, the following information:

4.3.1 The Applicant's financial situation and tax debts exceeding EUR 150;

4.3.2 Whether insolvency proceedings have been initiated, the Applicant's commercial activity has been suspended, or the Applicant is in the process of liquidation;

4.3.3 Whether international or national sanctions have been imposed, including EU or NATO Member State sanctions that could materially affect financial and capital market interests;

4.3.4 The good reputation of the Applicant's founders and shareholders will also be assessed.

4.4. The Applicant's financial position must be sufficient to carry out the planned Investments as set out in the business plan included in the description of the intended activity. The Freeport of Riga Authority reserves the right to request the Applicant to submit evidence proving compliance with these requirements.

4.5 The Freeport of Riga Authority has the right to request additional information and documents from the Applicant to verify compliance with the requirements set out in paragraphs 4.2 and 4.3 of these Rules.

4.6 If an Applicant fails to meet the requirements set out in this section, the Applicant will be excluded from further participation in the investor selection procedure.

5 AUCTION

5.1 After the completion of the second stage of the investor selection, the Freeport of Riga Authority will prepare a report specifying the size and location of the Land Plot and identifying which Applicants have expressed interest in obtaining Building Rights for the construction of Facilities on specific Land Plot.

5.2 If more than one Applicant has expressed interest in obtaining Building Rights for the same Land Plot, the Freeport of Riga Authority will organise an auction for Infrastructure lease rights, inviting these Applicants to participate.

5.3 The total minimum annual lease fee for Infrastructure is EUR 2,600,000.00 (excluding VAT), corresponding to the established market rate. The lease amount and its distribution among Investors will be determined based on the Investor selection procedure.

5.4 The subject of the auction will be the right to use Infrastructure for separate short-term lease periods, with a minimum allocation unit of one calendar day (24 hours), counted from 00:00 to 24:00. The minimum daily lease fee for Infrastructure is EUR 7'124.00.

5.5 If more than one Applicant expresses interest in the Land Plot, the Building Rights will be granted to the Applicant offering the highest daily lease fee for Infrastructure.

5.6 The auction will be organised by a special auction commission established by the Freeport of Riga Authority. The auction will be held on the date, time, and place indicated in the notice sent to the Applicants.

5.7 The auction will be conducted by the auctioneer, and the entire auction process will be recorded by the auction secretary.

5.8 If it is established that only one of the invited Applicants is present at the auction, Infrastructure lease rights and Building Rights will be granted to that Applicant.

5.9 Bidding will proceed in increments of EUR 100 per bid. Infrastructure lease rights will be granted to the Applicant offering the highest daily lease fee for Infrastructure.

5.10 Within the development area (the land plots designated with the letters A and C in the Informative Material), another Investor will conduct its commercial activities. Accordingly, it is expected that Infrastructure will be used by two Investors. The Freeport of Riga Authority will conclude a single joint Infrastructure lease agreement with Investors, while Investors shall agree among themselves on the rules for the use of Infrastructure.

5.11 If the total number of lease days requested by all Investors who gain the right to use Infrastructure for certain short-term rental periods during the year is less than 365 days, the daily lease fee will be increased by dividing the total annual lease fee of EUR 2,600,000.00 by the total number of requested lease days. The winning Applicant's daily lease fee will be further increased in proportion to the amount by which their bid exceeded the minimum daily lease fee.

5.11 If the total number of lease days requested by all Investors who gain the right to use Infrastructure for certain short-term rental periods during the year exceeds 365 days, each Investor will receive the right to use Infrastructure for a proportionally reduced number of days per year, calculated by dividing the number of days requested by each Investor by the total number of requested days and multiplying by 365.

5.12 Applicant who obtain the right to use Infrastructure for separate short-term lease periods during the year will also be entitled to conclude a Superficies Agreement in accordance with the Methodology in order to carry out Investments in Facility construction on the Land Plot within the Development Area.

6 OTHER PROVISIONS

6.1 The Applicant shall bear all costs related to the preparation, receipt, and submission of its application and other documents. Participation in the investor selection procedure is voluntary, and regardless of the outcome, the Freeport of Riga Authority assumes no responsibility for the Applicant's expenses or potential losses related to participation in the procedure.

6.2 All information provided by the Applicant shall be true and accurate. If the Freeport of Riga Authority has doubts regarding the authenticity of any information provided or the authenticity of copies of documents, it has the right to request the Applicant to present the original document or to submit a duly certified copy within a specified deadline.

6.3 These Rules are prepared in Latvian and English. The Latvian version shall prevail. The English version of the Rules is for information purposes only.

Annex 1 – Information Material: “Kundziņsala Wind Hub – a Large-scale Offshore Wind Component Manufacturing & Logistic Complex”;

Annex 2 – Application Form for Participation in the Investor Selection Procedure.