Dear Reader,

The Klauberg BALTICS Baltic Business Opportunity Survey provides information about upcoming and ongoing investment projects in the Baltic States.

With offices in Estonia, Latvia, Lithuania, Klauberg BALTICS covers this region in all relevant areas of business law, including corporate/M&A, commercial and contract law, litigation and arbitration, tax and administrative/procurement. For further information on the projects presented, please contact our local offices. This publication is for information only; Klauberg BALTICS does not represent the project initiators.

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### News on Rail Baltica

<table>
<thead>
<tr>
<th>Executed by:</th>
<th>Project Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estonia, Latvia and Lithuania</td>
<td>Rail Baltica is a greenfield rail transport infrastructure project aiming to integrate the Baltic States in the European rail network. It includes five European countries - Poland, Lithuania, Latvia, Estonia and indirectly Finnland. The total length of line shall be 870 km. The trains will be powered environmentally friendly by electricity and reach up to 240 km/h for passenger- and up to 120 km/h for freight transport. The project will be funded 85% by EU. The first train launch at the newly constructed railway line is planned for 2026.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investment est.:</th>
<th>News</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR 5.8 billion</td>
<td>The new tender for audit services was announced by RB Rail AS. It aims at provision of audit services for RB Rail AS financial statements for the financial year 2019, 2020 and 2021 as well as provision of audit services on Rail Baltica Global Project expenditure. Interested parties shall submit their proposals by August 26.</td>
</tr>
</tbody>
</table>

| Completion: | 2026 |

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# Historic sea fortress in the middle of Tallinn waiting for investors

<table>
<thead>
<tr>
<th>Object:</th>
<th>Talinn’s Patarei sea fortress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Possible Start:</td>
<td>Bids are accepted until November 12, 2019</td>
</tr>
<tr>
<td>Price:</td>
<td>Starting price EUR 4.5 million</td>
</tr>
</tbody>
</table>

State-owned Patarei sea fortress, located at one of the most attractive locations in Tallinn, is on sale at a public auction.

Patarei sea fortress is located in the distinctive and evolving district of Põhja-Tallinn. With its unique architecture, the sea fortress situated on the shore of the Gulf of Tallinn, is recognizable from both the land and the sea.

Põhja-Tallinn district might be attractive for investors due to the fact that has the lowest stock of retail space of all districts in Tallinn. At the same time, it occupies third place by population among all Tallinn’s districts. Moreover, the area is also considered to be the most attractive place for possible hotel developments in the short-term perspective.
### Talinn Aiport`s operator plans a terminal expansion by 2035

| **Object:**  
| Tallinn Airport |
| **Possible Start:**  |
|  |
| **Planned Completion:**  |
| 2035 |

Tallinn Aiport`s operator state owned AS Tallinna Lenujaam is planning to add a business campus to the existing structures and raise the capacity of the passenger terminal.

By 2035, up to 150,000 square meters of business, service and accommodation premises are planned to be built on the airport campus.

Tallinn Airport management board member and CFO Anneli Turkin said, that within the last five years they had grown practically by 50 percent or 1 million passengers. In total, the line of 3 million passengers was exceeded by the end of 2018. The current passenger terminal has been built for 2.6 million passengers though. Therefore the expanded passenger terminal of Tallinn Airport will be able to serve 6 to 8 million passengers per year by 2035.
### Ülemiste City quarter in Tallinn is rapidly developing

<table>
<thead>
<tr>
<th><strong>Object:</strong></th>
<th>Ülemiste City</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Developer:</strong></td>
<td>Mainor Ülemiste AS &amp; Technopolis Ülemiste AS</td>
</tr>
<tr>
<td><strong>Estimated cost:</strong></td>
<td>EUR 12 million</td>
</tr>
<tr>
<td><strong>Completion:</strong></td>
<td>Expected: 1. half of 2020</td>
</tr>
</tbody>
</table>

The developer of Ülemiste City opened a new chapter in the development of the Ülemiste quarter by signing an agreement with construction company „Fund Ehitus“ on a 12-million-euro deal to start construction of the first apartment building in Ülemiste City, in addition to new office space. The Cornerstone has already been set.

The 13-storey 82-apartment building, called Lurich House and the 8-storey office tower will be built between the 19th century limestone walls of the former Dvigatel wagon-building-factory. Apartments in Ülemiste City are intended primarily for people who have arrived to work in Ülemiste City from abroad, as well as for specialists from other Estonian towns and cities. Today, approximately 15 percent of the 10,000 people working in the township are from abroad. The planned completion time for the buildings is the first half of 2020, after which the modern quarter will get its first inhabitants and will be full of life 24 hours a day.

The new building complex is designed by the Architectural Bureau „Pluss“ and construction is funded by OP Corporate Bank. Mainor Ülemiste’s main business is to develop Ülemiste City as the largest business hub in the Baltic region, located next to Tallinn Airport, on the site of the former Dvigatel plant.

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### AS Eesti Teed Auction

<table>
<thead>
<tr>
<th><strong>Object:</strong></th>
<th>A proposal to sell the state-owned road maintenance company AS Eesti Teed by the Ministry of Economic Affairs and Communications was endorsed by the Estonian government.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Seller:</strong></td>
<td>The respective documents foresee, that the company shall be sold at a public auction around October 2019. It is planned, that the purchase price starts at EUR 14 million, it´s book value.</td>
</tr>
<tr>
<td><strong>Estimated purchase price:</strong></td>
<td>The reason for selling is the improvement of the maintenance market´s competition. According to the proposal, therefore retaining the state's holding in AS Eesti Teed is no longer justified. In 2012, after the privatization of the road maintenance market, the government felt itself forced to acquire full ownership of AS Eesti Teed, because of a missing competition at this area.</td>
</tr>
<tr>
<td><strong>Auction expected:</strong></td>
<td>October 2019</td>
</tr>
</tbody>
</table>

Object: Eesti Teed

Seller: State of Estonia

Estimated purchase price: Starts at EUR 14 million

Auction expected: October 2019
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Largest methanol plant in Europe to be built in Estonia

<table>
<thead>
<tr>
<th>Object:</th>
<th>Methanol Plant in Paldiski</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investor:</td>
<td>Larkwater Group</td>
</tr>
<tr>
<td>Investment volume:</td>
<td>Approximately EUR 1 billion</td>
</tr>
</tbody>
</table>

The Swiss based Larkwater Group is considering to build Europe’s largest methanol plant in Paldiski, Estonia.

With an investment of EUR 1 billion it would be the biggest industrial investment of all times in Estonia so far.

It is planned to build the biggest methanol plant in Europe. The plant shall produce 5,000 tons of methanol per day.

Paldiski is located approximately 50 km from Estonia’s capital Tallinn.

Larkwater’s CEO Juha Mikonnen stressed on Estonia’s advantages such as a simple Tax system and that reinvested profits are not taxed with a corporate tax.
New large scale project at Muuga Harbour

| Estimated business start: | On June 28th 2018, the Port of Tallinn (“Tallinna Sadam”) and MPG AgroProduction OÜ (“MPG”) signed a cooperation agreement and a building title agreement. These contracts have been concluded for a term of 99 years and lay the legal basis for the development of an oilseed processing and logistics complex at Muuga Harbour. Tallinna Sadam is one of the largest cargo and passenger port complexes in the Baltic Sea region, servicing 10.6 million passengers and 19.2 million tons of cargo in 2017; MPG is an Estonian company, established in 2017 by European investors. According to the agreements, MPG will construct a plant for processing oilseed, a superstructure for loading and unloading raw material and end products on the quays, as well as loading facilities for transporting raw material and end products to and from Muuga Harbour using the railway and road network. The project will be located in the eastern part of the harbour and cover an area of about 50ha. MPG’s investment is estimated to total around € 200 million. The project is estimated to have a processing capability of about 1.5 million tons a year, which could result in total additional annual cargo volume of 2.5 million tonnes for Tallinna Sadam. In terms of employment, the project is expected to create 300 direct and around 1,000 indirect jobs. |
| Completion expected: | 2020 |
| Estimated cost: | EUR 200 million |
Development of Kopli Liinid in Tallinn

| Start:     | 2018 |
| Developer: | Fund Ehitus OU |
| Estimated costs: | Ca EUR 65 million |
| Completion expected: | Not indicated |

After years of failed attempts to find an investor and developer for the plot on the Kopli peninsula in northern Tallinn, development of the area has begun. Construction company Fund Ehitus OÜ will invest 60-65 Million Euros to turn the run-down area into a modern residential quarter. This part of northern Tallinn was for decades notorious as a place for drug addicts living in abandonnd houses and with regular house fires in winter. But now at last the area’s natural beauty and historical background is to get the dignity it deserves and will become an integral part of the city. The developer will renovate the local infrastructure, including a public beach. The site will have over 500 apartments and around 40 single-family homes. Construction starts with coastal quarters at the end of the peninsula. The development’s first apartments are for sale already.
New office building in Tallinn Freedom Square

| Object: | “Kawe City” project won an architectural competition organized by the real estate company Kawe in cooperation with the City of Tallinn. The authors of the work are architects Üllar Ambos, Pille Noole, Jaan Kuusemets and Jiannis Lykouras. According to the project, a modern office building with an area of 10 770 m² is to be built at Vabaduse väljak. A total of 27 works participated in the competition, including participants from Portugal and Denmark. According to the development company, the project best considers the public interest, while the conservative and solid architectural language of the building fits well with the older buildings in Freedom Square. The real estate company “Kawe” acquired the plot about a year ago with the idea of launching a detailed plan for construction of a modern commercial building, fitting it into the city square outside Vabaduse Square. In the early stages of the detailed plan, it was decided in cooperation with the Tallinn City Planning Office to organize a public architectural competition to find the best solution for the design of this city space. |
| Developer: | AS Kawe |
| Estimated costs: | Not indicated |
Fahle Park – living and doing business with style

| Estimated value: | Near the city centre only a few free areas are left that allow a contribution to the development of urban space and change the integral picture of Tallinn. One of these areas is the old cellulose factory, located just few kilometres from the heart of the city and facing Lake Ülemiste. Fausto Capital will breathe new life into the former cellulose factory area by building a modern business and residential quarter there. The first phase involves a total of 21 500 m² while total project volume is over 100 000 m². The architectural solution proposed by OÜ KAOS Arhitektid includes spacious offices equipped in line with the latest technology, exclusive apartments with panoramic views as well as restaurants, cultural institutions, sports facilities, plus beauty and health centres. This solution involves reconstruction of historic limestone buildings and demolition of the less valuable parts of buildings. The composition of revived and modern buildings connected with a glass-roofed gallery aims to create a stylish quarter in a green urban environment. The cornerstone of the first phase is a commercial building with parking destined for AS Eesti Meedia. The media concern will get a media building unique for Estonia with radio, television and press editorial offices all under one roof. The cost of development of the first phase is in the order of EUR 20 million. It will be completed in the second half of 2019. |
| Executed by: | Fausto Capital |
| Architect: | OÜ KAOS Arhitektid |
| Completion of the first phase expected: | Second half of 2019 |
Bridge to Saaremaa: Financing to come from private investors

| **Estimated value:** | Estonian businessmen Raivo Hein and Raivo Kütt plan to construct a bridge using investments from the private sector and to break the current stalemate. The plan to replace the ferry connection with a bridge or a tunnel between the mainland and the biggest Estonian island is not new. The project was discussed several years ago but remained unrealized because of financial and environmental obstacles. Today, the construction of a bridge across the Suurväin Strait seems to be more realistic as – according to Raivo Hein and Raivo Kütt – the bridge project will no longer require governmental funds but will be carried out by private investors with the support of pension funds and bank loans. Future maintenance of the bridge will be covered by crossing fees, which will not exceed the price of ferry tickets. According to the project, the bridge will be built parallel to the ferry route and its construction will allow ferries to pass under it. The length of the bridge will be 7 kilometers and the maximum height 30 meters above sea level. According to preliminary estimates, construction of the bridge will take three years and will cost ca 500 million euros. Now, the new coalition agreement has put the proposed Saaremaa bridge back on the agenda. In Mr Hein`s opinion the bridge would be open to use by 2026, if he would plan the building project. |
| **Possible Completion:** | Approx. EUR 500 million | 2026 |

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## A Private Island for Sale

| **No significant dates included** | On the eastern coast of Estonia’s second big island Hiiumaa lies 24 hectare uninhabited picturesque islet of Hõralaiu. The 2 kilometre distance from the coastal port of Hiiumaa takes about 10 minutes of boating. The island’s coast area is covered with junipers, the central part with pines, birches and rowan trees. The island has had previous inhabitants. At the highest point of the Island remains an old farmstead and the old well with groundwater safe to drink. This unique island has one immovable property, which belongs to one owner. Construction is allowed to the old farmstead upon submittal of a detailed plan. |
| **Value est.:** | Not indicated |

© OpenStreetMap contributors
## Tunnel from Tallinn to Helsinki - Update

<table>
<thead>
<tr>
<th>Completion expected:</th>
<th>2030 – 2035</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Executed by:</strong></td>
<td></td>
</tr>
<tr>
<td>City Municipality of Tallinn</td>
<td></td>
</tr>
<tr>
<td>City Municipality of Helsinki</td>
<td></td>
</tr>
<tr>
<td>Finnish Transport Agency</td>
<td></td>
</tr>
<tr>
<td><strong>Value est.:</strong></td>
<td>EUR 15 billion</td>
</tr>
<tr>
<td>Dubai engineering company ARJ Holding Ltd will invest EUR 100 million.</td>
<td></td>
</tr>
</tbody>
</table>

According to Mr. Vesterbacka, chief at FinEst Bay Area, the group behind the project, Dubai engineering company ARJ Holding Ltd will invest EUR 100 million in the undertaking.

The tunnel is suppose to connect Tallinn and Helsinki. It’s length would be around 90 km, depending on the route taken. It would significantly increase the carriage of passengers as well as goods between the two states and connect the whole of Scandinavia into a single railway network. A submarine tunnel would reduce the travel time between Tallinn and Helsinki to 20 minutes, while it takes between two and three hours by ferry.

Mr. Vesterbacka estimates the total costs at EUR 15 billion. A preliminary study estimates the period of return to be around 35-40 years. About 40-50 per cent of the construction costs should fall on the shoulders of the Estonian and Finnish governments and the EU. The rest is expected from private investors.

Upon completion, the Tallinn-Helsinki tunnel would be the longest submarine tunnel in the world.
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### Major changes to one of Riga’s most famous sights: TV tower

<table>
<thead>
<tr>
<th>Significant dates:</th>
<th>By 2023, Rīga’s TV tower will be renovated and turned into a major tourist attraction.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation to be completed by November 2023</td>
<td>The project involves rebuilding the tower and its surroundings, resulting in creation of a glass-cubicle deck known as a “skywalk”, as well as an exciting attraction called “walking on edge”. The project also involves creating the highest and heaviest Foucault pendulum in the world. And more: “Vēju roze” restaurant will open at a height of 94 metres, making the Riga TV tower one of the most attractive and exciting places in Latvia to visit.</td>
</tr>
</tbody>
</table>
### Helipad to be built in Riga International Airport

| Executed by: | Riga International Airport is going to be reconstructed within the framework of the project aimed at the development of its infrastructure. The main objectives of the project are safety of passengers, as well as environment-friendly organization of the airport. Moreover, it is planned to build a helipad in order to enable emergency aviation assistance and search-and-rescue helicopters to land at the Riga airport without affecting the movement of other aircrafts. |
| Significant dates: | 2020 |

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## Restoration and preservation of natural heritage of Northern Courland

| Executed by: | On 17 January 2018 a contract was signed for implementation of a project titled “Preserving, Exhibiting and Developing Tourism of the Cultural, Historical and Natural Heritage of Northern Courland”.

The project supports cultural renovation and preservation of the natural heritage of this historical region and focuses on developing access to significant protected areas and updating educational and entertainment opportunities for visitors.

The project covers work on reconstruction of several architectural monuments (Dundaga Castle, Jūrkalne St. Joseph Roman Catholic Church) and on developing infrastructure for natural sights (e.g. building pedestrian and cycling routes, reconstructing the bridge over the River Irbe).

It is co-financed with up to EUR 4.5 million from European Regional Development Funds. |
| Ventspils municipal institution “Ventspils muzejs”; partners: Ventspils and Dundaga Municipality, Jūrkalne Roman Catholic Congregation. | EUR 5.2 million |
The Latvian Investment and Development Agency (LIAA) has established 15 Business Incubators throughout Latvia to fund new regional companies and startups.

The incubators provide support to natural persons and merchants, that are not registered for more than three years, with the necessary environment for business start-up and development, consultations, training and activities on general business issues, mentor support and grant co-financing.

The EU provides around EUR 26.2 million, EUR 4.6 million will be paid from the state budget.
Planning of bypass road for A7 highway

<table>
<thead>
<tr>
<th>Designing and Building Phase:</th>
<th>Bypass road to be built for one of Latvia’s most traffic-congested and busiest highways.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-2030</td>
<td>While the A7 highway is one of the busiest roads leading to Riga, it remains highly congested and inconvenient for the residents of Kekava, a small town that the highway passes through. In fact, over 17,000 vehicles use the highway on a daily basis, while the number of heavy transport vehicles exceeds the optimal figure three times, thus substantially advancing road surface decay.</td>
</tr>
<tr>
<td>Executed by:</td>
<td>In efforts to alleviate traffic problems and eliminate heavy traffic flow through the town of Kekava, lawmakers are planning to build a 17-kilometer long bypass with numerous traffic hubs, tunnels and a bridge. The overall cost of the project is expected EUR 80-100 million.</td>
</tr>
<tr>
<td>State Joint Stock Company “Latvian State Roads”</td>
<td>The Public Procurement process started in October 2018. The winning bid will be announced in December 2019. The actual designing and building phase shall start in 2020 and shall be completed in 2023.</td>
</tr>
<tr>
<td>Value:</td>
<td>EUR 80-100 million</td>
</tr>
</tbody>
</table>

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The **construction of the new cargo platform at Riga International Airport**

<table>
<thead>
<tr>
<th><strong>Object:</strong></th>
<th>Riga International Airport</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Completion expected by:</strong></td>
<td>2020</td>
</tr>
<tr>
<td><strong>Executed by:</strong></td>
<td>Limited Liability Company “Binders”</td>
</tr>
<tr>
<td><strong>Value:</strong></td>
<td>EUR 14,95 million</td>
</tr>
</tbody>
</table>

Recently, new cargo platform construction was started at Riga International Airport, carried out by the winning road construction company SIA "Binders" for EUR 14.95 million.

The construction of a cargo platform will allow Riga Airport to double its cargo handling capacity and make Riga Airport more attractive for air cargo carriers from all over the world. The new platform will comprise three large-scale aircraft parking spaces with flexible layouts, allowing all types of cargo aircraft to be parked.

The platform will be equipped with an underground refuelling hydrant system that will significantly increase aircraft service speeds and enhance the airport's competitiveness in international logistics chains.

Along with the construction of a new cargo platform, the airport continues to work on the development of a freight logistics centre. In the next few years, a new DHL shipment processing centre will start to operate, and a multi-functional logistics centre will be developed in cooperation with investors.
# Planning and development of multimodal transport hub

<table>
<thead>
<tr>
<th><strong>Completion expected by:</strong></th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Executed by:</strong></td>
<td>Ministry of Transport</td>
</tr>
<tr>
<td><strong>Value:</strong></td>
<td>EUR 11 million</td>
</tr>
</tbody>
</table>

**A new multimodal transport hub infrastructure project is being developed in Riga**

Following a proposal set forth by the Ministry of Transportation, a new multimodal transport hub project is currently under development. Taking into account the infrastructure changes caused by upcoming construction works for the completion of the Rail Baltica project, an area amounting to over 40,000 square meters has been allocated for the purposes of setting up such infrastructure center.

Consequently, local citizens will gain much needed access to various public transportation options, thus curbing carbon emissions and substantially eliminating other harm caused to the environment due to the heavy use of private vehicles. With a projected parking lot taking up almost 12,000 square meters, the planners expect to meet projected demand for years to come. Similarly, the center will include numerous commercial spaces to increase its attractiveness to investors from various industries.
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Cloud Center of Excellence in Lithuania is going to be established by Denmark’s leading cloud solution company - Cloudeon

<table>
<thead>
<tr>
<th>Developer:</th>
<th>Cloudeon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated costs:</td>
<td>Not indicated</td>
</tr>
</tbody>
</table>

Cloudeon is Danish leading cloud company that provides innovative technologies for businesses and focuses on adoption, transformation, innovation and operations.

According to John Vindahl Fabienke, VP of Cloudeon Professional Services, once he already had positive experience working in Lithuanian IT sphere by which high quality he was genuinely impressed. He is sure that by establishing Cloud Center in Vilnius the potential of Lithuanian IT sphere will only increase.

The project means a lot for Lithuanian IT and technology market, as “in the context of digitalization, cloud technology will undoubtedly play a major role in the future’s digital economy. Cloudeon brings specialized knowledge and experience to the growing IT sector in Lithuania, and this will create new jobs and attract skilled professionals” says Virginijus Sinkevičius, Minister of Economy and Innovation of Lithuania.
## Plans for nonsubsidized wind Energy Park revealed

<table>
<thead>
<tr>
<th><strong>Investment planned for:</strong></th>
<th><strong>E energija group announces plans for a 150 MW wind energy park</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-2023</td>
<td>E energija – a holding of 12 companies, already active for more than 20 years in the energy sector – has announced plans to construct a 150 MW wind energy park in Lithuania. E energija has indicated an intention to carry out the plan without relying on subsidies or other state-dependent measures. If successful, this would be one of the first significant renewable energy projects in Lithuania that does not rely on state support and funding.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Executed by:</strong></th>
<th>E energija group</th>
</tr>
</thead>
</table>

| **Value est.:** | EUR 150 million |

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VMG INDUSTRIAL AND BUSINESS PARK in Klaipėda

Completion expected by: 2025

Executed by: Vakarų Medienos Grupė

Value est.: Not indicated

Vakarų Medienos Grupė (VMG) is planning to build an Industrial and Business Park in Klaipėda

The 170 ha VMG Park will be located right at the Vilnius - Kaunas - Klaipėda highway, near the entrance to Klaipėda city. The distance both to Klaipėda State Seaport and Railway Station is 8 km.

By 2025, more than 90 million EUR will be invested into the Park and at least 350 new jobs will be created. It is planned to establish innovation centres, logistics warehouses, industrial sites, and administrative buildings in the Park territory. Special attention is paid to sustainable development of the territory and approach to the environment.

Investors will be offered all necessary engineering infrastructure and communications.
„Continental“ coming to Lithuania

<table>
<thead>
<tr>
<th><strong>Investment planned until:</strong></th>
<th>Continental officially announced the beginning of its new manufacturing plant in Kaunas Free Economic Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>The tire manufacturing giant officially started the construction of its manufacturing plant in the Kaunas Free Economic Zone (Kaunas FEZ). This project is considered as one of the most important projects in the rapidly developing Kaunas FEZ, which attracts continuous investments and attention during the last years. Continental also revealed its plans to invest EUR 95 mln. and create 1 000 new job positions in the upcoming five years.</td>
</tr>
</tbody>
</table>

**Executed by:** Continental

**Value est.:** EUR 95 million
Globally active furniture producer is planning major investment

| Estimated project period: 2020 | Major player in furniture production SBA Group is planning to invest EUR 84.8 million to their business expansion in the year 2018 |
| Executed by: SBA Group | The vast majority of funds shall be attributed to the development of furniture production facilities owned by the group, their modernization and production capabilities expansion. Part of the investment is also dedicated to the business center projects in Kaunas and Vilnius. |
| Value est.: EUR 84.8 million | SBA group owns seven furniture production and three knitwear manufacturing facilities. Investors highlight the importance of rising technologies, thus big amount of money will be dedicated to modernization, technologies’ improvement, robotic implementation. |
|  | In addition, constructions of the new logistics center and furniture component factory near Klaipėda are starting this year, SBA group is investing EUR 30 mln. to this project, it is planned to be completed by 2020. |

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**Modernization of detention facilities**

<table>
<thead>
<tr>
<th>Completion expected by:</th>
<th>A public-private partnership to modernize detention facilities in Lithuania.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>In July 2014 the Lithuanian Government approved a new detention facilities modernisation programme with a scheduled deadline for 2022. The programme involves construction of a new detention facility on the outskirts of Vilnius and construction of new detention facilities in Šiauliai, Klaipėda and Panevėžys on a PPP basis. Vilnius detention facility, with 1620 beds (29 000 m²), will be the first to tender out. It is expected that a new detention facility near Vilnius will be built and the inmates currently held in Lukiškės prison (located in the city centre) will be moved out. After this project, the next project in the pipeline is Šiauliai detention facility, with 800 beds. The government is prepared to invest a large portion of budget funds, but private co-investors are also sought. Any interested investors are invited to join the government in investing their funds and executing the project as a PPP. The plan is for the partnership to last for 22 years, during which the private partner will develop and maintain the infrastructure and the government, in return, will pay an annual fee of EUR 13 million. After the partnership, the government takes over ownership of the infrastructure.</td>
</tr>
<tr>
<td>Executed by:</td>
<td>Ministry of Justice; Lithuanian Prison Department</td>
</tr>
<tr>
<td>Value est.:</td>
<td>EUR 40 million for new facility in Vilnius; ≈ EUR 290 million for the whole programme.</td>
</tr>
</tbody>
</table>
Police Infrastructure PPP projects in Kaunas and Panevezys

The project is expected to be completed by: 2032

Executed by: Police Department under the Ministry of the Interior

Many soviet-era police buildings in Lithuania are out of date and unsuitable for today’s police functions. To address this issue, the Police Department, under the Ministry of the Interior, has launched a tender for Police Infrastructure PPP projects in Kaunas and Panevezys. Potential private partners expressing interest in these PPPs will have to participate in a negotiated procedure. Negotiating the tender consists of two parts: one dedicated to Kaunas police infrastructure PPP and the other to Panevezys police infrastructure PPP. This means that two separate contracts will need to be signed. Total length of the contracts is 15 years. Selected private partners will have responsibilities such as design, construction of buildings, maintenance and financing of the police stations. The fifteen-year contracts will be divided into two parts: the first three years of the total project is dedicated to design and construction of buildings and the remaining twelve years is to be dedicated to building maintenance. Capital expenditure on the project is set at 12.4 million Euro for the Kaunas project and 14.8 million Euro for the Panevezys project. The deadline for investors interested in taking part in this project to submit participation requests for the Police Infrastructure PPP tender is 11:00 on 16 August.
Co-investment Fund of 5 million euros for starts-up in the sector of transport and communications

<table>
<thead>
<tr>
<th>Executed by:</th>
<th>The fund of EUR 5 million was established to promote enterprises to create mobility services and products, intellectual transport systems and innovative transport technologies that reduce CO2 emission generated by transport. It is planned that the fund will be increased up to EUR 10 million upon receipt of the first results.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Transport and Communications, Ministry of Finance, and UAB INVEGA</td>
<td>The fund was established by the Ministry of Transport and Communications, Ministry of Finance, and UAB “Investicijų ir verslo garantijos” (Guarantees of Investments and Business Ltd) (INVEGA) using the EU Cohesion Fund’s money.</td>
</tr>
<tr>
<td>Value est.:</td>
<td>Additionally the companies “Lithuanian Railways”, “Lithuanian Post” and “Road Maintenance” supervised by the Ministry of Transport and Communications have established the Transport Innovations Centre in the beginning of this year. It shall encourage innovations in the sector of transport and communications and to attract foreign capital companies to Lithuania.</td>
</tr>
<tr>
<td>EUR 5 million</td>
<td>Eventually increased to EUR 10 million</td>
</tr>
</tbody>
</table>

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“Lithuanian Airports” seek investors

<table>
<thead>
<tr>
<th>Concession agreement expected to be announced in the second quarter of 2019</th>
<th>Preparations are under way for state owned company “Lithuanian Airports” to enter into a concession agreement with a private investor. Possible concessionaires are already being sought.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executed by:</td>
<td>The government has approved a plan for “Lithuanian Airports” to enter into a concession arrangement. The state-owned company needs private investment to expand and modernise the airport infrastructure and operational efficiency as demand for air travel keeps steadily growing in Lithuania.</td>
</tr>
<tr>
<td>Lithuanian Airports</td>
<td>In exchange for private investment, the concessionaire would gain the privilege of operating the infrastructure and carrying out commercial activities at Vilnius (VNO), Kaunas (KUN) and Palanga (PLQ) airports for up to 20-25 years. The state would keep ownership of all infrastructure objects. No solid estimates are available yet as to the value of the concession agreement.</td>
</tr>
<tr>
<td>Value est.:</td>
<td>Not indicated</td>
</tr>
</tbody>
</table>
Klaipeda seaport channel to be deepened to 17 m. by 2020

<table>
<thead>
<tr>
<th>Completion expected by:</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executed by:</td>
<td>Klaipeda seaport</td>
</tr>
<tr>
<td>Value est.:</td>
<td>EUR 330 million</td>
</tr>
</tbody>
</table>

Currently the Klaipeda seaport channel is 15 metres deep. That is two metres less than Riga seaport and one metre less than Ventspils seaport. The current depth of Klaipeda seaport restricts the size and loading of big carrier ships entering the port. With a depth of 17 metres, by 2020 Klaipeda seaport could service virtually any carrier ship operating in the Baltic Sea.

In the period between 2017 and 2020, Klaipeda seaport is planning to procure construction works (most likely a series of public procurement procedures) worth some EUR 330 million.
## The repair and maintenance of 3.500 kilometers railway

<table>
<thead>
<tr>
<th><strong>Estimated project period:</strong> 2 years</th>
<th><strong>Substantial railway repair and maintenance project planned for the next two years</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Executed by:</strong> Lietuvos geležinkeliai AB</td>
<td>“Lietuvos geležinkeliai” AB announced two public tenders with estimated combined value of EUR 97 million. Operator is expecting to find contractors for repair and maintenance services for 2 years period, with an extension possibility for two more years.</td>
</tr>
<tr>
<td><strong>Value est.: EUR 97 million</strong></td>
<td>Maintenance services are estimated to reach EUR 20 million worth. The contractor would have to take care of almost 3,500 kilometers of the railway in Lithuania. In addition, the railways’ repair in Vilnius, Kaunas, Šiauliai and Klaipėda regions is estimated to be worth around EUR 76.35 million.</td>
</tr>
</tbody>
</table>
## Railway electrification

<table>
<thead>
<tr>
<th>Project is expected to be completed by</th>
<th>Lithuanian part of the interstate railway connection with Belarus is set for electrification</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>It is expected to electrify the whole railway line section beginning at Lithuania–Belarus border and ending in Klaipėda. Overall project is considered to be worth EUR 349.1 million where EUR 224.1 million should be funded by EU Cohesion Fund and the rest by “Lietuvos geležinkelėlai” AB.</td>
</tr>
</tbody>
</table>

**Executed by:**

Lietuvos geležinkelėlai AB

**Value est.:**

EUR 349.1 million

The railway part, which is planned to be electrified, is a part of the IXB corridor and, according to “Lietuvos geležinkelėlai” AB, use of it constitutes a 3/4 cargo transportation turnover and 2/3 passenger transportation turnover. The Ministry of Transport and Communications expects the project to improve the railway use efficiency even more. Project is expected to be completed by 2022.
**National Stadium project in Vilnius**

<table>
<thead>
<tr>
<th>Concession agreement expected to be signed in:</th>
<th>Long expected National Stadium project is getting a new start</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summer 2019</td>
<td></td>
</tr>
</tbody>
</table>

**Executed by:**

Vilnius municipality

**Value est.:**

EUR 79,9 million

The first time construction of the National Stadium was started in 1985 but due to difficulties was stopped several times, renewed and stopped again. Design, plans and the overall concept changed a couple of times through the period.

The Public procurement tender, which took one and half year and the unknown fate of the National Stadium, which lasted more than 30 years is finally reaching a conclusion with an intensive negotiating going with a joint venture company group ”Icor”. At 22 February 2019 the city council gave the green light for the concession agreement.

The National Stadium Complex shall include a football stadium holding 15 000 attendants, 6 basketball courts, a handball court, space for gymnastics, boxing and physical fitness rooms, one athletics stadium, a library, spaces for conferences and a kindergarten. The complex expected to be built in 3 years. Overall, the estimated price for a 25 year length public-private partnership project is EUR 79.9 million.
## Modernization of the highway in Kaunas

<table>
<thead>
<tr>
<th>The whole project is expected to be completed by:</th>
<th>Essential transport intersection and bridge in the main national highway and part of Via Baltica planed for modernization</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024</td>
<td>Considering the road overload and a necessity to improve traffic conditions for transit and intermingling local city transport, the road section of A1, biggest and busiest national highway (a part of pan-Baltic Via Baltica) is planned to be modernized and adapted to the increased traffic flow.</td>
</tr>
<tr>
<td><strong>Executed by:</strong></td>
<td>It is planed to modernize the road section near Kaunas by expanding it to 8 traffic lines: 4 lines for transit traffic and 4 connecting roads for local traffic. Construction of a new bridge with two lines and modernization of the existing 54 year old bridge is included in the project.</td>
</tr>
<tr>
<td>Road Administration under the Ministry of Transport and Communications</td>
<td>Public tender for preparing the design is planned to be announced in 4-5 months and public tender for implementing the project in 9-10 months. New bridge with two traffic lines is expected to be finished by 2019 and the overall project completion date is set on 2024. Estimated project price is EUR 100 million where EUR 60 million would be allocated to the bridges construction.</td>
</tr>
<tr>
<td><strong>Value est.:</strong> EUR 100 million</td>
<td></td>
</tr>
</tbody>
</table>