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No one should purchase or subscribe for any securities in AB "Ignitis grupė" ("**Ignitis grupė**") or the "**Company**" and, together with its subsidiaries, the "**Group**") except on the basis of information in the prospectus dated 21 September 2020 (the "**Prospectus**") published by the Company in connection with the offering and admission of the Company's ordinary shares to trading on the Main Trading List of AB Nasdaq Vilnius ("**Nasdaq Vilnius**") and of global depository receipts representing the Company's shares to the standard listing segment of the Official List of the Financial Conduct Authority of the United Kingdom (the "**FCA**") and to trading on the Main Market of the London Stock Exchange plc (the "**London Stock Exchange**" or "**LSE**"). A copy of the Prospectus published by the Company is available on the Company's website at <https://ignitisgrupe.lt/en/ipo>.

**2 October 2020**

## **AB "Ignitis grupė"**

### **Announcement of the Final Offer Price**

"Ignitis grupė", a leading utility and renewable energy company in the Baltic region, following its announcement on 21 September 2020 regarding the offer price range and the publication of the Prospectus, today announces the successful pricing of its initial public offering (the "**IPO**" or the "**Offering**") of Ignitis grupė ordinary shares (the "**Shares**") and global depository receipts representing the Shares (the "**GDRs**", and together with the Shares, the "**Offer Securities**"). One GDR represents an interest in one Share.

## **Offer Highlights**

- The Offer Price has been set at €22.50 per Share and €22.50 per GDR.
- Based on the Offer Price, the market capitalisation of the Company will be approximately €1,671.4 million at the commencement of conditional dealings on the Nasdaq Vilnius Stock Exchange and the Offer will raise gross proceeds of €450 million.
- The Offer is solely comprised of new shares issued.
- The Offer comprises 20,000,000 Shares and consists of two tranches: 1) a tranche of securities in the form of Shares and GDRs offered to institutional investors and 2) a tranche of securities in the form of Shares offered to retail investors who are residents of Lithuania, Latvia and Estonia.
- Institutional investors were allocated 18,130,699 Shares in the form of Shares and GDRs. The institutional tranche attracted strong and well-diversified global demand, in particular from both international and local asset managers. UK-based institutional investors account for approximately one third of the overall demand. The IPO saw strong participation from Baltic institutional investors led by local pension funds. The remaining demand came from a balanced mix of Nordic, Continental European and other global institutional investors.
- Retail investors subscribed for 1,869,301 Shares in the Offering. The Company highly values the strong backing by retail investors and decided to allocate all of them 100% of subscribed Shares. They comprise 9.3% of the total Offer. 6,827 retail investors participated in the IPO of which 4,691 were from Lithuania, 1,836 from Estonia and 300 from Latvia.
- In connection with the Offering, the Group has appointed Swedbank AB (in cooperation with Kepler Cheuvreux S.A.) ("**Swedbank**") as stabilisation manager in respect of the Offer Securities (the "**Stabilisation Manager**"). The Stabilisation Manager has the right to acquire up to 10% of the total number of shares and GDRs offered in order to stabilise the price of the Offer Securities at a level higher than that which may otherwise prevail if stabilisation actions were not taken.
- Immediately following Admission, the Offer Securities will represent 26.9 percent of the Company's issued share capital. The Republic of Lithuania, through the Ministry of Finance, will remain the Company's controlling shareholder (the "**Principal Shareholder**") with a shareholding of 73.1 percent of the Company's issued share capital upon Admission. Should stabilisation trades take place and the Company buy back shares from the Stabilisation Manager, the stake of the Principal Shareholder may increase to up to approximately 75 percent.

### ***Darius Maikštėnas, CEO and Chairman of the Management Board said:***

*"We are pleased with the strong interest in our offer with our books strongly oversubscribed. We would like to thank investors for supporting Ignitis Group at such an important time. We are proud that our resilient growth strategy has been recognised by high quality investors. The Group looks forward to leading the Baltic energy sector's transition to renewables whilst generating long-term value for shareholders."*

### ***Darius Daubaras, Chairman of Ignitis Group Supervisory Board said:***

*"We would like to welcome our international and regional investors, and thank them for their interest and trust in Ignitis Group at this important moment in our history. As a business, Ignitis Group has come a long way. We were founded with the aim of modernising*

*Lithuania's energy sector. Today, we are the leading utility and renewable energy company in Lithuania and the Baltics, and are set to lead the energy transition in the region. I am confident that with our proven track record, experienced management team and strong strategy we will deliver steady and reliable returns for our investors, while contributing to a greener and cleaner future."*

**Vilius Šapoka, Minister of Finance of the Republic of Lithuania said:**

*"Ignitis Group's IPO is an ice breaker in the Lithuanian capital market – becoming the largest transaction in the Baltics in the last couple of decades. I trust that this ice will not form again soon, because Lithuanian, Latvian, Estonian retail investors, pension funds and institutional investors have received a lot of attention during this IPO. Meeting all the demand from local investors suggests that the activity in stock trading in local markets will rise significantly. Investors have also shown confidence in the goals of the Ignitis Group and the National Energy Independence Strategy – the IPO proceeds will help to implement these goals, promote green energy and ensure energy security."*

### **Admission and Dealings**

- Admission and unconditional dealings in the Shares on the Main Trading List of Nasdaq Vilnius are expected to take place at 10:00am (EEST) on 7 October 2020 under the symbol "IGNIL". Admission and unconditional dealings in the GDRs on the LSE are expected to take place at 8:00am (UK time) on 7 October 2020 under the symbol "IGN".
- Additional details in relation to the Offer are disclosed in the Prospectus, available on the Company's website at <https://ignitisgrupe.lt/en/ipo>

### **Further Information**

- The Principal Shareholder, as well as members of the Company's Management Board participating in the Offering, will each be subject to a lock-up of 180 days, subject to certain customary exceptions.
- The Company intends to use the net proceeds raised from the Offer to facilitate the Company's growth, including but not limited to investments in the Networks segment (e.g., cabling, smart meters, digitisation, etc.) and the Green Generation segment, and for general corporate purposes.

### **Underwriters**

The Company has engaged J.P. Morgan Securities plc ("**J.P.Morgan**"), Morgan Stanley & Co. International plc ("**Morgan Stanley**"), Swedbank AB (in cooperation with Kepler Cheuvreux S.A.) ("**Swedbank**") and UBS Europe SE ("**UBS**") to act as Joint Global Co-ordinators and Joint Bookrunners and BofA Securities Europe SA ("**BofA Securities**") to act as Joint Bookrunner.

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**About AB “Ignitis grupė”**

AB “Ignitis grupė” ([www.ignitisgrupe.lt/](http://www.ignitisgrupe.lt/)) is a leading utility and renewable energy company in the Baltic region. Its core business is focused on operating electricity and gas distribution Networks, and managing and developing its Green Generation portfolio. The Group also manages strategically important Flexible Generation assets and provides Customers and Solutions services, including the supply of electricity and gas, solar, e-mobility, improved energy efficiency, and innovative energy solutions for households and businesses.

## **Important Notice**

The contents of this announcement have been prepared by and are the sole responsibility of the Company.

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed by any person for any purpose on the information contained in this announcement or its accuracy, fairness or completeness. The contents of this announcement are not to be construed as legal, financial or tax advice.

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This announcement is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000, as amended (the "**FSMA**"). This announcement is directed at and is only being distributed (A) in member states of the European Economic Area, to persons who are qualified investors within the meaning of Article 2(e) of the Prospectus Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") ("**Qualified Investors**"); (B) in the United Kingdom, to Qualified Investors who (i) have professional experience in matters related to investments and who are "investment professionals" within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "**Financial Promotion Order**") or (ii) are persons who fall within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, or (iii) are persons to whom this information may otherwise lawfully be directed (all such persons together being referred to as "**relevant persons**"). No other person should act or rely on this announcement and persons distributing this announcement must satisfy themselves that it is lawful to do so. By accepting this announcement you represent and agree that you are a relevant person if in the United Kingdom and a Qualified Investor if in any member state of the European Economic Area.

This announcement is not an offer to sell nor a solicitation to buy any securities in any jurisdiction nor a prospectus for the purposes of the Prospectus Regulation. Any subscription or purchase of securities referred to in this announcement should be made solely on the basis of the information contained in the Prospectus. The information in this announcement is subject to change. Before subscribing for or purchasing any securities, persons viewing this

announcement should ensure they fully understand and accept the risks which are set out in the Prospectus. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. Copies of the Prospectus are available from the Company's registered office.

This announcement does not constitute, or form part of, any offer or any solicitation of an offer to subscribe for any shares or other securities, nor shall it (or any part of it) or the fact of its dissemination form the basis of, or be relied on in connection with, any contract with respect thereto. This announcement does not constitute a recommendation concerning a possible offer. Persons considering making investments should consult an authorized person specialising in advising on such investments. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. The value of securities can go down as well as up. Potential investors should consult their financial and other advisors as to the suitability of a possible offer for the person concerned.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's business, results of operations, financial position, liquidity, prospects, growth or strategies. Forward-looking statements speak only as of the date they are made.

By their nature, forward-looking statements involve unknown risks, uncertainties, assumptions and other factors that may cause the Group's actual financial condition, results of operations or prospects to be materially different from any future financial condition, results of operations or prospects expressed or implied by such forward-looking statements. Past performance cannot be relied upon as a guide to future performance. No representation is made or will be made that any forward-looking statements will be achieved or will prove to be correct.

Each of J.P. Morgan Securities plc, Morgan Stanley & Co. International plc, UBS Europe SE, BofA Securities Europe SA, Swedbank AB (in cooperation with Kepler Cheuvreux S.A.) (together, the "**Banks**"), the Company, any member of the Group and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statement contained in this announcement whether as a result of new information, future developments or otherwise, except to the extent required by applicable law.

None of the Banks or any of their respective affiliates, directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from this announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

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Certain data in this announcement has been rounded. As a result of the rounding, the totals of data presented in this announcement may vary slightly from the actual arithmetic totals of such data. Percentages may have been rounded and accordingly may not add up to 100%.

The contents of the Company's and the Group's website, including the websites of the Group's business units, are not incorporated by reference into, and do not form part of, this announcement.

### **INFORMATION TO DISTRIBUTORS**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares and GDRs have been subject to a product approval process, which has determined that the Shares and GDRs are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares and GDRs may decline and investors could lose all or part of their investment; the Shares and GDRs offer no guaranteed income and no capital protection; and an investment in the Shares and GDRs is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Banks will only approach investors who meet the criteria of professional clients and eligible counterparties (other than in Lithuania, Latvia and Estonia).

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares and GDRs.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and GDRs and determining appropriate distribution channels.