

UAB "IGNITIS GRUPĖ"
SUMMARY OF THE
NON - COMPETITIVE OFFICIAL TENDER OFFER CIRCULAR REGARDING THE SHARES OF AB
"ENERGIJOS SKIRSTYMO OPERATORIUS"

30 March 2020

1. Date when the decision on approval of the official tender offer circular by the Bank of Lithuania was passed.

UAB "Ignitis grupė" (hereinafter – the Offeror) non-competitive tender offer circular regarding the shares of the company AB "Energijos skirstymo operatorius" (hereinafter – the Company), was approved on 30th March 2020 by the Bank of Lithuania.

2. The commencement and the conclusion of the official tender offer

The implementation of the official tender offer will be commenced on the 3rd April, 2020, the conclusion - 22nd April, 2020.

3. Name, legal form, code, address, telephone and fax number, e-mail address and web site address of the company whereof shares are covered by the official tender offer.

Title:	AB "Energijos skirstymo operatorius"
Legal form:	Public Limited Liability Company
Legal entity's code:	304151376
Headquarters address:	Vilnius City Municipality, Vilnius City, Aguonų str. 24
Tel.:	852777524
E-mail:	info@eso.lt
Web site:	www.eso.lt

4. Legal information of the Offeror:

4.1. Full name, residential address, telephone and fax number of the official tender offeror (where the Offeror is a natural person):

Not applicable.

4.2. Title, legal form, code, address, telephone and fax number, e-mail address and web site address of the official tender offeror (where the Offeror is a legal entity):

Title:	UAB "Ignitis grupė"
Legal form:	Limited liability company
Legal entity's code:	301844044
Headquarters address:	Vilnius City Municipality Vilnius City, Žvejų str. 14
Tel.:	852782115
E-mail:	grupe@ignitis.lt
Web site:	www.ignitisgrupe.lt

4.3. Full name, residential address, telephone and fax number of the official tender offeror's representative (where the representative is a natural person):

Not applicable.

4.4. Full name, address, code, telephone and fax number of the official tender offeror's representative (where the representative is a legal entity):

Not applicable.

5. Duration of implementation of the official tender offer (in days).

20 (twenty) calendar days.

6. Minimum and maximum number of shares intended for purchase by types, classes, ISIN code of the company whereof shares are covered by the official tender offer; if the owners of the securities of the company whereof shares are covered by the official tender offer do not specify the number of the securities intended for purchase, the official tender offer shall be considered as a failure (to be filled in if a voluntary official tender offer is announced).

Not applicable.

7. Mode of payment for the securities of the company whereof shares are covered by the official tender offer (money, securities or a combination of money and securities).

The payment for the purchased ordinary nominal shares of the Company will be made by money (Euro).

8. The price (exchange rate in case of payment in securities or combination of money and securities i.e. what whole number represents one security of the company whereof shares are covered by the official tender offer) offered for the securities of the company whereof shares are covered by the official tender offer (the price of the official tender offer). In case of voluntary official tender offer where the payment is made in securities, the price must be also specified in money.

The price paid by the Offeror (the amount paid for the purchase of 1 (one) ordinary registered share of the Company with a nominal value of 0.29 EUR) is a total of 0.880 EUR (eighty-eight Euro cents).

It should be noted that the Board of the Company made a decision on 17th March 2020, to offer shareholders a dividend of 0.076 EUR per share for the year 2019. The Company's general meeting of shareholders will address the issue of the distribution of the Company's profit (loss) for the year 2019 and the amount of dividends to be paid. It will be held on 30th April 2020.

Pursuant to the Law on Companies of the Republic of Lithuania, the right to receive a portion of the company's profit (dividend) have persons who were shareholders at the end of the tenth working day after adopting the relevant decision of the general meeting of shareholders (hereinafter - the rights accounting day). The payment of the Company's dividend is defined in the publicly disclosed policy on dividends of the Offeror Group companies, which is applicable to all companies of UAB "Ignitis grupė" group. The policy on dividends has been prepared in accordance with the Resolution of the Government of the Republic of Lithuania of 1997. January 14, No. 20 "Regarding Dividends on State-Owned Shares and Profits of State-Owned Enterprises".

If the general meeting of shareholders in 2020 will decide on the payment of dividends to the Company's shareholders for 2019, the Offeror will pay an additional bonus to the Company's shareholders who will sell their shares to the Offeror during the official tender offer and will no longer be entitled to receive dividends for 2019 because then they will no longer be shareholders on the rights accounting day.

According to this, the following payments are foreseen:

1. Official tender offer price - 0.880 EUR per Company's share;
2. If the Company's general shareholders' meeting which will be held on 30th April, 2020 will decide to pay dividends to the Company's shareholders for the year 2019, the persons who are the shareholders of the Company will receive the expected amount of dividends on the rights accounting day in the manner established by law.

3. If the Company's general shareholders' meeting which will be held on 30th April, 2020, will decide to pay dividends to the Company's shareholders for the year 2019, to the persons who are not the shareholders of the Company on the rights accounting day as a result of selling their shares to the Offeror, the Offeror will pay an additional bonus equal to the amount of dividends that a shareholder would have received in proportion to the shares he/she held and sold to the Offeror at the time of the official tender offer, if he had been a shareholder of the Company on the rights accounting day.

9. Offered compensation for all the losses of the title holders resulting from implementation of the requirements laid down in the parts 1-5 of the article 31 of the Law (method of compensation calculation, mode of payment).

Not applicable.

10. Circumstances affecting the fulfilment of the official tender offer that the Offeror cannot control directly.

The Offeror is not aware of such circumstances.

11. The Offeror's plans and intentions relating to the company, which shares are the subject of the official tender offer, should the official tender offer be carried out:

Following the implementation of the official tender offer, the Offeror intends to initiate the mandatory redemption of the Company's shares. According to the Law on Securities, a shareholder who acquired not less than 95 percent of the capital carrying voting rights and not less than 95 percent of the total votes, within 3 months of the completion of the official tender offer have the right to require that all the remaining shareholders of the issuer sell the voting shares owned by them, and the shareholders shall be obligated to sell the shares in the manner established by the law.

11.1. Continuity of business areas of the company whereof shares are covered by the official tender offer:

The Offeror does not intend to change the business areas of the Company.

11.2. Restructuring (change of management structure), shake-up, rearrangement or winding-up:

The Offeror does not plan to change the management structure or carry out any restructuring, rearrangement or winding-up of the Company.

11.3. Employees-related policy

Because of the official tender offer, the employees-related policy will not be changed. The policy is the same as in the Offeror's group of companies.

11.4. Managers-related policy

Because of the official tender offer, the managers-related policy will not be changed. The policy is the same as in the Offeror's group of companies.

11.5. Capital attraction policy

All companies of the Offeror's group of companies are subject to a single treasury management policy. Because of the official tender offer, the Company's capital attraction policy will not be changed. It must be noted that the Offeror plans to implement an initial public offering of its shares, during which the attracted share capital will be used for the implementation of the investment projects of the group companies.

11.6. Dividends-related policy

The Board of the Offeror, as the body that approved the policy on dividends of the Offeror's group of companies, on 17th March 2020 adopted a decision that the Company should be exempted from a policy provision that would allow the Company's Board not to propose dividends for the year 2019. The Company will continue to pay dividends in accordance with the aforementioned policy on dividends.

11.7. Scheduled amendments of the Articles of Association of the company whereof shares are covered by the official tender offer:

Since the official tender offer is made in the context of the decision of the general meeting of shareholders regarding the delisting of the Company's shares from trading on a regulated market, the Company's statutes will have to be amended by repealing provisions which are only relevant for companies whose shares are traded on a regulated market.

11.8. Specific remunerations and incentives etc. for the management bodies of the company whereof shares are covered by the official tender offer.

The incentive system that is used for the executives is the same as is used for the entire Offeror's group of companies. There are no special payouts or promotions due to the official tender offer.

12. Written agreements on voting at the general meeting of the company whereof shares are covered by the official tender offer made with other persons.

Not applicable.

13. Information on the ongoing trials and arbitral procedures which have or may have substantial influence on the operation or financial status of the Offeror.

There are no ongoing trials and arbitral procedures which have or may have substantial influence on the operation or financial status of the Offeror.

14. Other details at the discretion of the Offeror.

The official tender offer will be implemented through AB "Nasdaq Vilnius" together with AB "SEB bankas".

The Company's shareholders, in order to sell the Company's shares during the official tender offer, may apply to any financial brokerage company or credit institution operating in Lithuania and submit an order to sell the Company's shares in accordance with the procedures set out by the relevant financial brokerage company or credit institution.

The implementation of the official tender offer does not require the permission of the Competition Council. Pursuant to the Law on the Protection of Objects of Importance to Ensuring National Security, the Offeror applied to the National Security Commission regarding the compliance of the official tender offer, as a transaction, with the interests of national security. According to the commission's decision the examination of the transaction was not initiated, therefore, such transaction is in the interest of national security and may be concluded and carried out.

On 28th February 2020, the working group that was set up by the Minister for Finance evaluated all the proposed long-term financing alternatives of the Offeror and concluded that the most effective way of attracting share capital is the initial public offering (IPO). It was recommended that the Ministry of Finance

would initiate, in the manner established by the law, the adoption of decisions ordering the Offeror to implement its initial public offering by issuing a new issue of shares.

On 23th March 2020, the Offeror received a letter from Ministry of Finance, the institution which implements its sole shareholder's rights, which requests the company to prepare for its initial public offering, to choose the period for issuing the new share issue according to the situation on the capital markets, to prepare the documents and to perform other related actions.

During the initial public offering, each minority shareholder of the Company who was a shareholder of the Company on 17th March 2020 and who, at the time of the official tender offer, will sell the Company's shares to the Offeror, will have a pre-emptive right to acquire the Offeror's shares for an amount equal to the Company's shares held by the shareholder multiplied by 0.880 EUR plus the amount of dividends paid for the year 2019, which is proportionate to the number of Company's shares held by the shareholder. The persons who will no longer be the shareholders of the Company on the rights accounting day because they sold their shares to the Offeror, will receive an added amount equal to the amount of dividends that the shareholder would have received for his/her shares and for the shares he/she sold to the Offeror if he/she had been the Company's shareholder on the rights accounting day.

It should also be noted that several minority shareholders of the Company had filed lawsuits seeking annulment of the decision of the general meeting of shareholders of the Company, dated 4th December 2019, which was to delist the Company's shares from trading on the AB "Nasdaq Vilnius" stock exchange. On 17th March 2020, the Offeror has entered into a Settlement Agreement (hereinafter - the Agreement) with the Investors' Association (hereinafter - the Shareholders) representing the minority shareholders of the Company. On the same day, the plaintiffs in the above-mentioned court case filed a motion to dismiss the claims.

According to the Agreement, the Offeror undertook:

1. To make decisions regarding the payment of dividends for the year 2019 to the Company's shareholders.

2. With the approval of the Bank of Lithuania, each minority shareholder who, at the date of signing the Agreement, which is on 17th March 2020, is a shareholder of the Company and will sell the shares of the Company to the Offeror, will be able to acquire the shares of the Offeror at an amount equal to the number of shares held by the shareholder multiplied by 0.880 EUR, plus the amount of dividends paid for the number of shares held. The shares of the Offeror will be available to minority shareholders of the Company for the same price as any other participant of the initial public offering.

The shareholders hereby confirm and agree that:

1. All decisions of the general meeting of shareholders, which was held on 4th December 2019, are lawful, adopted without prejudice to the requirements of legal acts, can and must therefore be implemented.

2. The purchase prices of the Company's shares, indicated in the official tender offer's circulars submitted to the Bank of Lithuania by the Offeror for approval of the Company's shares, shall be deemed to be appropriate and acceptable to shareholders. The prices during the official tender offer and the mandatory sale price of the shares, shall be in the full interest of the shareholders.

3. The plaintiffs, in the above mentioned court case, undertook to sell the Company's shares they own to the Offeror during the official tender offer. The Agreement shall cease to have effect in any legal proceedings related to delisting of the shares of the Company and / or other subsidiary of the Offeror, AB "Ignitis Gamyba" (hereinafter - GEN), in a regulated market and / or the Company's and / or GEN's squeeze-out and / or related to the initial public offering of the Offeror and / or the dividends payed to the shareholders of the Company and / or GEN.