

*UNOFFICIAL ENGLISH TRANSLATION (Translation of the original and signed document in the Finnish language. In case of discrepancy, the Finnish version of the minutes shall prevail).*

**ANNUAL GENERAL MEETING OF LEHTO GROUP PLC**

Time: 19 June 2024 at 1 p.m. (Finnish time)

Place: Technopolis Aviapolis' meeting room Akropolis 1 (Teknobulevardi 3-5 F, Vantaa)

Present: According to the list of votes adopted at the meeting a total of 7 shareholders were present at the beginning of the meeting, in person or represented by proxy, representing a total of 34,352,927 shares and votes

Also present: Eero Sihvonen, Chair of the Board of Directors  
Hannu Lehto, Member of the Board of Directors and CEO  
Jani Nokkanen, Member of the Board of Directors  
Tarja Teppo, candidate for member of the Board of Directors, via remote access  
Timo Okkonen, candidate for member of the Board of Directors  
Pekka Alatalo, Responsible auditor, via remote access, and  
Meeting officials and technical staff.

**1 OPENING OF THE MEETING**

The Chair of the Board of Directors Eero Sihvonen opened the meeting and welcomed the participating shareholders to the meeting in his opening speech.

**2 CALLING THE MEETING TO ORDER**

Mika Puurunen, Attorney-at-Law, was elected as the Chair of the meeting and he called Vuokko Rajamäki, Attorney-at-Law, to act as secretary of the meeting.

The Chair explained the procedures for handling the matters on the agenda of the meeting. It was noted that the meeting will be held in Finnish.

The proposals of the Board of Directors and the Shareholders' Nomination Committee for the Annual General Meeting had been included in the notice to the meeting, which had been published by a stock exchange release and on the company's website on 29 May 2024.

The Chair stated that the proposed procedure will be followed at the meeting.

**3 ELECTION OF THE PERSONS TO SCRUTINIZE THE MINUTES AND TO SUPERVISE THE COUNTING OF VOTES**

Ulla Tuohino was elected to scrutinize the minutes and to supervise the counting of votes.

**4 RECORDING THE LEGALITY OF THE MEETING**

It was noted that the notice to the meeting containing the proposals of the Board of Directors and the Shareholders' Nomination Committee had been published as a stock exchange release and on the company's website on 29 May 2024.

It was recorded that the documents required to be kept available for inspection in accordance with the Limited Liability Companies Act had been available on the company's website for at least three weeks before the meeting.

It was noted that the Annual General Meeting had been convened in accordance with the Articles of Association and the Limited Liability Companies Act and therefore the meeting was declared legal and constituted a quorum.

The notice to the meeting was appended to the minutes ([Appendix 1](#)).

**5 RECORDING THE ATTENDANCE AT THE MEETING AND ADOPTION OF THE LIST OF VOTES**

A list of participants as of the beginning of the meeting and a list of votes ([Appendix 2](#)) were presented, according to which 7 shareholders were present at the beginning of the meeting either in person, by legal representative or by proxy. It was recorded that 34,352,927 shares and votes were represented at the beginning of the meeting.

The list of participants and the list of votes as at the beginning of the meeting were appended to the minutes ([Appendix 2](#)). It was noted that the list of votes will be adjusted to correspond to the attendance at the beginning of a possible vote.

It was recorded that the shareholders' register was also available at the Annual General Meeting.

**6 PRESENTATION OF THE FINANCIAL STATEMENTS, THE REPORT OF THE BOARD OF DIRECTORS AND THE AUDITOR'S REPORT FOR THE YEAR 2023**

It was noted that the company's Financial Statements for the year 2023, including the Income Statement, Balance Sheet, the Cash Flow Statement with notes, consolidated Financial Statements, Report of the Board of Directors and Auditor's Report, had been available on the company's website since 30 April 2024, and they were also available at the meeting venue.

The CEO Hannu Lehto presented the CEO's review and the Financial Statements for the financial year 2023.

The responsible auditor, Pekka Alatalo of KPMG Oy Ab, presented the Auditor's Report. It was noted that the Auditor's Report is in a standard format and does not contain any observations or additional information.

It was noted that the Financial Statements, the Report of the Board of Directors, the consolidated Financial Statements and the Auditor's Report had been presented.

The review by the CEO and the Financial Statements were appended to the minutes (Appendices 3 and 4).

It was noted that on 6 March 2024 the company had disclosed that due to the bankruptcy of the operative subsidiaries, the equity of Lehto Group Plc, the parent company of the Group, had turned negative and the company had therefore filed a notice of loss of share capital with the Trade Register.

CEO Hannu Lehto informed the Annual General Meeting about the loss of share capital and the main planned actions to be taken to restore equity, which are (i) the conversion of the majority of the company's EUR 15 million convertible bond into equity (ii) equity financing of EUR 2.5 million, and (iii) debt reductions according to the restructuring programme proposal. The company is not aware that any holder of convertible bond would object the conversion.

It was noted that the loss of share capital has been reviewed at the Annual General Meeting as required by Chapter 20, Section 23 of the Limited Liability Companies Act.

The presentation on the loss of share capital was appended to the minutes (Appendix 5).

## **7 ADOPTION OF THE FINANCIAL STATEMENTS**

The Annual General Meeting resolved to adopt the Financial Statements and the consolidated Financial Statements for the financial year 2023.

## **8 RESOLUTION ON THE USE OF THE PROFIT SHOWN ON THE BALANCE SHEET AND THE PAYMENT OF DIVIDEND**

It was noted that the Board of Directors had proposed to the Annual General Meeting that, based on the balance sheet adopted for the financial year 2023, no dividend shall be distributed.

The Annual General Meeting resolved, in accordance with the proposal of the Board of the Directors, that no dividend shall be distributed.

**9 RESOLUTION ON DISCHARGE OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE CEO FROM LIABILITY**

The Annual General Meeting resolved to discharge persons who have served as members of the Board of Directors and the CEO during the financial year 1 January – 31 December 2023 from liability.

**10 REVIEW OF THE REMUNERATION REPORT OF THE GOVERNING BODIES**

It was noted that the Remuneration Report of the governing bodies for the financial year 2023 had been available on the company's website since 30 April 2024.

Member of the Board of Directors and CEO Hannu Lehto presented the Remuneration Report.

The Remuneration Report was appended to the minutes ([Appendix 6](#)).

The Annual General Meeting resolved to approve the Remuneration Report. The resolution was advisory.

**11 REVIEW OF THE REMUNERATION POLICY OF THE GOVERNING BODIES**

It was noted that the Remuneration Policy of the governing bodies had been available on the company's website since 29 May 2024.

It was noted that the Remuneration Policy was last time presented to the Annual General Meeting on 14 April 2020. Apart from minor technical changes, the content of the Remuneration Policy is the same as the Remuneration Policy adopted in 2020.

The Remuneration Policy was appended to the minutes ([Appendix 7](#)).

The Annual General Meeting resolved to approve the Remuneration Policy. The resolution was advisory.

**12 RESOLUTION ON THE REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS**

It was noted that the Shareholders' Nomination Committee has proposed to the Annual General Meeting that the members of the Board of Directors shall be paid a yearly remuneration consisting of a cash remuneration and a share remuneration as follows:

- Chair of the Board of Directors: A cash remuneration of EUR 18,000 and a remuneration of 80,000 shares, and

- Deputy Chair and members of the Board of Directors: A cash remuneration of EUR 12,000 and a remuneration of 80,000 shares.

The remuneration in shares is proposed to be paid in such a way that the members of the Board of Directors are given either shares that are in the company's possession or new shares issued by the company without consideration or alternatively shares will be acquired from the regulated market (Nasdaq Helsinki Ltd) at a price determined by public trading in the name and on behalf of the member of the Board of Directors.

The members of the Board of Directors shall not dispose such shares during their membership or before six months has passed from the expiry of the said membership.

It is proposed to not pay a separate attendance fee to the members of the Board of Directors. The proposed attendance fees for the members of the committees of the Board of Directors are:

- Chair of the committee EUR 600 per meeting
- Members of the committee EUR 400 per meeting.

Reasonable travel expenses caused by Board meetings or committee meetings shall be paid in accordance with the instructions of the tax authority. The per diem allowances are included in the attendance fee.

The Shareholders' Nomination Committee's proposals were appended to the minutes ([Appendix 8](#)).

The Annual General Meeting resolved on the remuneration of the members of the Board of Directors and the members of the committees in accordance with the proposal of Shareholders' Nomination Committee.

### **13 RESOLUTION ON THE NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS**

It was noted that the Shareholders' Nomination Committee has proposed to the Annual General Meeting that the Board of Directors shall have four (4) members.

The proposal of the Shareholders' Nomination Committee is appended to the minutes ([Appendix 8](#)).

The Annual General Meeting resolved, in accordance with the proposal of the Shareholders' Nomination Committee, that the Board of Directors shall have four (4) members.

## **14 ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS**

It was noted that the Shareholders' Nomination Committee has proposed to the Annual General Meeting that Hannu Lehto and Jani Nokkanen, at their consent, shall be re-elected as members of the Board of Directors. Tarja Teppo and Timo Okkonen, at their consent, have been proposed to be elected as new members of the Board of Directors.

Tarja Teppo and Timo Okkonen introduced themselves to the Annual General Meeting.

It was noted that Eero Sihvonen had informed the Shareholders' Nomination Committee that he would no longer be available to serve on the Board of Directors after the Annual General Meeting.

It was recorded that according to Article 4 of the Articles of Association of the company, the term of office of a Board member expires at the end of the Annual General Meeting following the election.

The proposal of the Shareholders' Nomination Committee is appended to the minutes ([Appendix 8](#)).

The Annual General Meeting resolved to elect Hannu Lehto, Jani Nokkanen, Tarja Teppo and Timo Okkonen as members of the Board of Directors in accordance with the proposal of the Shareholders' Nomination Committee.

## **15 RESOLUTION ON THE REMUNERATION FOR THE AUDITOR**

It was noted that the Board of Directors has proposed to the Annual General Meeting that remuneration for the auditor be paid according to an invoice approved by the company. The same has been proposed to apply to the auditor's fees for the assurance of the company's statutory sustainability report for the financial period 2024.

The Annual General Meeting resolved on the remuneration of the auditor in accordance with the proposal of the Board of Directors.

## **16 ELECTION OF THE AUDITOR**

It was noted that the Board of Directors, on the recommendation of its Audit Committee, has proposed to the Annual General Meeting that the audit firm KPMG Oy Ab be re-elected as the auditor. KPMG Oy Ab has notified the company that, in the event it will be elected as auditor, Authorised Public Accountant (KHT), Pekka Alatalo, will act as the responsible auditor. The proposed auditor has given his consent to be elected.

If the company shall also prepare its first statutory sustainability report for the financial period 2024, and if KPMG Oy Ab is elected as the company's auditor, it shall also provide the assurance for the statutory sustainability report for the financial period 2024 in accordance with the transitional provisions of the amended Finnish Limited Liability Companies Act (1252/2023).

It was recorded that according to Article 6 of the Articles of Association of the company, the term of office of the auditor expires at the end of the Annual General Meeting following the election.

The Annual General Meeting resolved on the election of the auditor in accordance with the proposal of the Board of Directors.

## **17 AMENDMENT OF THE ARTICLES OF ASSOCIATION**

It was noted that on 29 May 2024, the company announced that the Board of Directors has decided on a plan to focus the company's business on real estate energy solutions and electricity storage (the "Energy Construction Business"), and seek to divest the prefabrication of building industry components of its subsidiary Lehto Components Oy.

Member of the Board of Directors and CEO Hannu Lehto informed the Annual General Meeting on the background for the planned Energy Construction Business.

For the transition to the Energy Construction Business, the Board of Directors has proposed to the Annual General Meeting that the section of the Articles of Association concerning the sector be amended to read as follows:

### "3 SECTOR

The company is involved in construction contracting, construction work, construction consulting, property development, property management, property investment, manufacturing of construction materials and prefabricated building elements and operations related to these as well as energy services, energy storage and distribution, energy saving services and ownership and sale of energy production equipment. The company may carry out its business through its operative Group companies. As the Group's parent company, Lehto Group Plc may be in charge of Group organisation, financing, purchases and other such administrative tasks."

The Annual General Meeting resolved to amend the Articles of Association in accordance with the proposal of the Board of Directors.

18

**AUTHORISING THE BOARD OF DIRECTORS TO DECIDE ON THE REPURCHASE OF THE COMPANY'S OWN SHARES**

It was noted that the Board of Directors has proposed to the Annual General Meeting that the Board of Directors be authorised to decide on the repurchase of the company's own shares as one or several instalments using non-restricted shareholders' equity or without consideration, such that the maximum quantity repurchased be 19,556,568 shares. The proposed quantity equals approximately 22 per cent of the total amount of company's shares. The shares shall be repurchased through public trading organised by Nasdaq Helsinki Ltd in accordance with its rules or using another method. If shares are not repurchased without consideration, the consideration paid for the shares should be based on the market price at the time of repurchase.

The authorisation also entitles the Board of Directors to decide on the repurchase of shares in different proportions than the proportion to the shares owned by the shareholders (directed repurchase) with weighty financial reasons. Shares may be repurchased to implement arrangements associated with the share based incentive systems, remuneration of the Board of Directors or company's business operations, or to be otherwise transferred or to be cancelled. The repurchased shares can also be held by the company itself.

The Board of Directors is authorised to make decisions on all other conditions and circumstances pertaining to the repurchase of own shares. The repurchase of own shares against payment reduces the non-restricted shareholders' equity.

The authorisation is proposed to remain valid until the end of the following annual general meeting but in any case, not longer than 30 June 2025. The proposed authorisation shall replace the company's previous authorisation to repurchase own shares granted by the Annual General Meeting on 30 March 2023.

The Annual General Meeting resolved to authorise the Board of Directors to decide on the repurchase of the company's own shares in accordance with the proposal of the Board of Directors.

19

**AUTHORISING THE BOARD OF DIRECTORS TO DECIDE ON THE ISSUANCE OF SHARES AS WELL AS THE ISSUANCE OF OPTIONS AND OTHER SPECIAL RIGHTS ENTITLING TO SHARES, AS WELL AS THE TRANSFER OF OWN SHARES**

It was noted that the Board of Directors has proposed to the Annual General Meeting that the Annual General Meeting authorise the Board of Directors to decide on the issue of a maximum of 39,271,653 shares through a share issue or by granting options or other special rights entitling to shares as one or several instalments. The proposed quantity equals approximately 45 per cent of the total amount of company's shares. The authorisation includes the right to issue either new shares or own shares held by the company, either against payment or without



consideration. New shares can be issued and own shares held by the company transferred in deviation from the shareholders' pre-emptive subscription right (directed issue) if there is a weighty financial reason for the company to do so and, in case of an issue without consideration, an especially weighty reason for both the company and in regard to the interests of all shareholders in the company. The Board of Directors is authorised to decide on all other conditions and circumstances pertaining to a share issue, to the granting of special rights entitling to shares, and to the transfer of shares.

The authorisation may be used, inter alia, to execute company's share-based incentive systems, to pay the remuneration of the Board of Directors, to strengthen the capital structure, to implement financing arrangements, to expand the ownership base, to use as consideration in transactions or other arrangements associated with the company's business operations, or when the company purchases assets associated with its operations.

The authorisation is proposed to be valid until the end of the following annual general meeting but in any case, no later than 30 June 2025. The authorisation shall replace previous share issue and option authorisations granted by the Annual General Meeting on 30 March 2023, but not the other authorisations regarding share issue and issue of special rights granted at this Annual General Meeting.

The Annual General Meeting resolved to authorise the Board of Directors to decide on the issuance of shares as well as the issuance of options and other special rights entitling to shares, as well as the transfer of own shares in accordance with the proposal of the Board of Directors.

20

**AUTHORISING THE BOARD OF DIRECTORS TO DECIDE ON THE ISSUANCE OF SHARES AS WELL AS THE ISSUANCE OF OPTIONS AND OTHER SPECIAL RIGHTS ENTITLING TO SHARES FOR THE CONVERSION OF THE COMPANY'S EUR 15 MILLION CONVERTIBLE BOND INTO SHARES WITH CONVERTED CONVERSION RATIO**

It was noted that the Board of Directors has proposed to the Annual General Meeting that the Annual General Meeting authorise the Board of Directors to decide on the issuance of a maximum of 75,000,000 shares through a share issue or by granting options or other special rights entitling to shares in one or several instalments. The proposed quantity equals approximately 86 per cent of the total amount of company's shares.

The authorisation entitles the Board of Directors to decide on the issuance of shares as well as special rights entitling to shares in different proportions than the proportion to the shares owned by the shareholders (directed issue). The authorisation includes the right to issue either new shares or own shares held by the company, either against payment or without consideration. The Board of Directors is authorised to decide on all other conditions and circumstances

pertaining to the share issue and to the granting of special rights entitling to shares.

The authorisation may be used to amend the terms of the company's EUR 15 million convertible bond so that convertible bond may be converted into shares of the company with conversion ratio which deviates from the current terms of such convertible bond.

The authorisation is proposed to be valid until the end of the following annual general meeting but in any case, no later than 30 June 2025. This authorisation does not replace any other authorisations regarding share issue and issue of special rights granted at this Annual General Meeting.

The Annual General Meeting resolved to authorise the Board of Directors to decide on the issuance of shares as well as the issuance of options and other special rights entitling to shares for the conversion of the company's EUR 15 million convertible bond into shares with converted conversion ratio, in accordance with the proposal of the Board of Directors.

## **21 CLOSING OF THE MEETING**

The Chair of the meeting noted that all items on the agenda had been attended to.

It was recorded that all shareholders present had supported the resolutions adopted at the Annual General Meeting.

It was noted that the minutes of the meeting will be available on the company's website no later than 3 July 2024.

The Chair closed the meeting at 1:49 p.m. (Finnish time).

[Signature page to follow]

Chair of the meeting:

MIKA PUURUNEN

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Mika Puurunen

Secretary:

VUOKKO RAJAMÄKI

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Vuokko Rajamäki

Minutes checked and approved by:

ULLA TUOHINO

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Ulla Tuohino

## **APPENDICES**

**Appendix 1** The notice to the Annual General Meeting

**Appendix 2** Attendance status of the meeting and list of votes

**Appendix 3** CEO's review

**Appendix 4** Financial Statements 2023

**Appendix 5** Presentation on loss of equity

**Appendix 6** Remuneration Report

**Appendix 7** Remuneration Policy

**Appendix 8** Proposals of the Shareholders' Nomination Committee to the Annual General Meeting