

## **Terms and conditions for participation for the selection of solar power plant projects for sale in AS "Latvenergo"**

AS "Latvenergo" Group is one of the leading energy companies in the Baltics, operating in the field of electricity and heat energy production and trade, natural gas trade, and electricity distribution services. AS "Latvenergo" has been recognized as the most valuable company in Latvia multiple times. The international credit rating agency Moody's has assigned AS "Latvenergo" an investment-grade credit rating of Baa2/stable.

### **Glossary**

AS "Latvenergo" – joint-stock company "Latvenergo", registration number 40003032949.

Application - the form provided in Annex No.1 of these participation conditions and the Project visualization, which includes the layout of buildings and engineering networks required for the construction and transmission of electricity from the power plants, which confirms the Applicant's interest in the possible alienation of the Project to AS "Latvenergo".

Applicant - a legal entity that has building rights or owns real estate on which solar power plants are being built or solar power plants have already been built.

Project - a unified set of documentation for a business project that ensures the development of solar power plants, including the necessary structures and engineering networks for operation and electricity transmission.

PwC - PricewaterhouseCoopers SIA, registration number 40003142793.

### **Objective**

1 The goal of AS "Latvenergo" is to acquire 100% of the share capital of a company that implements the development, construction, or operation of solar power plant projects. To reach the stage of transaction negotiations, AS "Latvenergo" conducts a project selection procedure, identifying renewable solar power plant projects that their owners or developers would be interested in selling to AS "Latvenergo".

To ensure the coordination and administration of the selection process, the organization of the selection procedure has been entrusted to the PwC team.

### **Application and selection procedure**

2 The information about the Application and selection procedure can be found on the webpage of AS "Latvenergo" [www.latvenergo.lv](http://www.latvenergo.lv) and on the webpage of PwC [www.pwc.lv](http://www.pwc.lv).

3 Applicants can ask questions regarding the Application submission and selection procedure by contacting the PwC representative Roberts Bērziņš using the following phone number: +371 67094400, email: [roberts.berzins@pwc.com](mailto:roberts.berzins@pwc.com). Information regarding the provided clarifications that may affect the preparation of the Application will be made available on the websites specified in clause 2.

4 Applicants can submit their selection procedure Applications until the 30st of August, 2024 by sending (1) a completed Annex No.1 Application form, (2) a completed Annex No.2 Declaration of Confidentiality and (3) a visualization of the Project, including the placement of necessary structures and engineering networks for power stations and power transmission, to [lv\\_pwc.riga@pwc.com](mailto:lv_pwc.riga@pwc.com), both of which must be signed with a secure electronic signature. If the Applicant implements more than one Project (Portfolio), it submits an Application for each Project separately, which it would be interested in

selling to AS "Latvenergo". If the Applicant offers to purchase a Project portfolio, AS "Latvenergo" reserves the right to choose one, several or the entire project portfolio. In the case of a portfolio sale, an individual Project may not meet the production capacity specified in clause 14, but the majority of Projects must comply with the production capacity specified in clause 14.

5 If the submitted information contains commercial secret, the Applicant identifies it by highlighting the text or numbers in yellow and prepares a separate version of the document that does not entail commercial secret and can be issued to AS "Latvenergo".

6 PwC may request clarification regarding the information provided in the submitted Application or its attachments to assess the conformity of the Project or Applicant to these participation conditions.

7 PwC notifies the Applicant of their inclusion or non-inclusion in the subsequent selection procedure no later than September 30, 2024.

8 The result of the selection process, if the Applicant and the Project are deemed to be compliant with the participation conditions and are invited for further business negotiations, it does not grant the right or promise that AS "Latvenergo" will acquire the specific Project, as the course and outcome of the business negotiations will be a voluntary process for both parties.

9 The selection procedure is based on the information and declarations provided by the Applicants. However, if PwC, in evaluating the submitted Application, or during the subsequent business negotiation stage, finds that the information or declarations provided by the Applicant are misleading or inappropriate, the Applicant's Application may be deemed non-compliant with the participation conditions, and the Applicant may be excluded from further participation in the selection process or business negotiations.

10 PwC has the right to modify these participation conditions or extend the Application submission deadline, which will be announced on the websites specified in clause 2.

11 AS "Latvenergo" has the right to interrupt or terminate this selection procedure at any time without announcing the results, which will be communicated on the websites specified in clause 2.

#### **Qualification requirements for Applicants and Projects.**

12 In order for the Application to be recognized as compliant with these participation conditions, the Applicant must demonstrate that the Applicant or their Project meets all the requirements mentioned below.

13 The Project is intended to be implemented in real estate located within the territory of the Republic of Latvia and is not intended for personal use (personal or economic self-consumption).

14 Power plants with a minimum solar panel capacity of not less than - 5MW (AC) are planned or installed in the project.

15 The project is in service or the project has been prepared for construction with a construction contract concluded, or the project has been prepared and is in the process of execution.

16 If necessary for Project implementation, the Applicant has concluded agreements with other real estate owners for the construction and operation of the necessary electric grid connection lines or substations on these properties.

17 The Applicant or a person who is a member of the Applicant's board or council, a legally authorized person, a procurator, or a person authorized to represent the Applicant in actions related to a branch, has not been found guilty and has not been subject to coercive measures based on a

prosecutor's penal order, a court judgment that has entered into effect and has become incontestable and unappealable, for any of the following criminal offenses:

17.1 establishing or leading a criminal organization, involvement in or membership in an organized criminal group or another criminal formation, or participation in criminal offenses committed by such organization,

17.2 giving or accepting bribes, misappropriation of a bribe, intermediation in bribery, unlawful participation in property transactions, unlawful acceptance of benefits, commercial bribery, unlawful requesting of benefits, acceptance or giving of benefits, trading in influence,

17.3 fraud, misappropriation, or laundering of the proceeds from crime,

17.4 terrorism, financing terrorism, establishing, or organizing a terrorist group, travelling for the purpose of terrorism, justifying terrorism, inciting terrorism, threats of terrorism, recruitment, or training of a person for the commission of terrorist acts,

17.5 human trafficking,

17.6 evasion of payment of taxes or equivalent payments.

18 The Applicant or a person who is a member of the Applicant's board or council, a legally authorized person, a procurator, or a person authorized to represent the Applicant in actions related to a branch, is not subject to international or national sanctions or significant European Union or NATO member state sanctions affecting financial and capital market interests.

19 The Applicant cannot be a legal entity or association of persons registered in a low-tax or tax-free jurisdiction or territory. The owner or holder of capital shares or stocks in the Applicant, owning more than 25 percent of the Applicant's capital shares, cannot be a legal entity or association of persons registered in a low-tax or tax-free jurisdiction or territory.

20 The Applicant does not have any outstanding tax and state social insurance payment debts exceeding EUR 150.00 in total.

21 The Applicant has not started and will not start negotiations with third parties regarding the sale of the Project until PwC announces the Applicant's non-inclusion in the next selection procedure or when the transaction negotiations with AS "Latvenergo" are concluded (until December 30, 2024).

### **Application evaluation**

22 PwC conducts an evaluation of the Applicant's Application based on the submitted and publicly available information. If the Applicant's Application for the Project meets the qualification requirements stated in clauses 13.-20. of the participation conditions, the Application is evaluated based on the provided information regarding the Project criteria. PwC is not obligated to provide the Applicant with information on the individual evaluation of their Application, which is prepared by PwC based on current market practices. The outcome of the evaluation will be based on the relative comparison of all submitted Applications.

23 The evaluation of Applicant's Application will be based on the relative comparison of all submitted Projects, considering various factors that may affect the return-on-investment indicators of each specific Project. Criteria such as the planned and/or existing commercial operations date, estimated total Project investments including expected sales price, electricity generation and other relevant factors related to a sound investment decision making, depending on each Project's development stage and the information submitted, will be evaluated.

### **Annexes**

1. Application form
2. Declaration of Confidentiality