

Notice on Convocation of the Meeting of Bondholders of AUGA group, AB (ISIN LT0000404238) on 28th of November 2024

6th November 2024

At the initiative of AUGA group, AB (code 126264360, registered office address at Konstitucijos ave. 21C, Vilnius, Lithuania, hereinafter – the **Company**), bondholders, having more than 1/10 of all Bonds, and the trustee of the bondholders UAB "AUDIFINA" (code 125921757, registered office address at A. Juozapavičiaus st. 6, Vilnius, Lithuania, hereinafter the **Trustee**), by the decision of the Trustee on 2024 November 28th 10:00 AM a meeting of bondholders of the Company's bond issue (the **Bonds**), ISIN LT0000404238 (the **Meeting**) (the **Bondholders**), is being convened.

The venue of the Meeting will be announced at the later stage, in any case, not later than 3 (three) business days before the Meeting.

The registration of the Bondholders begins at 9:30 AM, Vilnius time.

The record date of the Meeting shall be 25th of November 2024, 4:00 PM, Vilnius time.

Agenda of the Meeting:

1. Organisational questions.
2. Company's presentation.
3. Trustee's presentation.
4. Regarding the existence of an Event of Default – failure to rectify the breach of covenants;
5. Regarding the Early Mandatory Redemption of the Bonds due to occurrence of the Events of Default(s).
6. Regarding Company's position that the breach of covenants is immaterial.

A. Trustee's and Bondholder's, having more than 1/10 of all Bonds, draft decisions of the Meeting.

Given that:

- A. In the base prospectus of the Bonds approved by the Bank of Lithuania on 25 November 2019 (the **Prospectus**) and the Final Terms of the first Tranche of Bonds dated 27 November 2019 (the **Final Terms**) certain covenants of the Company were foreseen and Mandatory Early Redemption events of the Bonds listed;
- B. On 31 October 2024 the Company has announced that it failed to rectify the breach of covenants during the remediation term of 6 (six) months, as foreseen in the Prospectus (<https://view.news.eu.nasdaq.com/view?id=b850cc63405417c3e6cae727ac80b37c0&lang=en>);
- C. Moreover, on 29 October 2024 the Company has announced that its indirectly controlled subsidiary ŽŪK "AgroBokštai" (code 302485217, registered office address Konstitucijos ave. 21C, Vilnius, Lithuania, hereinafter – **AgroBokštai**), failed to redeem their bonds on the maturity date, being 27 October 2024 (<https://view.news.eu.nasdaq.com/view?id=b3ff484417ea596c7fa9d8b6cab848ea6&lang=en>). Under the surety agreement, the Company is jointly and severally liable for the due fulfilment of obligations of AgroBokštai towards the bondholders of AgroBokštai. The non-

redemption of bonds on maturity may constitute an Event of Default – cross-acceleration event¹.

The following draft decisions of the Meeting is proposed by the Bondholders, having more than 1/10 of all Bonds, and Trustee:

1. To confirm, that the failure by the Company to rectify the breach of covenants during the remediation term of 6 (six) months constitutes an Event of Default under the Prospectus and Final Terms.
2. to request the Early Mandatory Redemption of the Bonds due to Event of Default(s) immediately on the date respective decision is passed by the Bondholders of the Company. If the Bonds are not redeemed immediately, the Trustee is authorised to start the enforcement from the Collateral (as defined in the Prospectus and Final Terms).

B. Company's draft decisions of the Meeting.

Given that:

- A. The Prospectus and the Final Terms of Tranche 1 Bonds, among other things, stipulate financial covenants including: i) an interest coverage ratio of no less than 2, and ii) a consolidated-equity-to-asset ratio of no less than 30% (hereinafter – the **Financial Covenants**);
- B. These Financial Covenants are calculated each year on the basis of the audited annual financial statements. If the Company does not meet the Financial Covenants, the Prospectus envisages a remediation period of 6 (six) months;
- C. On 30 April 2024, the Company published its audited financial statements for the year 2023. In them, the Company disclosed that the Financial Covenants were not met and so, together with the Trustee noted that fact and designated a six-month period, during which the Company had the opportunity to remedy the incompliance with the Financial Covenants, as envisaged in the Prospectus, which ended on 30 October 2024 (the Company published this information in a notification on material event²);
- D. In its notification on material event of 31 October 2024³, the Company informed that in the opinion of the management of the Company, based on the information available as at the date of the notification, the Company did not rectify its non-compliance with the Financial Covenants during the period ended 30 October 2024;
- E. The process of rectifying the Financial Covenants as described in the Prospectus is not unambiguously clear, as the Prospectus specifies that the indicators shall be

¹ **Cross acceleration** (page 61 of the Prospectus): any other present or future financial indebtedness of the Issuer or any of its material Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual event of default and creditor's actual notice of acceleration and request to prepay the indebtedness in full, provided that the aggregate amount of the relevant indebtedness in respect of which one or more of the events mentioned above in this paragraph have occurred equals or exceeds EUR 5 million.

² Notification on material event of AUGA group, AB of 21 May 2024 (<https://view.news.eu.nasdaq.com/view?id=b84edc84c46ab56c1d7947e82b4b6c4b9&lang=en>).

³ Notification on material event of AUGA group, AB of 31 October 2024 (<https://view.news.eu.nasdaq.com/view?id=b850cc63405417c3e6cae727ac80b37c0&lang=en>).

calculated once a year on the basis of the consolidated audited annual financial statements (the financial statements for the financial year 2024 will be approved only in April 2025) and that the rectification period shall be a six-month period, i.e. a period for which consolidated audited annual financial statements for the Company are not prepared;

- F. The Company considers that the committed breach is immaterial, besides, the Bonds in any case mature on 17 December 2024, therefore, it is not expedient to demand early redemption of the Bonds;
- G. The Company is currently holding negotiations with potential buyers for sale of companies holding assets of the group, which the Company is a member of, to raise funds for redemption of the Bonds. Any demand from the Trustee and/or the Bondholders for redemption of the Bonds before their maturity (17 December 2024) and possible related actions (e.g., enforced recovery from the assets pledged to the Bondholders) might lead to failure of the said negotiations held by the Company,

Also referring to Article 7(1)(2) of the Law of the Republic of Lithuania on Protection of Interests of Bondholders of Public Limited Liability Companies and Private Limited Liability Companies,

The following draft decision of the Meeting is proposed by the Company: to indicate to the Trustee that the said breach committed by the Company (failure to rectify the non-compliance in the said Financial Covenants during the indicated remediation period of 6 (six) months (by 30 October 2024)) is immaterial, therefore, it is not necessary to take measures to defend the Bondholders' rights.

Bondholders or their authorized persons will have the right to participate and vote in the Meeting.

The total number of the Company's Bonds, each of which has a nominal value of EUR 1,000, and the number of Bonds giving the right to vote at the Meeting is 20,000 units.

The ISIN code of the Bonds is LT0000404238.

A person participating in the Meeting and having the right to vote must submit a document certifying personal identity, and a person representing a legal entity must submit a document proving the basis of representation. A person who is not a Bondholder, in addition to an identity document, must submit a document confirming the right to vote at the Meeting (e.g. agreement on transfer of voting rights).

Each Bondholder has the right to authorize another person (natural or legal entity) to participate and vote on the Bondholders' behalf at the Meeting under the power of attorney. At the Meeting, the representative has the same rights as the Bondholder represented. The authorized person must submit a power of attorney to the Trustee at the Meeting or before the Meeting by Trustee's e-mail obligacijos@audifina.lt. Power of attorney issued abroad must be translated into Lithuanian or English.

The Bondholder can authorize another natural or legal person to participate and vote on behalf of the Bondholder at the Meeting by means of electronic communication. Such power of attorney is

not confirmed by a notary. The Bondholder must confirm the power of attorney issued by means of electronic communication with an electronic signature created by secure signature creation software and confirmed by a qualified certificate valid in the Republic of Lithuania (or another country). The Bondholder must notify the Trustee about the power of attorney issued by means of electronic communication by e-mail at obligacijos@audifina.lt no later than 4:00 PM on the last business day before the Meeting (27 November 2024). The authorization and notification must be in writing. The power of attorney itself and the notice to the Trustee must be signed with an electronic signature, not the letter sent by e-mail.

The Bondholder or respective representative has the right to vote in advance in writing by filling out a general ballot. A general ballot form for voting at this Meeting is added as an attachment to this notice. The general ballot is also available on the Trustee's website www.audifina.lt and the Company's website <https://auga.lt/investuotojams/zaliosios-obligacijos/>.

The completed and signed general ballot (including electronic signing) and the document confirming the right to vote (i.e., a copy of document certifying personal identity, and a person representing a legal entity must submit a document proving the basis of representation, if applicable, a power of attorney) must be submitted to the Trustee in writing and received no later than the last business day before the Meeting (27 November 2024), delivered to the Trustee by e-mail obligacijos@audifina.lt or sent by registered mail to the Trustee's registered office address – UAB "AUDIFINA", A. Juozapavičiaus St. 6, Vilnius, Lithuania.

Bondholders who came to UAB "AUDIFINA", A. Juozapavičiaus St. 6, Vilnius, will be able to get acquainted with the documents held by the Trustee related to the agenda of the Meeting, including the notice of the convening of the Meeting, information on the total number of Bonds and the number of Bonds giving the right to vote on the date of convening the Meeting, draft decisions and other documents that are submitted to the Meeting, and receive information related to the exercise of rights of the Bondholders.

Attached:

1. [General ballot form.](#)

UAB "AUDIFINA"

Director

Jolanta Ruzgienė