

AB "Ignitis grupė" (hereinafter – Ignitis Group or the Group) informs that its subsidiary UAB Vilniaus kogeneracinė jėgainė (hereinafter – Vilnius CHP), which is operating a waste-to-energy unit and building a biomass unit, has signed a settlement agreement with its former contractor, a Polish company Rafako S. A. (hereinafter – Rafako).

We would like to remind you that a legal dispute between Vilnius CHP and Rafako regarding the contract signed on 29 September 2016, under which, among other things, Rafako undertook to design and construct the biomass CHP unit as well as its feeding infrastructure, was being settled in the Arbitration Institute of the Stockholm Chamber of Commerce.

As announced previously ([link](#)), the Arbitration Institute of the Stockholm Chamber of Commerce ruled partially in favour of Vilnius CHP. According to the arbitration rules of the Arbitration Institute of the Stockholm Chamber of Commerce, a mandatory settlement period has been set for the parties to the dispute.

Considering a multitude of circumstances, including the ones related to the financial position of Rafako, a settlement agreement was concluded between the parties agreeing to a monetary compensation of nearly EUR 30 million to Vilnius CHP, a part of which (EUR 14,965,000) Vilnius CHP had already received, and the other part (EUR 15 million) will be paid by Rafako to Vilnius CHP in instalments over five years. According to the settlement agreement, Vilnius CHP is to receive all the equipment and the documents necessary for the biomass project that were in possession of Rafako. Considering the value of the equipment and the documents, Vilnius CHP will additionally recover nearly EUR 2 million and will ensure the continuity of the biomass project's development.

The settlement agreement is still pending for approval from the Arbitration Institute of the Stockholm Chamber of Commerce. The Group will not inform about this in a separate notification.

The information provided in this notification does not change the Group's Adjusted EBITDA guidance.

Despite the replacement of the main contractor, Vilnius CHP's management was able to ensure the project's continuity. Currently, the Vilnius CHP biomass unit is in its final construction and commissioning stages.

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