



Notice of the Extraordinary General Meeting of Shareholders

28 April 2023 (updated on 13 June 2023)



The Extraordinary General Meeting of Shareholders of AB “Ignitis grupė”

On 28 April 2023, the Management Board of the parent company adopted a decision to convene an Extraordinary General Meeting of Shareholders (hereinafter – EGM) of AB “Ignitis grupė” (hereinafter – the Group or the Company), company code: 301844044, registered office address: Laisvės Ave. 10, Vilnius, to be held on

29 June 2023, 13.00 pm (Vilnius time) at

Business Garden Vilnius verslo centras, Laisvės Ave. 10, Vilnius, LT-04215

Registration starts at 12.00 pm and closes at 12.45 pm (Vilnius time)

The agenda of the EGM, which has been supplemented upon the proposal of the Group’s Management Board of 13 June 2023 with agenda item 2 and its draft resolution, and the proposed resolutions are as follows:

No.	Item	Proposed resolution	Arguments
1.	Regarding agreement to the reduction of the share capital of AB “Ignitis gamyba”, a subsidiary of AB “Ignitis grupė”.	1.1. To agree to the reduction of the share capital of AB “Ignitis gamyba” from EUR 187,920,762.41 (one hundred and eighty-seven million nine hundred and twenty thousand seven hundred and sixty-two euros and forty-one cents) to EUR 90,000,000.12 (ninety million euros and twelve cents) by cancelling 337,657,801 ordinary registered uncertificated shares of AB “Ignitis gamyba” with a nominal value of EUR 0.29 each. The total value of the shares to be cancelled is EUR 97,920,762.29 (ninety-seven million nine hundred and twenty thousand seven hundred and sixty-two euros and twenty-nine cents).	Annex 1
2.	Regarding AB “Ignitis grupė” becoming a participant of the legal entity WF World Fund I GmbH & Co. KG	2.1. To agree to the 13 June 2023 decision of the Management Board of AB “Ignitis grupė”: To approve AB “Ignitis grupė” becoming a participant of the legal entity WF World Fund I GmbH & Co. KG as a limited liability partner on the basis of the Investment Management Services Purchase Agreement with WF World Fund Management GmbH.	Annex 2

Other information

Share capital and voting rights

The Group's share capital is EUR 1,616,445,476.80, divided into 72,388,960 ordinary registered shares with a nominal value of EUR 22.33 per share. Each share carries one vote.

Agenda

The agenda of the EGM of the Group may be supplemented on the initiative of shareholders whose shares held in the Group carry at least 1/20 of all votes at the EGM of the Group. The proposal to supplement the agenda of the respective EGM shall be accompanied by draft resolutions or, where no resolutions have to be passed, by explanations on each proposed agenda item of the EGM. The agenda shall be supplemented if the proposal is received no later than 14 days before the respective EGM.

Shareholders whose shares held in the Group carry at least 1/20 of all votes at the EGM shall have the right to propose, at any time before or during the EGM of the Group, new draft resolutions on issues that are included or will be included in the agendas of the EGM of the Group. Proposals on the supplementation of the respective agenda or relevant draft resolutions shall be submitted in writing to the Group, Laisvės Ave. 10, Vilnius, or by e-mail IR@ignitis.lt.

Record date of attendance and voting rights

Shareholders holding shares in the Group on the fifth business day before the date of the EGM (record date) are entitled to attend and vote at the EGM.

The date of registration (or record date) is 22 June 2023. At the end of the date of registration, the shareholding and voting rights are determined based on the ownership recorded in the shareholders' register. Furthermore, attendance at the EGM is at the discretion of the shareholder.

Voting

A shareholder or his authorised representative who is unable to attend the EGM may vote in writing in advance (by filling in and submitting the general ballot paper).

Obtaining a general ballot paper

- It may be downloaded from the Group's website: <https://ignitisgrupe.lt/en/gm>
- Upon a written request, the Group shall send a general ballot paper by registered mail or deliver it to the shareholder with a signed acknowledgement of receipt at least 10 days prior (or by 19 June 2023) to the EGM

Ways of submitting a general ballot paper

- A general ballot paper, completed and signed by qualified electronic signature, shall be submitted by emailing IR@ignitis.lt
or
- A general ballot paper, completed and signed by qualified electronic signature, shall be submitted to the Group by registered mail or delivered to AB "Ignitis grupė", Laisvės Ave. 10, Vilnius, LT-04215, Lithuania, attn. Ainė Riffel-Grinkevičienė, no later than before the EGM, i.e., no later than 29 June 2023, 12.45 pm.

Important: if the general ballot paper is signed by an authorised person, a document confirming the right to vote must be submitted as well.

- Detailed instructions on signing and submitting the general ballot paper to the Group are also available on the Group's website: <https://ignitisgrupe.lt/en/gm>

The Group shall reserve the right not to include the advance vote of a shareholder or his/her authorised representative, if the submitted general ballot papers do not conform to the provisions of Article 30(3) and (4) of the Law on Companies of the Republic of Lithuania or they are received after the end of deadline or filled in such manner that it is impossible to establish the true will of the shareholder on a separate issue.

Voting under the power of attorney

Persons shall have the right to vote under the power of attorney in the EGM. A power of attorney shall state in a written document that one person (the principal) grants to another person (the authorised representative) the right to represent the principal in establishing and maintaining relations with the third party. An authorisation to perform actions on behalf of a natural person in relation to legal entities must be notarised, except in cases provided by law where a different form of power of attorney is permitted. A power of attorney issued abroad must be translated into Lithuanian and legalized in accordance with the procedure established by law. The Group does not establish a special form of power of attorney. Authorised representatives must hold the power of attorney as provided by law, which must be submitted before the EGM. The authorised representative shall enjoy the same rights in the convened EGM as his/her represented shareholder would.

Shareholders entitled to attend the EGM shall have the right to authorise a natural person or a legal entity by using electronic means of communication to attend and vote on their behalf at the EGM. Such authorisation does not need to be notarised. The Group shall acknowledge authorisation granted by electronic means of communication only if the shareholder signs it by electronic signature generated by safe software and certified by a qualified certificate applicable in the Republic of Lithuania, i.e., if the security of the conveyed information is ensured and the identity of the shareholder can be established. The shareholder must notify the Group in writing about granted authorisation by electronic means of communication by sending an authorisation by e-mail to IR@ignitis.lt no later than until the EGM.

Questions

Any shareholder of the Group may present questions related to the agenda of the EGM of the Group. Such questions must be submitted by e-mail to IR@ignitis.lt or delivered to the Group, Laisvės Ave. 10, Vilnius, Lithuania, attn. Ainė Riffel-Grinkevičienė no later than 3 working days (or by 26 June 2023 inclusive) before the EGM. After receiving the questions, the answers will be provided to the Group's shareholders in accordance with the procedure established by the Law on Companies of the Republic of Lithuania, i.e., at the same time for all shareholders of the Group prior to the EGM in the form of questions and answers on the website of the Group at <https://ignitisgrupe.lt/en/gm>.

Webcast

The EGM will not be webcasted.

Language

The EGM will be held in Lithuanian with simultaneous interpretation to English.

Available information

All statutory information related to the convened EGM and annexes to items on the agenda of such meeting will be available on the website of the Group at <https://ignitisgrupe.lt/en/gm> and other informational sources based on the procedures established by law.

Other information

The Group CEO, the Group CFO, members of the Management Board, members of the Supervisory Board, heads of the administration and other competent persons related to the Company who can provide information related to the agenda of the General Meeting of Shareholders are entitled to attend and speak at the EGM.

Electronic means of communication shall not be used for the participation and voting at the EGM.

Annex 1: Regarding agreement to the reduction of the share capital of AB “Ignitis gamyba”, a subsidiary of AB “Ignitis grupė”.

Article 55.5.2 of the Articles of Association of AB “Ignitis grupė” stipulates that the Management Board of AB “Ignitis grupė” makes a decision on the increase or reduction of the share capital of the companies of AB “Ignitis grupė” group of companies which have the status of companies of importance to national security and engage in generation, distribution and supply activities in the energy sector as well as of companies directly managed by AB “Ignitis grupė” which engage in activities in the energy generation sector or on other actions that may alter the structure of the share capital of these companies; under Article 57 of the Articles of Association of AB “Ignitis grupė”, the above-mentioned decision of the Management Board requires the agreement of the General Meeting of Shareholders, and an Extraordinary General Meeting of Shareholders of AB “Ignitis grupė” is hereby convened.

Article 11 of the Articles of Association of AB “Ignitis gamyba”, which is a subsidiary of AB “Ignitis grupė”, specifies that the share capital of AB “Ignitis gamyba” is EUR 187,920,762.41 (one hundred and eighty-seven million nine hundred and twenty thousand seven hundred and sixty-two euros and forty-one cents). The share capital of AB “Ignitis gamyba” is divided into 648,002,629 (six hundred and forty-eight million two thousand six hundred and twenty-nine) ordinary registered shares with a nominal value of EUR 0.29 (twenty-nine cents) per share.

The share capital of AB “Ignitis gamyba” is being reduced in order to optimise the debt-to-equity ratio of AB “Ignitis gamyba” by disbursing the funds of AB “Ignitis gamyba” to its sole shareholder (AB “Ignitis grupė”). After the share capital of AB “Ignitis gamyba” is reduced and the portion of the funds of the share capital, which corresponds to the reduction, is disbursed to the sole shareholder of AB “Ignitis gamyba”, the debt-to-equity ratio of AB “Ignitis gamyba” will be optimised and, all other factors being the same, return on equity will increase. After the reduction of the share capital, the debt-to-equity ratio of AB “Ignitis gamyba” is expected not to exceed 0.8. At the end of 2022, this ratio was 0.1

Under Article 52(6)(1) of the Law on Companies, after the reduction of the share capital, the amount of the legal reserve of AB “Ignitis gamyba” must not be less than 1/10 (one tenth) of the share capital. Taking this requirement into account, after the share capital of AB “Ignitis gamyba” is reduced by EUR 97,920,762.29 (ninety-seven million nine hundred and twenty thousand seven hundred and sixty-two euros and twenty-nine cents), the share capital of AB “Ignitis gamyba” would be equal to EUR 90,000,000.12 (ninety million euros and twelve cents). The legal reserve of AB “Ignitis gamyba” amounts to EUR 19,608,534.56 (nineteen million six hundred and eight thousand five hundred and thirty-four euros and fifty-six cents), i.e., it exceeds 1/10 (one tenth) of the share capital before the capital reduction and will exceed 1/10 (one tenth) of the share capital after the reduction.

Also, in accordance with Article 52(6)(2) of the Law on Companies, a set of a company’s annual financial statements must not contain retained loss and long-term liabilities. The set of financial statements of AB “Ignitis gamyba” as at 31 December 2022 does not contain any retained loss, but contains long-term liabilities, however, in accordance with Article 52(6)(2) of the Law on Companies, the requirement regarding long-term liabilities shall not apply when there is a written consent of all the creditors in respect whereof the company has long-term liabilities.

Under Article 52(3) of the Law on Companies, the share capital of AB “Ignitis gamyba” may be reduced either by reducing the nominal value of shares or by cancelling shares. After the cancellation of 337,657,801 (three hundred and thirty-seven million six hundred and fifty-seven thousand eight hundred and one) ordinary registered shares with a nominal value of EUR 0.29 (twenty-nine cents) each, the share capital of AB “Ignitis gamyba” would be reduced by EUR 97,920,762.29 (ninety-seven million nine hundred and twenty thousand seven hundred and sixty-two euros and twenty-nine cents). After the share capital of AB “Ignitis gamyba” is reduced, it would amount to EUR 90,000,000.12 (ninety million euros and twelve cents).

On 28 April 2023, AB “Ignitis grupė”, which is the sole shareholder of AB “Ignitis gamyba”, made a decision (minutes of the meeting of the Management Board of AB “Ignitis grupė” of 28 April 2023 No PR_2023-25) to reduce the share capital of AB “Ignitis gamyba” from EUR 187,920,762.41 (one hundred and eighty-seven million nine hundred and twenty thousand seven hundred and sixty-two euros and forty-one cents) to EUR 90,000,000.12 (ninety million euros and twelve cents) by cancelling 337,657,801 ordinary registered uncertificated shares of AB “Ignitis gamyba” with a nominal value of EUR 0.29 each. The total value of the shares to be cancelled is EUR 97,920,762.29 (ninety-seven million nine hundred and twenty thousand seven hundred and sixty-two euros and twenty-nine cents).

In view of the above, it is proposed to the General Meeting of Shareholders of AB “Ignitis grupė” to agree to the decision of the Management Board of AB “Ignitis grupė” of 28 April 2023 to reduce the share capital of AB “Ignitis gamyba” in order to disburse the funds of AB “Ignitis gamyba” to the sole shareholder of AB “Ignitis gamyba” by cancelling 337,657,801 (three hundred and thirty-seven million six hundred and fifty-seven thousand eight hundred and one) ordinary registered shares with a nominal value of EUR 0.29 (twenty-nine cents) each. After the reduction of the share capital, EUR 97,920,762.29 (ninety-seven million nine hundred and twenty thousand seven hundred and sixty-two euros and twenty-nine cents) would be disbursed to the sole shareholder of AB “Ignitis gamyba” in accordance with the terms and conditions set out in the Law on Companies.

Annex 2: Regarding AB “Ignitis grupė” becoming a participant of the legal entity WF World Fund I GmbH & Co. KG

Article 55.1 of the Articles of Association of AB “Ignitis grupė” stipulates that the Management Board of AB “Ignitis grupė” makes decisions on the incorporation of AB “Ignitis grupė” as a founder or a participant of other legal entities, and Article 19.25 of the Articles of Association of AB “Ignitis grupė” stipulates that it is the competence of the General Meeting of Shareholders of AB “Ignitis grupė” to approve or disapprove the Management Board's decisions referred to in Article 55.1 of the Articles of Association of AB “Ignitis grupė” (with the exception of the decisions on the incorporation of AB “Ignitis grupė” as a founder or participant of associations). The aforementioned decision of the Management Board requires the approval of the General Meeting of Shareholders of AB “Ignitis grupė” and, accordingly, an Extraordinary General Meeting of Shareholders of AB “Ignitis grupė” is hereby convened.

On 22 February 2022, the Management Board of AB “Ignitis grupė” took the decision to initiate a project for the Innovation Fund II of AB “Ignitis grupė”, which would be executed by concluding an investment management services contract. Investment management services had to be procured by public procurement in accordance with the legal regulation of the Republic of Lithuania. In view of the specific nature of the services to be procured, a public market consultation was organised prior to the launch of the international public procurement. Following the decision of the Management Board of AB “Ignitis grupė” to approve the terms of the public procurement, the public procurement of Investment Management Services was launched on 18 June 2022 and was carried out on the basis of the cost-effectiveness criteria (experience of the service provider's proposed key team; service provider's strategy and matching the needs of AB “Ignitis grupė”; aspects of additional financing; fees and carried interest).

6 suppliers submitted tenders, 2 suppliers were found not to have met the tender conditions, i.e. the supplier did not meet the qualification requirements. 4 suppliers submitted tenders. The best tenderer was the German company WF World Fund Management GmbH. On 8 May 2023, the Coordination Commission for the Protection of Objects Critical to National Security (hereinafter “the Commission”) was consulted on the supplier's compliance with the national security requirements. On 9 June 2023, AB “Ignitis grupė” received a reply from the Commission stating that the Commission had decided not to open a review of the compatibility of this transaction with the interests of national security. AB “Ignitis grupė” procurement committee took a decision on the winner of the contract on 12 June 2023. Once the decision has been made, there shall be a period of 10 calendar days from the date of dispatch of the notification of the decision to award the contract within which other tenderers may lodge a complaint concerning the best tender or their own evaluation.

By signing the Investment Management Services Agreement with WF World Fund Management GmbH, AB “Ignitis grupė” undertakes to invest EUR 25,000,000.00 in the investment fund WF World Fund I GmbH & Co. KG managed by the successful tenderer, including management fees and other costs.

By investing in the Fund, AB “Ignitis grupė” becomes a member of the fund as a limited liability partner. Limited liability partners do not participate in the management of the fund and are solely responsible for their own contribution. The investment management service provider also undertakes to invest its own funds.

The investment management service provider undertakes to manage the invested funds in the context of the investment strategy of the fund by investing in the companies defined in the strategy, managing the investments, and exiting the investments to generate returns for the investors of the fund, by reporting and by fulfilling the other obligations set out in the contract.

The Fund's investment strategy as set out in the procurement documents defines that investments will be made in energy, e-mobility and climate technology companies that have the potential to contribute to at least one of these priority United Sustainable Development Goals:

- Goal 7 – Affordable and clean energy
- Goal 12 – Responsible consumption and production
- Goal 13 – Mitigating the impacts of climate change

The investment management services shall begin to be provided immediately upon the entry into force of the agreement and shall be provided for the duration of the agreement until the obligations are fulfilled, but no longer than 13 (thirteen) years (10 years + 3 years extension option) from the commencement of the fund's operations.

Based on the above information, it is proposed to the General Meeting of Shareholders of AB “Ignitis grupė” to agree to the 13 June 2023 decision of the Management Board of AB “Ignitis grupė” to approve AB “Ignitis grupė” becoming a participant of the legal entity WF World Fund I GmbH & Co. KG as a limited liability partner on the basis of the Investment Management Services Purchase Agreement with WF World Fund Management GmbH.