

AB Snaige

Company code: 249664610

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SNAIGE AB RESTRUCTURING PLAN

The logo for FINDEP, consisting of the word "FINDEP" in a bold, dark red, sans-serif font.

According to the data provided by the customer, prepared by:

UAB FINDEP

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Kaunas, 2023

TABLE OF CONTENTS

Contents

Contents	2
1. COMPANY CHARACTERISTICS	3
1.1. GENERAL INFORMATION ABOUT THE COMPANY	3
1.2. STAFF AND MANAGEMENT OF THE COMPANY.....	3
1.3. PRESENTATION OF COMPANIES ACTIVITIES.....	5
1.4. FINANCIAL PERFORMANCE OF THE COMPANY.....	8
1.5. COMPANY ASSETS.....	10
1.6. LIABILITIES OF THE COMPANY.....	11
1.7. FINANCIAL RATIOS.....	12
1.8. REASONS FOR TEMPORARY FINANCIAL DIFFICULTIES	13
2. THE PRESENTATION OF FINANCIAL REQUIREMENTS	14
2.1 LIST OF CREDITORS, THEIR GROUPS AND THE AMOUNTS OF THEIR CLAIMS	14
2.2 GUARANTEES AND OTHER WARRANTIES.....	15
2.3 INFORMATION ABOUT COURT CASES WHERE PROPERTY CLAIMS HAVE BEEN SUBMITTED TO THE COMPANY	15
2.4 CREDITORS' DISCOUNTS AND ASSISTANCE TO OVERCOMING FINANCIAL DIFFICULTIES	15
2.5 COMPLIANCE WITH CREDITORS' CLAIMS IN CASE OF RESTRUCTURING AND BANKRUPTCY	16
2.6 SCOPE AND DURATION OF CREDITORS' CLAIMS SETTLEMENT	18
3. PROPERTY INFORMATION	19
3.1 FIXED ASSETS OF THE COMPANY.....	19
3.2 INFORMATION ON RECEIVABLES.....	20
3.3 ASSETS WHICH WILL BE REVALUED OR WRITTEN OFF ASSETS IN ACCORDANCE WITH THE LEGISLATION OF THE REPUBLIC OF LITHUANIA	22
4. BUSINESS RESTRUCTURING PLAN	23
4.1 LONG TERM STRATEGIC OBJECTIVES, DURATION OF THE PROCESS.....	23
4.2 MEASURES TO OVERCOME FINANCIAL DIFFICULTIES	23
4.3 ESTIMATED NUMBER OF EMPLOYEES	25
4.4 INFORMATION ON NEW FINANCING AND INVESTMENT	27
4.5 ASSETS PLANNED FOR SALE, USE OF REVENUE	28
4.6 EXECUTABLE AGREEMENTS.....	29
4.7 MARKET SITUATION, TRENDS	36
4.9 ESTIMATED OPERATING REVENUE.....	40
4.10 OPERATING EXPENDITURE, CURRENT PAYMENTS	42
4.11 ADMINISTRATIVE EXPENDITURES OF RESTRUCTURING.....	42
4.12 CONTINGENCY PROCEDURE	42
4.13. PROJECTED PROFIT (LOSS) STATEMENTS.....	43
4.14. PROJECTED CASH FLOW STATEMENTS.....	44
4.15. PROJECTED ECAS BALANCE SHEET	45

1. COMPANY CHARACTERISTICS

1.1. GENERAL INFORMATION ABOUT THE COMPANY

Company name	Snaige AB
Legal Form	Public limited company
Date of registration	1992-12-01
Company Code	249664610
VAT Code	LT496646113
Company registration address	Pramonės st. 6, LT-62175 Alytus
Company address	Pramonės st. 6, LT-62175 Alytus
General Manager of the Company	Mindaugas Sologubas
Chief of accounting and finance department	Vytautas Adomaitis

source: Company data.

1.2. STAFF AND MANAGEMENT OF THE COMPANY

The share capital of Snaige AB at the beginning of the restructuring process amounts to EUR 6,735,807. The ordinary registered shares of AB Snaige have been included in the Baltic Secondary List of the Nasdaq Vilnius Stock Exchange since 2009 June 1st. The authorized capital of the Company consists of 39,622,395 ordinary registered shares. The nominal value of one share is EUR 0.17. One share of Snaige AB gives one vote at the general meeting of shareholders. Total number of voting shares: 39,622,395.

The largest shareholder of the Company is Sekenora Holdings Limited, which owns 91.10 percent. of shares. It is the only shareholder with more than 5 percent. of the Company's shares and votes. Other shareholders have 8.9 percent. of shares.

At the last General Meeting of the Shareholders held on June 22nd of 2022 the total number of shareholders of Snaige AB was: 1107.

Table 1

INFORMATION ABOUT THE MANAGERS

Name surname	Position in the company
Mindaugas Sologubas	General Manager

source: Company data.

Table 2

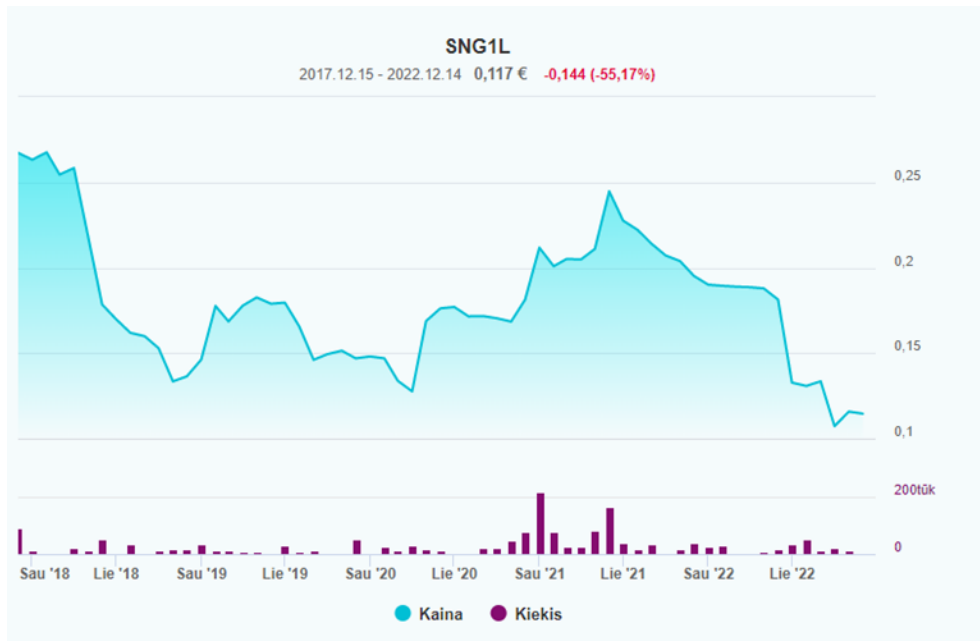
INFORMATION ON THE SHAREHOLDERS

No.	Name	Address	Number of shares	Exact percentage of shares held
1.	SEKENORA HOLDINGS LIMITED	32 Kritis street, Papachristoforou Building, 4th floor, 3087 Limassol, Kipras	36 096	91,1
2.	Minority shareholders		3 526	8,9

source: Company data.

Below we present the Company's share price and turnover graphs over the last 5 years from the website of AB NASDAQ Vilnius.

Graph 1



The graphs of OMX Baltic Benchmark, OMX Vilnius indices and Snaige AB shares in the period from December 14th 2017 to December 14th 2022. The information is taken from the website of AB NASDAQ Vilnius.

Graph 2



In Table No. 3, information on the number of employees of the Snaige AB is provided.

Table 3**NUMBER OF EMPLOYEES OF THE SNAIGE AB**

Employee category	2018	2019	2020	2021	2022 III Q
Managers	22	23	23	22	20
Specialists	94	103	95	94	90
Workers	494	485	418	427	267
Total:	610	547	528	543	377

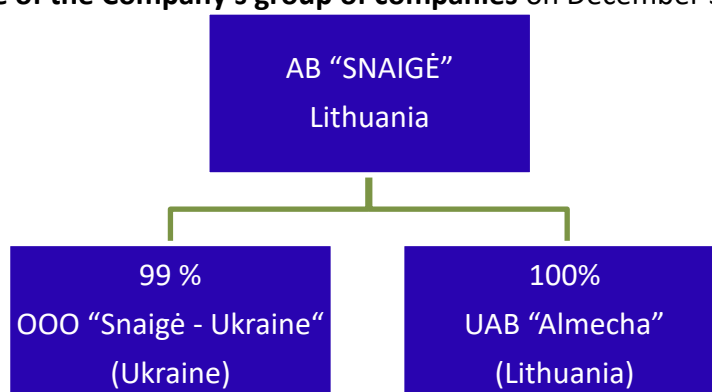
source: Company data.

1.3. PRESENTATION OF COMPANIES ACTIVITIES

The Company was established on April 1st, 1963. The joint-stock company was registered in the Register of Legal Entities of the Republic of Lithuania on December 1st 1992. The Company's shares are traded on the Baltic Secondary List of the NASDAQ OMX Vilnius Stock Exchange.

The Company owns two subsidiaries: the trading company in Ukraine TOB Snaige Ukraina and the manufacturing company in Lithuania UAB Almecha.

The structure of the Company's group of companies on December 31st 2021:

**Table 4****COMPANY'S SUBSIDIARIES**

	Company name	Country	Share of shares held by the Group	Profit (loss) for the reporting year (thousand euros)	Equity (thousand euros)	Investment cost (thousand euros)
1.	TOB Snaige Ukraina	Ukraine	99 proc.	1	4	26
2.	UAB Almecha	Lithuania	100 proc.	55	174	398

source: Company data.

The Company develops, manufactures and sells high-quality household and professional refrigeration appliances. Also - spare parts, various metal products, tools and equipment. It is a well-known Central and Western European manufacturer, recognized by partners, customers and consumers. The Company is the only company in the Baltic States engaged in the production of household refrigeration appliances. All products manufactured by the Company are developed by SNAIGÉ's R&D team.

Table 5

The Company's range by product groups

	2022 1-9		2021		2020		2019	
	Thous. EUR	Income share	Thous. EUR	Income share	Thous. EUR	Income share	Thous. EUR	Income share
Household refrigeration appliances	7.263	46%	20.196	61%	22.191	77%	24.028	77%
Professional refrigeration appliances	7.610	48%	10.444	32%	5.103	18%	5.029	16%
Other	860	5%	2.212	7%	1.411	5%	2.147	7%
Total	15.733	100%	32.852	100%	28.705	100%	31.204	100%

source: Company data.

The Company's sales are dominated by household refrigeration appliances. However, the Company is consistently reducing their share by introducing more profitable and competitive categories of professional refrigeration equipment. In 2021, professional refrigeration appliances accounted for 32 percent of the Company's entire product portfolio. This is a significant increase in the share of professional equipment - in 2020 it accounted for only 18 percent. In 2021 revenues from sales of professional equipment doubled vs 2020. In 2022, the Company has added more categories, such as refrigerators and freezers for professional kitchen, medical and laboratory refrigerators, so it continues to grow.

The impeccable quality of the Company's products is ensured by high-quality parts and raw materials, mostly supplied by well-known European manufacturers, experienced highly qualified staff, modern production lines and strict and versatile quality control. The company's production failure rate is significantly lower than the industry average.

The Company's products have most of the features and functions that modern refrigeration appliances have. These include the NO FROST frost-free refrigeration system, the zero-temperature compartment, the fast freeze compartment, the electronic control, the automatic defrost, the audible door alarm and many more.

All of the Company's products are certified in international laboratories. The medical refrigerator is DIN-certified, proving that the product meets the highest requirements for this category. One of the most important advantages of the Company's products is the efficient use of electricity.

The Company exports the majority (~90%) of its products to more than 30 countries in Europe, Asia and Africa. According to the consolidated audited data, in 2021 the Company sold 155 thousand units and reached almost 32 million. Eur turnover, that is 15 percent more than last year. The company's largest markets were Germany (25%), Ukraine (11%), Lithuania (10%), Norway (6%), Austria (6%) and the Czech Republic (6%).

Table 6

Company's sales in 2021

Country	Units sold	Sales, thous. Eur	Share of revenue
Germany	39.363	7.747	24%
Ukraine	18.137	3.507	11%
Lithuania	14.289	2.946	9%
Norway	10.984	2.002	6%
Austria	10.690	1.996	6%
Czech Republic	9.544	1.891	6%
Morocco	9.460	1.654	5%
Poland	7.408	1.328	4%
Switzerland	6.623	1.327	4%
Bulgaria	5.001	916	3%
France	3.515	651	2%
Portugal	2.433	636	2%
Romania	2.425	565	2%
Italy	2.219	502	2%
Belarus	1.979	368	1%
Russia	1.628	355	1%
Finland	1.593	310	1%
Moldova	1.258	260	1%
Other	6.510	3.892	12%
Total amount	155.059	32.852	100%

source: Company data.

The Company's sales portfolio consists of products with its own brand SNAIGÉ and products with its customers' brands.

With its own brand, the Company sells to markets such as Ukraine, Lithuania, the Czech Republic, Morocco, Bulgaria and others. In most of these markets the Company has built long-term, flexible relationships with its customers the Company sells its products through home appliance wholesalers, large home appliance retail chains, and also has its own e-shop. In 2021, the share of products sold under its own brand accounted for 36.1%. This share is usually higher, the geopolitical situation in Ukraine had a relative decline, with sales falling in the last quarter of the year due to the threat of war with Russia.

The Company also manufactures products for other home appliance producers or retail chains under their brands such as: "Whirlpool", "Bomann", "Severin", "Point", "Nabo", "Regal", "KBS", "Orima", "exQUISIT", "Essentiel", "Unit" and others. The choice of these well-known companies to produce in AB SNAIGÉ is an undoubted assessment of the quality of the Company's products, cooperation and partnership culture.

The Company has additional benefits from such cooperation: by producing to others, the Company can more efficiently fulfil production capacity and get more favourable terms by purchasing raw materials.

The Company is one of the most advanced Lithuanian manufacturing companies in the field of environmental protection. The Company has a certified environmental management system that meets the requirements of the international standard ISO 14001. The Company is constantly improving the efficiency of environmental protection, taking care of reducing

pollution, environmental friendliness, economical use of natural resources and safe environment, and timely and fully complies with all legal requirements.

When developing a new product, the Company always prioritizes production that saves raw materials and resources, safe transport, minimal waste and product quality.

The materials used in the production are those that can be recycled later. The Company adheres to the 2009 October 21 Directive 2009/125 / EC of the European Parliament and of the Council on the design of products. SNAIGÉ refrigerators are made of ecological materials that do not contain elements that are hazardous to the environment or human health.

The Company consistently complies with the requirements of the Kyoto Protocol on global warming and climate change. The Company saves electricity, water and heat: the use of these resources has decreased three times in a decade.

1.4 FINANCIAL PERFORMANCE OF THE COMPANY

Below we present the summary of the Company's financial results for the period of 2016-2022 September 30th.

In **2016** sales revenue amounted to 38.44 million EUR, the Company's activities were profitable, 1.09 million Eur of profit was received. The cost of sales in the specified period was equal to 31.72 million. EUR (82.52% of sales revenue), operating costs amounted to 5.23 million. Eur (13.61 percent of sales revenue). In 2016 130 thousand EUR were also experienced of financial and investment activity costs and received 55 thousand EUR of profit from other activities. Also in 2016 324 thousand EUR was paid profit tax.

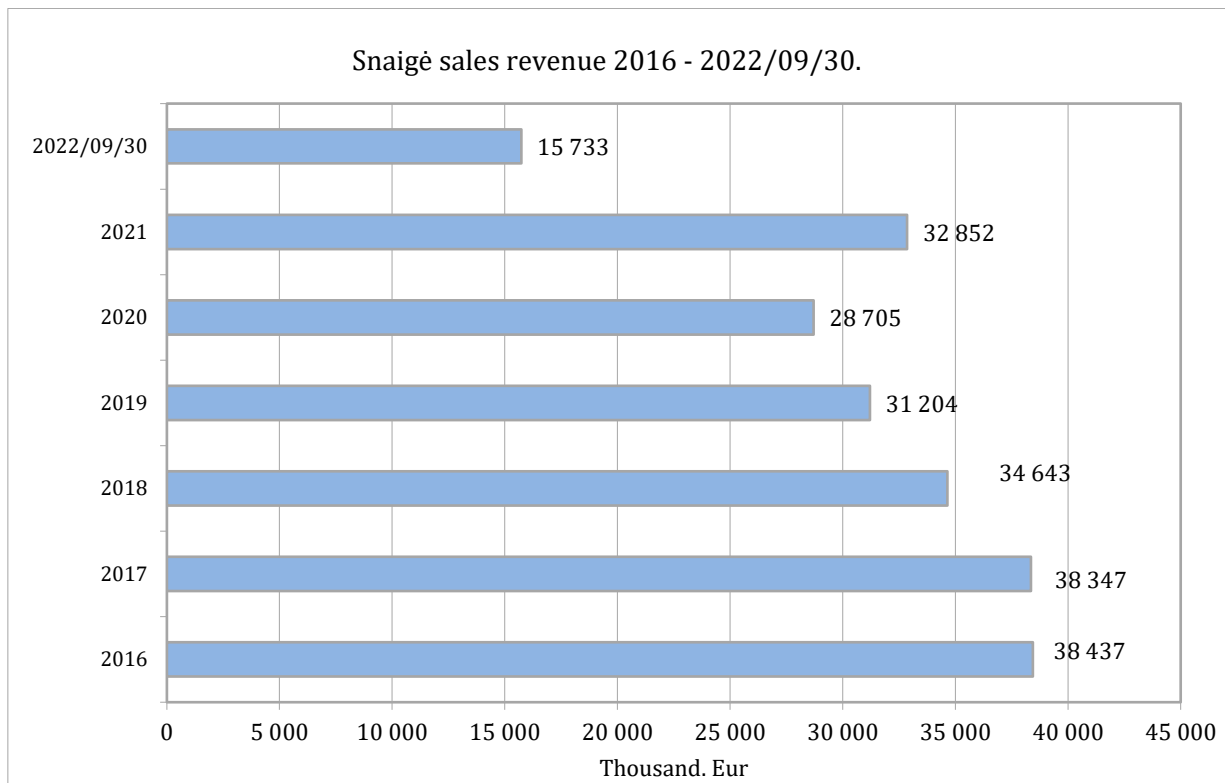
In **2017** sales revenue amounted to 38.3 million EUR, the Company's operations were unprofitable and incurred 13.2 million. EUR loss. The cost of sales in the specified period was equal to 34.2 million. EUR (89.21% of sales revenue), operating costs amounted to 17.4 million. Eur (45.29 percent of sales revenue). In 2017 169 thousand EUR were also experienced of financial and investment activity costs and received 74 thousand EUR of profit from other activities. Also in 2017 190 thousand EUR was paid profit tax.

In **2018** sales revenue amounted to 34.6 million. EUR, the Company's operations were unprofitable and incurred 965 thousand EUR loss. The cost of sales in the specified period was equal to 31.9 million. EUR (92.03 percent of sales revenue), operating costs amounted to 3.8 million. EUR (10.95 percent of sales revenue). In 2018 80 thousand EUR was also received profit from other activities and incurred 95 thousand EUR loss from financial and investment activities. Profit tax in 2018 was equal to 81 thousand EUR.

In **2019** sales revenue amounted to 31.2 million. EUR, the Company's activity was unprofitable and incurred 966 thousand. Eur loss. The prime cost in 2019 was equal to 25.5 million. EUR (88.98% of sales revenue) and operating expenses amounted to EUR 2.5 million. Eur (8.8% of sales revenue). In 2019, 84 thousand EUR of other operating income received, and 136 thousand. Eur financial and investment costs were incurred. Income tax for 2019 amounted to 110 thousand. Eur.

In **2020**, sales revenue amounted to 28.7 million. Eur, the Company's activities were profitable, earned 256 thousand. Eur. The prime cost was 25.5 million. EUR (88.9% of sales revenue), operating expenses amounted to EUR 2.5 million. Eur (8.75% of sales revenue). 2020 expenses from financial and investment activities amounted to 520 thousand. Eur. Also in 2020, 84 thousand. EUR was earned from other operating activities and 43 thousand. Eur of income tax was paid.

In **2021** sales revenue amounted to 32.8 million. EUR, the Company's operations were unprofitable, incurred EUR 2.02 million. Eur loss. The prime cost was 29.8 million. EUR (90.65% of sales revenue), operating expenses amounted to EUR 4.65 million. Eur (14.14% of sales revenue). 2021 income from other activities amounted to 60 thousand. EUR and the loss from financial and investment activities amounted to 479 thousand. Eur.

Graph 3

source: Company data.

On 30 September 2022, sales revenue amounted to 15.73 million. EUR, the Company's activity was unprofitable and incurred 3.14 million. EUR loss. Cost of sale was 16.34 million. EUR, operating expenses amounted to 2.95 million. Eur (18.75 percent of sales revenue). In 2022, during the period under review, cost from other activities amounted to 451.27 thousand. EUR and the loss from financial and investment activities amounted to 5.0 thousand. EUR.

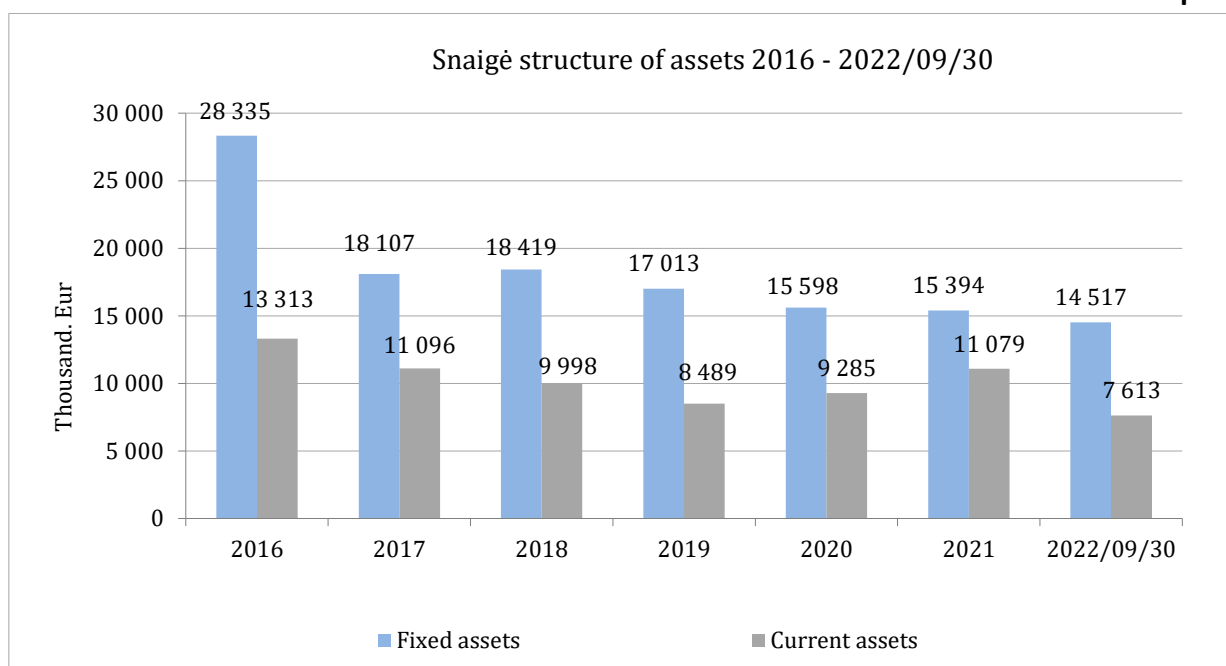
The Company's 2022 results have been negatively impacted by the war in Ukraine, which has led to a significant drop in sales in this key market for the Company. Following the restructuring initiated by the Company, some suppliers continued to supply raw materials, some changed their prices and terms to the detriment of the Company, which required several months to rebalance the production process by switching suppliers or adjusting terms. The termination of the factoring contracts with commercial banks (EUR 1,93 million) and the termination of any financing of the restructured company significantly reduced the Company's liquidity and its ability to purchase raw materials on new terms (mostly in advance). Although the Company managed to maintain its main sales contracts and to have approximately twice as many orders throughout the season as it does now than it could produce due to the lack of liquidity. All this had a negative impact on the result and on the negative margin, as the volume produced was too low to cover the indirect and fixed costs of the production site.

1.5. COMPANY ASSETS

The value of the total assets of Snaigé AB in 30 September 2022 according to data, there were 22,157 thousand. Eur, consisting of:

- Fixed assets 14,517 thousand. Eur (this is 65.52% of total assets). Tangible fixed assets account for 86.28% of fixed assets, consisting of:
 - o Land, buildings and structures - EUR 5.06 million;
 - o Machinery and equipment - EUR 6.58 million;
 - o Vehicles - EUR 19.5 thousand;
 - o Other tangible assets - EUR 741.4 thousand;
 - o Advances paid EUR 15.0 thousand;
 - o Other tangible assets - EUR 97.7 thousand.
- Financial fixed assets EUR 425 thousand.
- Intangible assets EUR 1.57 million.

Graph 4



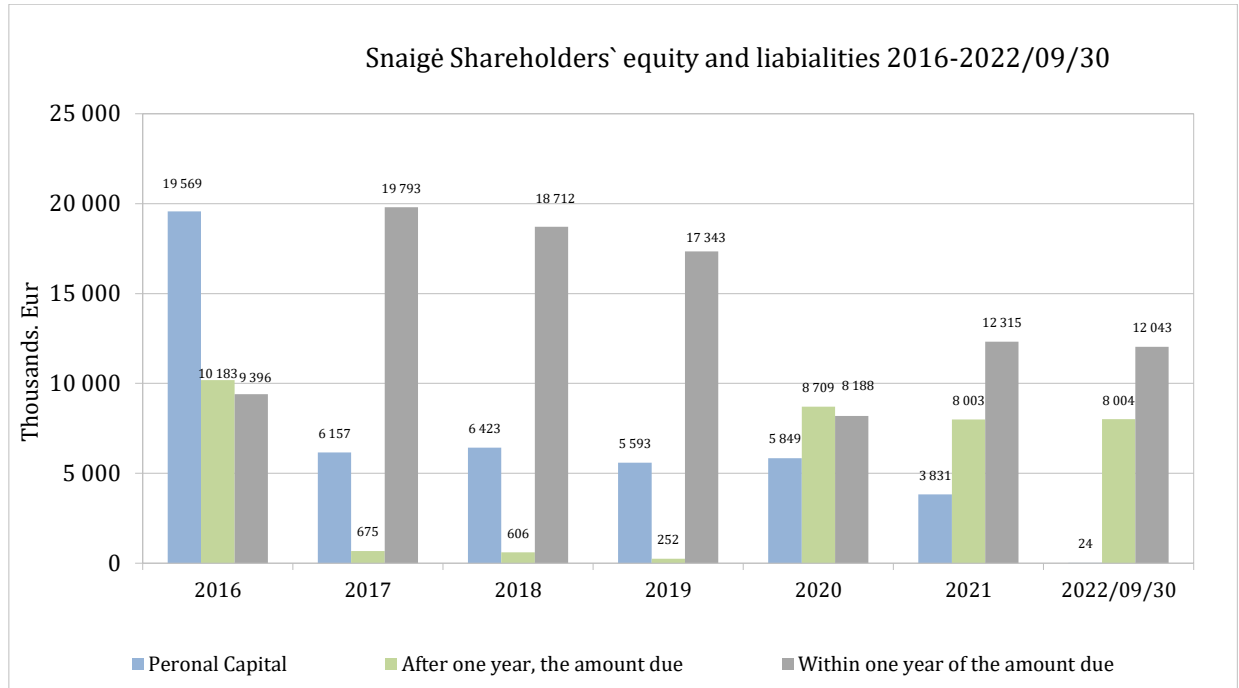
source: Company data.

- Current assets amount to EUR 7.61 million (34.36% of total assets). Current assets consist of:
 - o Inventories, prepayments and work in progress - EUR 4.5 million (59.56% of current assets and 20.46% of total assets), including raw materials and components – EUR 1.9 million, unfinished production and work in progress - EUR 492 thousand, work in progress - EUR 492 thousand, production - EUR 1,77 million, goods for resale of EUR 343 thousand;
 - o Receivables in one year - EUR 3.01 million (39.49% of current assets and 13.57% of total assets), including trade receivables of EUR 2.06 million, debts of associated companies (EUR 19.7 thousand) and other receivables of EUR 920.4 thousand;
 - o Cash and cash equivalents - EUR 73.2 thousand.
- Deferred charges and accrued income - EUR 26,2 thousand.

1.6. LIABILITIES OF THE COMPANY

How the Company's liabilities changed during the period of 2016-2022 is depicted graph below. The latest detailed information on the Company's liabilities is provided in Part 2 of the Draft restructuring plan.

Graph 5



source: Company data.

The authorized capital of the Company in 2019 was 10.302 million Eur, and has decreased to 6.74 million Eur in 2020 (by decreasing nominal share value, in order to comply with mandatory decision of the Bank of Lithuania), and remained the same until now. During the period under review, we see changes in the share of short-term liabilities payable within one year, but the major changes are due to accounting principles of credit recognition: long term debt with payment term within one year was recognized as current asset, and re-classified to long term liability after the credit was prolonged.

1.7. FINANCIAL RATIOS

Relative financial ratios help to assess the Company's financial condition. Their values are provided in Table No. 7.

Table 7

RELATIVE FINANCIAL INDICATORS

No.	Indicator	Formula	2019	2020	2021	30-09-2022
	ASSET MANAGEMENT EFFICIENCY INDICATORS					
1	Inventory turnover	Sales / Inventories	17,13	11,70	10,49	8,16
2	Stock turnover time (days)	365 / Stock Turnover (1)	21,31	31,20	34,80	44,75
3	Turnover of receivables	Sales / Receivables	6,23	5,79	6,70	5,23
4	Net working capital	365 / Turnover of receivables	58,56	63,01	54,45	69,74
5	Working capital (net) turnover	IP assets -TL liabilities	-8 854	1 097	-1 215	-4 404
6	Net turnover.	Sales / Net working capital	-3,52	26,17	-27,04	-3,57
7	Capital turnover, days	365 / Working capital (net) turnover	-103,57	13,95	-13,50	-102,17
8	Turnover of fixed assets	Sales / Fixed assets	1,83	1,84	2,13	1,08
9	Turnover time of fixed assets (days)	365/fixed assets	199,00	198,34	171,03	336,80
10	Turnover of total assets	Sales / Assets	1,22	1,15	1,24	0,71
11	Turnover of total assets, in days	365 / Turnover of assets	298,30	316,40	294,36	514,02
12	Turnover of current assets	Sales / Current assets	3,68	3,09	2,97	2,07
13	Turnover from current assets (days)	365 / Turnover of current assets	99,30	118,06	123,09	176,62
14	Inventory to current assets ratio	Inventories / Current assets	0,21	0,26	0,28	0,25

No.	Indicator	Formula	2019	2020	2021	
	SOLVENCY RATIOS					
1	Coverage (current) coefficient	Curr. assets / Curr. liabilities	0,49	1,13	0,90	0,63
2	Urgent coverage factor	(Curr. Assets - Inventories) / Curr Liabilities	0,38	0,83	0,65	0,47
3	Working capital ratio	(Own property + non - current liabilities). Property	0,34	0,93	0,77	0,55
4	Critical liquidity ratio	Accounts receivable + money) / Curr liabilities	0,29	0,64	0,40	0,26
5	Gross solvency ratio	Equity / Value of gross liabilities	0,32	0,35	0,19	0,00

No.	Indicator	Formula	2019	2020	2021	
	CAPITAL STRUCTURE INDICATORS					
1	Debt ratio	Total liabilities / Total assets	0,78	0,76	0,86	1,00
2	Debt to equity ratio	Liabilities / Ownership	3,56	3,25	5,92	922,17
3	Long - term debt ratio	Long term Liabilities / equity	0,05	1,49	2,09	333,50
4	Curr. debt - shares ownership ratio	Current Liabilities / equity	3,10	1,40	3,21	501,79

No.	Indicator	Formula	2019	2020	2021	
	PROFITABILITY (FINANCIAL RESULT) INDICATORS					
1	Net profit margin	Net profit / Sales * 100%	-3,10%	0,89%	-6,14%	-19,96%
2	Gross profit margin	Gross profit / Sales * 100%	9,68%	11,02%	9,35%	-3,85%
3	Operating profit margin	(Gross profit - Operating expenses) / Sales * 100%	-3,19%	2,26%	-4,79%	-22,60%
4	Return on assets	Net profit / Total assets	-3,79%	1,03%	-7,62%	-14,17%
5	Profitability on shareholder equity	Net profit / Share capital	-17,27%	4,38%	-52,68%	-13081,23%

1.8. REASONS FOR TEMPORARY FINANCIAL DIFFICULTIES

Throughout almost 60 years, the Company consistently demonstrated a unique ability to cope with all the challenges and problems that not every company has overcome. Flexibility, objective assessment of the situation, the constant search for new opportunities, and competence of employees - are the qualities that have helped the Company to overcome many obstacles, and they will undoubtedly help to cope with the current temporary difficulties.

These temporary difficulties caused by two main global issues. The first one is the worldwide rise in prices and shortages of raw materials, components and transport services due to the pandemic, which started in 2021 and continues to this day. It increased the cost of the Company's products, but the Company could not raise the prices of its products to the same extent and remain competitive. Price scissors between increased resources and the selling prices of final products cut the Company's profits.

Due to the lack of raw materials and their delivery delays, the Company could not fulfil some orders of its customers on time. The Company often produced what it could instead of what it needed to.

At the end of 2021, skyrocketing energy costs also worsened the Company's results, and delayed payments of some customers had negative impact on cash flows and lowered working capital.

The second reason that negatively affected the Company's results – the war in Ukraine. The Company has lost one of its most important markets. The war also affected other markets, such as central and western Europe, where sellouts decreased significantly or even stopped. Many of the Company's customers have postponed their orders and suspended their development plans.

In the context of the war, the country of origin of the Company's major shareholder negatively impacted the Company's operations. The main shareholder and the beneficiary of the Company - Russian citizens acting through the Cypriot Company Sekenora Holdings. They are not on the list of sanctioned individuals; they do not belong to political or power structures. Nevertheless, the country of origin has become a key obstacle to accessing financial funding. Some companies, including state-owned (VIVA, IGNITIS), impose additional conditions that complicate the Company's operations.

These circumstances delayed the Company's plans to become not only a manufacturer of household refrigeration appliances, but also a full-fledged manufacturer of professional refrigeration equipment. The Company launched the new production lines of professional refrigerators later than planned, consequently serial production and introduction of these product to the market was also delayed.

2. THE PRESENTATION OF FINACIAL REQUIREMENTS

2.1 LIST OF CREDITORS, THEIR GROUPS AND THE AMOUNTS OF THEIR CLAIMS

List of the Company's restructuring debts according to court orders as of february 6th 2023 is presented below. Due to the large volume of creditors and confidentiality, in order not to disclose the Company's suppliers and other commercial secrets, the Company's liabilities are detailed by groups.

Table 8

DETAILS OF LIABILITIES FOR FEBRUARY 6th 2023

CREDITORS	APPROVED REQUIREMENT, EUR	PHASE I	PHASE II
MORTGAGE CREDITORS			
Loan 1	8 690 073,14	8 375 533,35	314 539,79
Loan 2	1 504 184,48	1 258 750,04	245 434,44
TOTAL	10 194 257,62	9 634 283,39	559 974,23
I GROUP CREDITORS			
VSDFV Kauno skyrius	63 149,05	62 988,48	160,57
TOTAL	63 149,05	62 988,48	160,57
II GROUP CREDITORS			
TOTAL	7 764 077,96	7 733 588,63	30 489,33
IN TOTAL	18 021 484,63	17 430 860,50	590 624,13

Table 9

DISPUTED FINANCIAL CLAIMS FOR FEBRUARY 6th 2023

NO.	CREDITORS	LEGAL ENTITY CODE/ PP CODE	DISPUTED CLAIM, EUR	PHASE I	PHASE II
1	DXL Sp.zoo	PL6511715720	23,790.00	23,790.00	0.00

Table 10

DETAILS OF AFFECTED CREDITORS FOR FEBRUARY 6th 2023

CREDITORS	APPROVED REQUIREMENT, EUR	PHASE I	PHASE II
MORTGAGE CREDITORS			
Loan 1	8 690 073,14	8 375 533,35	314 539,79
Loan 2	1 504 184,48	1 258 750,04	245 434,44
TOTAL	10 194 257,62	9 634 283,39	559 974,23
I GROUP CREDITORS			
VSDFV Kauno skyrius	63 149,05	62 988,48	160,57
TOTAL	63 149,05	62 988,48	160,57
II GROUP CREDITORS			
TOTAL	7 764 077,96	7 733 588,63	30 489,33
IN TOTAL	18 021 484,63	17 430 860,50	590 624,13

2.2 GUARANTEES AND OTHER WARRANTIES

The Company, according to available data, has not provided any sureties or guarantees to secure its own or third parties' obligations. The Company has pledged real estate and equipment to secure the liabilities of Creditors Loan 1 and Loan 2.

2.3 INFORMATION ABOUT COURT CASES WHERE PROPERTY CLAIMS HAVE BEEN SUBMITTED TO THE COMPANY

There are no such cases.

2.4 CREDITORS 'DISCOUNTS AND ASSISTANCE TO OVERCOMING FINANCIAL DIFFICULTIES

- During the restructuring procedure, the Company will aim to review the settlement schedules, settlement dates and payments for the Company's creditors during the restructuring period, to forecast cash flows and opportunities to settle with creditors.
- The company's largest creditor and mortgage lender, Loan 1, agrees to grant the company a concession and to allow the use of the mortgaged assets (buildings and equipment) for income generation during the period of implementation of the restructuring plan, by selling only a part of the mortgaged assets. The creditor agrees to a schedule of instalment payments of the outstanding debt.
- The mortgage creditor Loan 2 agrees to grant the company a concession and to allow the use of the mortgaged assets (equipment) for income generation during the period of the restructuring plan. The creditor agrees to arrange a schedule of instalment payments of the outstanding debt.
- All creditors agree to make concessions at the current stage of the plan and to waive their Phase II claims once the Phase I financial claims have been fully settled, so that only the Phase I claims are included in the forecast calculations.

2.5 COMPLIANCE WITH CREDITORS' CLAIMS IN CASE OF RESTRUCTURING AND BANKRUPTCY

In the event of restructuring, the Company would be able to continue its operations. Once the restructuring plan has been approved by the creditors, the core business will continue and measures will be taken to resolve the Company's temporary financial difficulties. The Company under Restructuring would generate much greater benefits than in the event of bankruptcy.

If the creditors will not agree on the proposed restructuring process, the Company's shareholders will have to declare bankruptcy due to the inability to meet their obligations on time and the deterioration of the Company's financial situation. In that case, bankruptcy administrator would be appointed to conduct the bankruptcy proceedings:

1. Bankruptcy proceedings may take from 1 to 3 years, depending on the size, assets and number of creditors of the Company.

2. Funds will be required to settle with the employees, as under bankruptcy proceedings they will be laid off, including severance pay and compensation for unused leave, which will increase the Company's liabilities accordingly.

3. The State will not receive additional taxes from the Company, which will not continue its operations and will not pay taxes. It should be noted that the Company is a large employer in the Alytus region, therefore unemployment rates in this region may increase in the short term. In addition, the state would lose significant revenue, which the company pays into the state budget in form of various taxes. In 2021, a total of EUR 961,814 of personal income tax (PIT) was paid, EUR 1,475,845 social insurance taxes, EUR 828,033 in import VAT, EUR 26,842 real estate tax, EUR 20,555 profit tax. In summary, **the state would lose about 3.31 million. EUR** of taxes per year.

4. Debts to creditors will increase, as bankruptcy proceedings will result in penalties for non-performance of contracts, and so on.

5. The costs of bankruptcy administration, sale of assets, liquidation proceedings will further reduce the possibilities for creditors to recover debts.

In order to settle with creditors, the bankruptcy administration will sell the assets of the company. It should be noted that income from forced sale in auction may be possibly lower than if the assets are sold under the market conditions of an operating company. Also, a significant part of the Company's assets consists of equipment that maintains the highest price when operating and maintained.

According to preliminary estimates, taking into account the current asset structure of the Company, in the event of bankruptcy, approximately EUR 12.3 million can be recovered from the sale of assets. It should be noted that the Company's assets are pledged, therefore, first of all, mortgage creditors would be settled, in which case the chances for II-tier creditors to recover debts are low. In addition, the Company's liabilities related to redundancies and severance pay, penalties for non-performance of contracts, maintenance and sale costs, etc. will increase during the bankruptcy proceedings. The ability of creditors to recover debts as the Company continues to operate is significantly improved, as well as Company's operations and assets would be preserved.

Table 11

FUNDS POSSIBLE TO RECEIVE FROM THE SALE OF ASSETS IN THE EVENT OF BANKRUPTCY

Balance sheet line	Book value	Funds in the case of bankruptcy
Fixed assets		
Intangible assets	1,567,201	
Tangible assets	12,949,802	8,804,560
Land		0
Buildings and Structures	5,067,438	4,053,950
Machinery and equipment	6,583,993	3,950,396
Vehicles	19,501	15,601
Other fixtures, fittings, tools and equipment	741,397	444,838
Other assets	112,755	0
Financial Fixed Assets		
Receivables after one year		0
Other financial Fixed Assets	424,718	339,774
Current assets	7,613,661	3,537,832
Inventories (reserves), prepayments and contracts in progress		
Reserves	4,534,244	1,360,273
Prepayments		0
Contracts in progress		0
Within one year of receivables		
Trade receivables	2,066,117	1,446,282
Other receivables	940,076	658,053
Other current assets		<u>0</u>
Money and money equivalents	73,224	73,224
Accrued income and deferred charges	26,244	
TOTAL ASSETS	22,156,908	12,342,392

2.6 SCOPE AND DURATION OF CREDITORS 'CLAIMS SETTLEMENT

During the implementation of the restructuring plan, all affected creditors will be settled on the basis of the business plans and forecasts, covering all creditors' Phase I claims.

The schedule of settlement with creditors is forecasted taking into account the order of settlement with creditors provided for in the structure of the Company's liabilities.

With the mortgage creditor Loan 1, the scheduled payments will be made semi-annually. Part of the liability coverage for this creditor is provided from the sale of the pledged property. Funds for the property sold will be transferred to the mortgagee immediately upon receipt of funds from the buyers. The schedule now provides for payments based on forecasted asset sale dates. Payments, which are foreseen from the income generated in the activity (years 2 and 3), to the mortgage creditor Loan 1 will be made proportionally, along with deductions to creditors of the second order, every six months.

With the mortgage creditor Loan 2, the scheduled payments will be made once a year, transferring the amount specified in the schedule by the end of the reporting period.

First-tier creditors will be settled within half a year after the approval of the restructuring plan.

It is planned to settle with second-order creditors in installments, making payments in half-years. Funds are distributed to creditors proportionally, according to the share of the financial claim

Table 12

SCHEDULE OF SETTLEMENT OF LIABILITIES DURING THE RESTRUCTURING PERIOD

	Year 1	Year 2	Year 3	Year 4	Total
Loan 1 (mortgage)	300 000	962 596	1 283 462	5 829 475	8 375 533
Loan 2 (mortgage)	100 000	240 000	360 000	558 750	1 258 750
Total mortgage lenders	400 000	1 202 596	1 643 462	6 388 225	9 634 283
Line I creditors	62 988	0	0	0	62 988
Line II creditors	0	957 404	1 276 538	5 499 647	7 733 589
TOTAL TO CREDITORS	462 988	2 160 000	2 920 000	11 887 872	17 430 861

3. PROPERTY INFORMATION

3.1 FIXED ASSETS OF THE COMPANY

Below is a detail of the Company's fixed assets according to the accounting data of the beginning of the restructuring process, as of 30 September 2022.

Table 13

FIXED ASSETS

No.	Title	Amount (Eur)
Intangible assets		
1.	Development works	1,181,047
2.	Software	3,933
3.	Payment in advance (fixed assets)	382,221
	TOTAL:	1,567,201
Material assets		
1.	Buildings and Structures	5,067,438
2.	Machinery and equipment	6,583,993
3.	Vehicles	19,501
4.	Other fixtures, fittings, tools and equipment	741,397
5.	Payment in advance (fixed assets)	15,020
6.	Rights to leased property	97,735
	TOTAL:	12,525,084
Financial assets		
1.	Shares of group companies	424,718
	TOTAL:	424,718
TOTAL FIXED ASSETS:		14,517,003

Table 14

CURRENT ASSETS

No.	Title	Amount (Eur)
Inventories (reserves), prepayments and contracts in progress		
1.	Inventories	1,928,800
2.	Contracts in progress	491,683
3.	Products	1,770,067
4.	Purchased goods for resale	343,694
	TOTAL:	4,534,244
Receivables in one year		
1.	Trade receivables	2,066,117
2.	Other current assets	19,661
3.	Trade receivables	920,415
	TOTAL:	3,006,193
Money and money equivalents		
1.	Money and money equivalents	73,224
	TOTAL:	73,224
TOTAL CURRENT ASSETS		7,587,417

Table 15

DEFERRED COSTS AND ACCRUED INCOME

No.	Name	Residual value (Eur)
1.	Deferred charges and accrued income	26,244
Total:		26,244

3.2 INFORMATION ON RECEIVABLES

Table 16

RECEIVABLES AS OF SEPTEMBER 30TH 2022

Debitor	Amount EUR
Debitor 1	243 393,00
Debitor 2	242 496,23
Debitor 3	219 222,31
Debitor 4	214 171,42
Debitor 5	210 460,00
Debitor 6	204 145,94
Debitor 7	132 715,00
Debitor 8	130 126,00
Debitor 9	120 042,90
Debitor 10	114 386,04
Debitor 11	85 761,12
Debitor 12	80 013,65
Debitor 13	77 078,73
Debitor 14	76 546,00
Debitor 15	62 280,26
Debitor 16	61 541,51
Debitor 17	57 892,00
Debitor 18	39 997,44
Debitor 19	37 883,00
Debitor 20	35 104,77
Debitor 21	32 494,19
Debitor 22	32 022,00
Debitor 23	30 692,00
Debitor 24	26 863,94
Debitor 25	26 634,44
Debitor 26	26 339,92
Debitor 27	24 638,62
Debitor 28	23 494,66
Debitor 29	23 278,15
Debitor 30	23 018,00
Debitor 31	20 401,00
Debitor 32	20 243,10
Debitor 33	20 000,00
Debitor 34	19 072,80
Debitor 35	18 381,00
Debitor 36	15 825,63
Debitor 37	15 663,55

Debitor 38	11 751,01
Debitor 39	11 540,00
Debitor 40	10 179,30
Debitor 41	9 217,00
Debitor 42	8 732,49
Debitor 43	7 766,17
Debitor 44	6 486,13
Debitor 45	6 342,00
Debitor 46	6 245,01
Debitor 47	3 722,76
Debitor 48	3 268,17
Debitor 49	2 822,00
Debitor 50	2 498,75
Debitor 51	2 472,00
Debitor 52	2 429,00
Debitor 53	2 361,64
Debitor 54	2 218,97
Debitor 55	2 143,74
Debitor 56	2 033,50
Debitor 57	2 000,00
Debitor 58	1 516,21
Debitor 59	1 492,30
Debitor 60	1 224,18
Debitor 61	1 159,24
Debitor 62	1 001,57
Debitor 63 (small debitoris up to 1 000,00 Eur)	7 514,81
Debitor 64 deferrals	-691,00
Debitor 65 deferrals	-722,00
Debitor 66 deferrals	-851,86
Debitor 67 deferrals	-2 429,00
Debitor 68 deferrals	-2 472,00
Debitor 69 deferrals	-2 498,75
Debitor 70 deferrals	-3 268,17
Debitor 71 deferrals	-6 486,13
Debitor 72 deferrals	-9 217,00
Debitor 73 deferrals	-10 179,30
Debitor 74 deferrals	-11 540,00
Debitor 75 deferrals	-18 381,00
Debitor 76 deferrals	-20 401,00
Debitor 77 deferrals	-23 278,15
Debitor 78 deferrals	-30 692,00
Debitor 79 deferrals	-37 883,00
Debitor 80 deferrals	-50 512,58
Debitor 81 deferrals	-61 541,51
Debitor 82 deferrals	-76 546,00
Debitor 83 deferrals	-77 078,73
Debitor 84 deferrals	-120 042,90
Debitor 85 deferrals	-132 715,00
Debitor 86 deferrals	-198 914,58
TOTAL:	2 066 116,61

3.3 ASSETS WHICH WILL BE REVALUED OR WRITTEN OFF ASSETS IN ACCORDANCE WITH THE LEGISLATION OF THE REPUBLIC OF LITHUANIA

The Company's fixed assets are used in operations and are not currently expected to be written off and / or revalued.

If during the implementation of the restructuring plan there is a need to write off worn or damaged assets, this information will be submitted to the creditors for approval, and the write-offs will be performed in accordance with the legislation of the Republic of Lithuania.

4. BUSINESS RESTRUCTURING PLAN

4.1 LONG TERM STRATEGIC OBJECTIVES, DURATION OF THE PROCESS

The main strategic goal of the Company during the restructuring period is to optimize and restructure the Company's operations so that the Company can meet its obligations to creditors as soon as possible and to continue its operations. During the restructuring, the Company will implement the measures to increase the production volumes and sales of higher value-added industrial and medical refrigeration appliances and the production and sales of more profitable exclusive household refrigeration appliances. By continuing its activities, the Company would be able to secure jobs for its employees, pay taxes for the state and the Social Security and fulfil its obligations to its creditors, customers, suppliers and partners.

The Company's strategic objectives during the restructuring period:

- The Company's creditors will recover their debts and will not suffer economic losses due to unrecovered debts, as a significant part of the debts would remain unpaid if the company were to cease operations.
- The continued operation of the restructured company would have a positive economic effect on the national budget through the payment of taxes, which in turn would have a positive socio-economic effect through payments from the national budget.
- Jobs would be safeguarded, contracts would continue to be performed, and the company's customers and partners would not suffer any losses as a result of the interruption of its activities.
- Restructuring the company would allow the company to survive on the market and contribute to the development of competition, which would have a positive impact on consumers.

The restructuring plan is expected to last for a period of four years. Taking into account the deadlines for the initiation of the restructuring process, the preparation and approval of the plan provided for in the Law on Insolvency of Legal Entities of the Republic of Lithuania, and subject to the approval of the majority of creditors, it is expected that the restructuring plan will be approved and launched in the beginning of 2023, and that the restructuring plan will be completed in a 4-year period. The Company's restructuring process will be under the responsibility of the Managing Director of the Company and will be overseen by the Restructuring Administrator.

4.2 MEASURES TO OVERCOME FINANCIAL DIFFICULTIES

Increasing the share of more profitable professional and medical refrigeration equipment of the Company's sales. Over the last few years, the Company has consistently extended the professional and medical equipment segment: it has invested in production lines (EUR 1.2 million), developed several new products, received international quality certificates, and got support from its major customers such as Whirlpool, KBS, NARA and others. Next year, the Company expect to appear its products in the sales catalogues of these customers. Last year, the Company made its successful debut with its products at the international professional equipment exhibition HOST in Milan.

The professional and medical refrigeration equipment segment is less competitive and more profitable than the segment of household refrigeration appliances. Therefore, the

increase in sales would significantly improve the Company's financial results.

The Company has all the prerequisites for implementing this measure: many years of experience in the refrigeration business, experienced specialists and engineers, suitably qualified or easily retrained employees and the necessary technical base for the development and production of such products. The pandemic and the war in Ukraine have slowed down the implementation of this project, but it remains a priority for the Company.

Manufacture of exclusive, more profitable household refrigerating appliances. The Company plans to produce only profitable and exclusive household refrigerators and freezers. In its product portfolio, the Company has unique products that glorify the SNAIGÉ brand, which other mass-produced manufacturers cannot do or avoid. These are the SNAIGÉS Retro refrigerator line, the color refrigerator line, the refrigerators with the selected sticker or coating, etc. These products of the Company are in demand in almost all sales markets of the Company.

Retraining of employees and optimization of their work. Under the division of the Company's activities into two groups (professional and household), employees at various levels of the Company will be expected to be versatile, i.e. the ability to work with both product groups. Therefore, the Company will pay significant attention to the retraining of employees, and some employees will have to acquire the necessary competencies for this purpose. In this way, the qualification of the Company's employees will rise, and wages will increase in the future. In order to optimise performance and to adapt to the company's current financial situation, where a lack of working capital prevents the company from being able to fulfil orders in full, business processes are being reviewed. As a result, the number of employees has been reduced from 453 to 375 in the last period since May this year.

Sale of property. The Company intends to sell part of its real estate that is not necessary for the direct operation. The Company also has operating equipment that is no longer used in future production processes, but may be used in other, lower-quality production facilities or countries. The sale of these assets would significantly reduce the Company's liabilities to creditors. The company is looking for interested parties to operate on the company's premises, or to acquire part of them. In view of the business plans to optimise its operations and to sell some of its equipment, the Company does not require all of its existing premises and buildings for its operations.

Sale of shares of the subsidiary UAB "Almecha". The Company owns 100% shares of UAB "Almecha". It is a successfully operating company operating on the Company's premises. The proceeds from the sale of the shares will be used to pay off creditors. Given that the restructured company is currently facing a shortage of working capital, the proceeds from the sale of these assets are intended to be used primarily for the purchase of raw materials and the replenishment of the working capital, and in the later stages of the plan to be used for the settlement of creditors in accordance with the timetable in the restructuring plan.

Reviewing customer payment terms. In order to resolve the shortage of working capital, the Company used factoring services under agreements signed with AB SEB bankas and AB Šiaulių bankas. These contracts were terminated when the restructuring process started, resulting in the loss of up to EUR 1,93 million of the credit limit (the ability to obtain funds from debtors earlier). Negotiations are currently underway with other financiers for the renewal of the factoring service, as well as negotiations with potential customers for the outsourcing of the manufacturing service, which would allow for a more optimal use of production capacity and other resources without investing working capital, or investing substantially less. It also

reviews and shortens payment terms, giving price discounts or priority to customers who pay faster. Negotiations are also being sought and conducted with customers who are able to pay in advance or provide raw materials to ensure that their orders are met on time.

Cost optimization. The company has pursued a strict cost-saving policy both before the start of the restructuring and during the preparation of the plan. As mentioned above, the number of employees has been reviewed and reduced in line with production volumes. Solutions are being sought to reduce energy costs and heating areas.

Inventory management optimization. As the share of household refrigeration appliances in the Company's sales is decreasing and various inventory management measures have been implemented, the product mix is being reduced and, at the same time, the stock of finished goods is being reduced.

Change in the strategy for purchasing raw materials. In view of the volatile raw material prices and other external circumstances, the Company decided to buy specific materials and supplies by paying in advance. Although this method requires additional working capital, it allows to fix the price of the raw material purchased. In this way, the cost of the Company's production will remain more stable, and the Company's profit will not decrease.

4.3 ESTIMATED NUMBER OF EMPLOYEES

Below is information about the Company's employees as of September 7, 2022.

Table 17

INFORMATION ON THE COMPANY 'S EMPLOYEES AS OF SEPTEMBER 7TH 2022

No.	Details	Number of employees
1.	Accounting and Finance Division	6
2.	Directorate	3
3.	Power Department	3
4.	Power Department, workers	10
5.	Production Coordination department	2
6.	Warehouses	10
7.	Warehouses	1
8.	IT Department	1
9.	Quality Management Division	3
10.	Equipment and warehousing of raw materials	7
11.	Assembly and raw material warehouse management, administration	1
12.	QMS, testing and quality control gr.	9
13.	QMS, control group	3
14.	QMS, quality control of semi-finished products gr.	3
15.	Logistics and service department	1
16.	Administration of Metal Processing and Coating Unit	1
17.	Painting Unit of Metal Processing and Coating Unit	15
18.	Door Profiling Brigade of Metal Processing and Coating Unit	2
19.	Timeworkers of the Metal Processing and Coating Unit	12
20.	Side Profiling Brigade of the Metal Processing and Coating Unit	5
21.	Stamping brigade of the Metal Processing and Coating Unit	10
22.	Retail trade	1
23.	Department of Mechanics	1
24.	Medical Point	1

25.	Department of Accounting and Rationing of Materials Department	3
26.	Department of Metrology	2
27.	Department of Metrology, workers	2
28.	R&D Department	11
29.	Human Resource and Law Department	4
30.	Personnel department, workers	1
31.	Procurement Office	1
32.	Plastics and Polyurethane Unit Administration	4
33.	Plastics and Polyurethane Unit Painters Brigade	2
34.	Plastics and Polyurethane Unit line brigade	14
35.	Plastics and Polyurethane Unit extruder operating brigade	3
36.	Plastics and Polyurethane Unit electrical systems assembly team	5
37.	Plastics and Polyurethane Unit production line service brigade	8
38.	Plastics and Polyurethane Unit molding	14
39.	Plastics and Polyurethane Unit, foundry department timeworkers	5
40.	Plastics and Polyurethane Unit a team of casters and extruders	2
41.	Plastics and Polyurethane Unit plastic waste shredder brigade	1
42.	Plastics and Polyurethane Unit brigade of surface painters of plastic parts	2
43.	Plastics and Polyurethane Unit cabinet filling line brigade No.2	49
44.	Plastics and Polyurethane Unit crew of vacuum forming machines	3
45.	Sales Department (Pramonės st.6, Alytus and Vilnius office, Kareivių st.6, Vilnius)	5
46.	Marketing department	2
47.	Repair Service Department Administration	3
48.	Repair Service Department Workers	16
49.	Security department	5
50.	Security department, Workers	7
51.	Snaige Service	1
52.	Snaige Service, Workers	1
53.	Assembly and Packaging Department	2
54.	Assembly and Packaging Department, packing team	18
55.	Assembly and Packaging Department, Timeworkers	11
56.	Assembly and Packaging Department mech. assembly work brigade	33
57.	Assembly and Packaging Department, unit production brigade	9
58.	Construction department, workers	1
59.	Department of Refrigerator Production	1
60.	Technical and Production Department	1
61.	Technical Support Department	1
62.	Technology Department	7
63.	Supply department	3
64.	Transport and Customs Department, workers	1
65.	Total	375

source: Company data.

It should be noted that the number of employees of the company is constantly changing. As a result of the implementation of the measures envisaged to optimise performance and the corresponding changes in the business strategy, as well as in response to the changes in business volumes due to the impact of global processes, the number of employees has decreased from 453 to 375 during the period of the initiation of the restructuring. No major

changes in terms of staff reductions are foreseen in the short term. In the later stages of the restructuring plan, an increase in the number of employees is foreseen, once the new models of industrial refrigerators have been adopted and as orders for these models and the corresponding production capacity load increase.

4.4 INFORMATION ON NEW FINANCING AND INVESTMENT

Given that the lack of working capital is currently the main problem preventing the company from realising its potential and achieving positive operating results, the company is looking in all directions for additional funding.

Given that most of the company's assets are already pledged as collateral for its existing creditors, other ways of raising funds are being explored. One of them is factoring. The company is in negotiations with factoring companies that could finance sales to customers whose payments are guaranteed by insurance companies.

It is also looking for customers who can pay in advance or outsource the production service, i.e. purchase the necessary raw materials and supplies. This would allow production capacity to be utilised and performance to be improved

If investors are found during the implementation of the restructuring plan, who decide to close the restructuring process earlier and lend funds to settle with creditors, as well as if the planned investments will be financed by external funds (equipment leasing, etc.), the corresponding investment funds will be available to settle with the creditors.

Taking into account the fact that AB SEB bank, possibly for political reasons, has informed about the closure of the company's current account at this bank, and the company is currently using the services of only one bank, AB Šiaulių Bankas, the Company is looking for credit institutions abroad - in Poland, Latvia.

The Company has established a production routine repair plan, which provides for routine repairs and the necessary investments to maintain production capacity and carry out production. According to forecast calculations, a total of about EUR 300,000 is allocated for current repairs per year. These costs are included in the forecast financial statements. Approximately EUR 100,000 is spent annually on R&D costs, which are capitalized.

It should be noted that in 2021 the Company invested 1.2 million. EUR into the new production line for the production of professional refrigeration equipment. Using the new production line and expanding the production range and introducing new models into production, about 200-300 thousand EUR per year are foreseen for these costs in 1-2 years of the restructuring plan, in subsequent periods these costs will decrease down to 150 thousand. EUR per year. These costs are included in the cost of production.

Investments are also planned in the testing laboratory of DC line refrigerators, the total required is about 100,000 EUR. This investment would only be made if an investor or customer emerged to secure orders for the newly developed products.

4.5 ASSETS PLANNED FOR SALE, USE OF REVENUE

During the implementation of the restructuring plan, a part of the Company's fixed assets, without which the Company can continue to operate and earn income, will be sold and its sale would significantly reduce liabilities.

Currently, the Company operates in buildings and structures located on a 14.5730 ha state land plot at Pramonės str. 6 in Alytus and a 2.4310 ha land plot at Pramonės str. 11 in Alytus.

Actions are currently being taken to vacate part of the buildings (territory), which would allow for an attractive offer to purchase part of the premises. The buildings in the industrial area, with all the necessary communications and convenient access, are projected to be an attractive proposition for buyers.

As the property is pledged, all proceeds from the sale of the proceeds would be used to settle with the mortgagee.

The Company also plans to sell the shares of its subsidiary UAB Almecha. The Company owns 100 percent. shares of this company. It is a successfully operating company operating on the Company's premises. The funds raised are to be used firstly for working capital, i.e. the purchase of raw materials, which would increase turnover and thus the company's performance, and then to pay creditors according to the schedule.

The sale of part of the complex at Pramonės pr.11, Alytus is also envisaged. The company currently has a finished goods warehouse there, but would consider relocating the finished goods warehouse to other premises in case a buyer for the premises becomes available, which would allow it to reduce its liabilities to creditors.

The sale of the whole complex is also envisaged, in case an investor is interested in acquiring and developing the whole complex and investing in the production of fridges. This would allow the company to complete the restructuring process and to continue to use the available funds to finance its operations. The priority of the plan is to reduce liabilities to creditors as soon as possible, so active actions related to the sale of a part of the property/complex will be carried out. Information about the completed works and actions will be provided to creditors in quarterly reports. During the restructuring process, the list of assets for sale may be specified with the equipment that is not required for use in the current activity, that would be an additional source of funds to fulfill obligations in the restructuring process.

Table 18

LIST OF ASSETS FOR SALE

No.	Name of Asset	Sales price, EUR + VAT	Term
1.	The building complex, address; 11 Pramonės str., Alytus, total area 8388.77 sq.m. located on 2.3410 ha on state land	1,677,800	Until the end of the restructuring
2.	A complex of buildings at 6 Pramonės st., Alytus, situated on 14,5730 ha of public land, together with movable property - equipment for the production of refrigerators.	14,700,000	Until the end of the restructuring
2.	Financial assets, UAB Almecha 100 percent of shares	980,000	Until 31 12 2023
	VISO	17,357,800	

4.6 EXECUTABLE AGREEMENTS

Table 19

LIST OF EXECUTABLE AND PLANNED CONTRACTS

Nr.	Counterparty	Data	The essence of the contract
1		206-02-09 contract of sale of goods No. 249664610 / 498-5104 as amended and supplemented	Contract for the sale of goods. The company and the contractor have entered into an agreement for the long-term sale of refrigerators and freezers to the contractor.
2		2006-02-28 sales contract No. 249664610/203-5099	Contract for the sale of goods. The company and the contractor have entered into an agreement for the long-term sale of refrigerators and freezers to the contractor.
3			Contract for the sale of goods. The company and the contractor have entered into an agreement for the long-term sale of refrigerators and freezers to the contractor.
4		2006-02-28 purchase and sale agreement No. 249664610/203-5097	Contract for the sale of goods. The company and the contractor have entered into an agreement for the long-term sale of refrigerators and freezers to the contractor.
5		2021-03-18 Retention of title agreement No. 2021/13 / TEIS	Agreement on retention of title until full settlement
6		2019-11-14 contract No. S45/2019/11/14	Contract for the sale of goods. The company and the contractor have entered into an agreement for the long-term sale of refrigerators and freezers to the contractor.
7		2019-11-14 contract No. S45/2019/11/14	Contract for the sale of goods. The company and the contractor have entered into an agreement for the long-term sale of refrigerators and freezers to the contractor.
8		2019-11-14 contract No. S45/2019/11/14	Contract for the sale of goods. The company and the contractor have entered into an agreement for the long-term sale of refrigerators and freezers to the contractor.
9		2005-02-15 purchase and sale agreement No. 249664610/620-5026	Contract for the sale of goods. The company and the contractor have entered into an agreement for the long-term sale of refrigerators and freezers to the contractor.
10		2017-01-12 NF4600-17-0045	Contract for the sale of goods. The company and the contractor have entered into an agreement for the long-term sale of refrigerators and freezers to the contractor.
11		2020 purchase and sale agreement	
12		2014-01-15 sale agreement	Contract for the sale of goods. The company and the contractor have entered into an agreement for the long-term sale of refrigerators and freezers to the contractor.
13		2021-05-25 service agreement No 2021/36/PRT	mediation agreement
14		2021-06-16 agreement No 2021/59/PRT	Contract for the sale of goods. The company and the contractor have entered into an agreement for the long-term sale of refrigerators and freezers to the contractor.
15		2004-04-15 agreement No. 4966461/280-4024	Purchase and sale agreement. The company manufactures refrigerators and freezers for the contractor under the buyer's brand names.
16		2015-05-15 agreement No. 2015/48/KVS	Purchase and sale agreement. The company manufactures refrigerators and freezers for the contractor under the buyer's brand names.
17		2010-03-18 sale agreement No. 24966461/280-4024	Purchase and sale agreement. The company manufactures refrigerators and freezers for the contractor under the buyer's brand names.
18		2019-04-01 sale agreement No. 2019/201/PRT	
19		2021-01-28 seller's contract No. MP-20210128-02-G.N. with annexes	Agreement to trade on the platform
20	Supply		
21		2020-05-04 contract for the purchase and sale of goods No. 2020/20/PT with additions and amendments	The Company purchases from the contractor materials required for the Company's production

22		2013-08-07 purchase agreement No. S-0708/LT	The Company purchases from the contractor materials required for the Company's production
23		2010-03-30 purchase agreement No. 2019/29/PT with additions and amendments	The Company purchases from the contractor materials required for the Company's production
24		2019-11-19 purchase agreement No. 4/110 with additions and amendments	The Company purchases from the contractor materials required for the Company's production
25		2020-09-15 purchase agreement with additions and amendments	The Company purchases from the contractor materials required for the Company's production
26		2020-12-10 purchase agreement No. 2021/241PT with additions and amendments	The Company purchases from the contractor materials required for the Company's production
27		2008-04-07 agreement No. 4/50	The Company purchases from the contractor materials required for the Company's production
28		2021-01-04 purchase agreement No. 2021/12/PT as amended and supplemented	The Company purchases from the contractor materials required for the Company's production
29		2007-08-01 purchase agreement No. 05/06/2007 as amended and supplemented	The Company purchases from the contractor materials required for the Company's production
30		2005-09-16 sale and purchase agreement No. 4/51/87	The Company purchases from the contractor materials required for the Company's production
31		2015-09-01 agreement No. 2015/99/PT as amended and supplemented	Contractual supplies
32		2014-01-21 use agreement No. S-39 as amended and supplemented	Use agreement
33		2016-12-13 purchase agreement No. 2017/25/PT as amended and supplemented	Service agreement
34		2000-12-29 agreement No. 13/2001-01	Service agreement
35		2021-01-15 agreement No. 2021/1/PT with additions and amendments	Contract for sale of goods
36		2001-10-14 contract for the sale and installation of a gas supply system No. KGR-21/10/14-IS	Contract to transfer gas supply equipment
37		2021-11-01 agreement Nr. 810 DM-MD-E 774	Service agreement
38		2022-01-01 agreement Nr. 810 DM-MD-E 567	Service agreement
39		2021-01-06 sale and purchase agreement No. 2021-01 with additions and amendments	Contract supplies of goods ordered
40	IT department		
41		2021-04-15 agreement No. US50000037-210324	Service agreement
42		2006-08- sale and purchase agreement No. BT 06-043 with additions and amendments	Service agreement
43		2021-03-18 special service agreement No. 1L3500 CETA_2021_03_18_1.4.2_134	Service agreement
44		2021-08-09 telecoms service agreement No. VR210809/01	Service agreement
45		2021-10-21 consultancy services agreement No. K21-26	Service agreement
46		2021-01-04 service agreement No. GMS-SNG 2021/01/04	Service agreement

47		2021-06-15 rental agreement No. SC 04691 with amendments	Service agreement
48		2011-06-28 a contract for the purchase, installation and maintenance of the accounting software Vikarina No. DU-201121 with amendments	Service agreement
49	Logistic		
50		2016-02-29 freight transport contract No. ISO3 with additions and amendments	Transport service
51		2020-12-14 freight transport contract No. 20201118-01 with additions and amendments	Transport service
52		2002-05-29 cards agreement No. 2907 000347	Transport service
53		2013-01-25 parcel delivery agreement No. P/DPD/KN/12/056 with additions and amendments	Transport service
54		2009-07-02 customs brokerage contract No. 498	Provides customs broker services
55	Services		
56		2008-03-31 liquefied gas (in cylinders) purchase - sale agreement No. 4/46 with additions and amendments	Service agreement
57		2006-05-30 general agreement No. 9-5-34	Service agreement
58		2013-08-27 service agreement Nr. 131Pst-312006-3749 with additions and amendments	Service agreement
59		2015-01-27 agreement No. 151PST-500001-275	Service agreement
60		2021-09-01 natural gas sales and service contract No. 2021-1-1436 s	Service agreement
61		2021-03-01 electronic security agreement No. TS22648 with additions and amendments	Service agreement
62		2021-03-01 maintenance agreement Nr. APT1838 with additions and amendments	Service agreement
63		2019-06-liquefied gas tank maintenance contract No. 19/42	Service agreement
64		2019-11-05 drinking water supply and wastewater management with additions and amendments	Service agreement
65		2020-02-07 works contract No. 2020/5/ES with annexes	Service agreement
66		2021-08-18 works contract No. 2021/52/ES with annexes	Service agreement
67		2010-07-01 Electricity Transmission Service Contract No. 301171-50310/100018	Service agreement
68		2021-11-30 Electricity Purchase Agreement No. 13497-2021 with annexes	Service agreement
69		2016-02-10 works contract No. 2016/20/ES with annexes	Service agreement
70		2020-10-29 service agreement No. PAT20-38 with annexes	Service agreement
71		2006-02-09 service contract No. 0823 su priedais	Service agreement

72		2021-12-08 contract No. A21/with annexes	Service agreement
73		2021-09-08 contract No. AP-21/09/24/56/ES with annexes	Service agreement
74		2008-04-01 service contract for natural gas supply systems No. APT-08/D-06	Service agreement
75		2016-02-10 works contract No. 2016/22/ES with annexes	Service agreement
76	HR		
77		2017-06-15 pest control service contract No. K-P-2017/270	Service agreement
78		2006-06-01 contract No. 2006/06-01 with additions and amendments	Service agreement
79	Safety department		
80		2022-04-22 waste management contract No. 2022/6/SGS with additions and amendments	Service agreement
81		2018-11-30 No. 16- contracts for the organisation of taxable packaging waste management 2019/2019/84 with additions and amendments	Service agreement
82		2020-02-06 contract Nr. RR-202001	Service agreement
83		2021-09-14 works contract No. 2021-09-14 with annexes	Service agreement
84		2022-01-31 contracts for the collection, preparation for recycling or recovery and transfer for recycling or recovery of packaging waste and other secondary raw materials No. SUT-2021-1066642 with annexes	Service agreement
85		2022-01-31 contracts for the collection and transfer for use/disposal of industrial, construction and other waste No. SUT-2021-1066643 with annexes	Service agreement
86		2022-01-03 Packaging waste management contract No. EKO/ATL2021348 with annexes	Service agreement
87		2019-05-30 waste management agreement No. 19-E02-00372 with annexes	Service agreement
88		2018-06-20 waste management agreement No. 18-E02-01022, 2018/12/SGS with annexes	Service agreement
89		2021-03-23 service contract No. 21009	Service agreement
90		2021-11-30 contract for the purchase and sale of scrap and waste metals No. 2021/11/30-1	Service agreement
91		2021-09-01 the contract between the producer-importer and the waste manager No. 2021/57/SGS	Service agreement
92		2020-01-16 hazardous and non-hazardous waste collection contracts No. 2020/01-05 with annexes	Service agreement
93		2021-09-06 hazardous waste management agreement No. AAS 2021-791 with annexes	Service agreement
94		2020-10-29 contracts for hazardous and non-hazardous waste management and other environmental services No. KN20/10/29-05D su priedais	Service agreement
95		2022-05-09 contract No. 2022/7/SGS with annexes	Service agreement

96		2017-12-04 contracts for organising the management of waste electrical and/or electronic equipment	Service agreement
97		2022-05-09 No. SNA22/05/09 Packaging waste management contract	Service agreement
98		2022-06-17 contract No. 2022-A07	Service agreement
99		2021-11-23 contract Nr. TP5995 special part	Subscription to legislation
100	Other services		
101		2017-01-24 service contract No. 249664610/3-6	Service
102		2009-01-26 spare parts supply contract No.249664610/3-07	Service
103		2016-05-11 service contract No. 2016/49/SnS with additions and amendments	Service
104		2016-05-11 spare parts supply contract No. 2016/48/ with additions and amendments	Service
105		2009-11-25 service contract No. 249664610/3-13 with additions and amendments	Service
106		2009-11-25 spare parts supply contract No. 249664610/3-13 with additions and amendments	Service
107		2014-12-23 contract No. 249664610/3-152 spare parts supply with additions and amendments	Service
108		2014-12-23 service contract 249664610/3-151 with additions and amendments	Service
109		2020-02-13 after-sales service, spare parts supply contract No. 2019/36/SnS	Service
110		2007-01-17 service agreement No. 249664610/3-3 with annexes	Service
111		2005-05-13 contract for the supply of spare parts No. 249664610/3-4 with annexes	Service
112		2020-02-25 service agreement No. 2020-9-LIST with annexes	Service
113		2020-02-25 contract for the supply of spare parts No. 2020-10-LIST with annexes	Service
114		2020-12-30 contract No. 2020/51/Sns with annexes	Service
115		2020-12-30 contract No. 2020/52/Sns	Service
116		2009-11-25 service contract No. 249664610/3-10 with additions and amendments	Service
117		2009-11-25 contract for the supply of spare parts No. 249664610/3-19 with annexes	Service
118		2009-11-25 service contract No. 249664610/3-14 with additions and amendments	Service
119		2007-01-26 contract for the supply of spare parts No. 249664610/3-15 with annexes	Service
120		2009-06-10 contract for the supply of spare parts No. 249664610/3-73	Service
121		2011-01-10 service agreement No. 249664610/3-88 with annexes	Service

122		2010-02-24 service agreement No. 249664610/3-80 with additions and amendments	Service
123		2010-02-24 contract for the supply of spare parts No. 249664610/3-81 with annexes	Service
124	Rent		
125		2006-06-27 non-residential premises lease agreement No. 7-S-49 with additions and amendments	Service agreement
126	Rent		
127		2017-08-30 production premises lease agreement No. 2017/64/GT with amendments and additions	Service agreement
128		2012-12-31 rental agreement No. 1 with annexes	Service agreement
129	Legal services		
130		2022-02-04 contract for the provision of legal services	Provision of legal services
131	Financial, insurance contracts		
132		2022-05-31 No. 22_05/31	Service agreement
133		2020-08-05 payment card servicing agreement	Service agreement
134		2020-08-21 payment services contract No. OPAY-20200817/01 with amendments and additions	Service agreement
135		2021-12-02 Insurance contract No. 199796 with amendments and additions	Financial insurance
136		2015-07-22 Factoring agreement No. 2015/80/PT	Factoring services for the company
137		2013-05-08 Factoring agreement No. 0081304204997-24 with amendments and additions	Service agreement
138		2019-10-10 rental agreement No. 2019-090555 with annexes	Service agreement
139		2022-01-17 Factoring agreement No. F-22-251506 with amendments and additions	The credit institution provides factoring services to the Company
140		2021-08-11 contract No. CP3/21-06-22/02 with amendments and additions (annexes)	Loan agreement
141		2021-08-11 contract No CP3/21-06-22/03 with amendments and additions (annexes)	Loan agreement
142		Contract No 001/0122L/13	Loan agreement
143		2022-06-28 CREDIT CARD AGREEMENT NO. LCC2306379	Service agreement
144		Insurance policy No LUC0014487 with additions and modifications	Insurance
145		Insurance policy No BTR-0326831 with additions and amendments	Insurance
146		Health insurance GJELT No. 3491303 with additions and changes	Insurance

147		Compulsory motor third party liability insurance (26 contracts in total)	Insurance
148		Compulsory motor third party liability insurance (9 contracts in total)	Insurance
149		Annual insurance policy for cargoes transported No. 710-920-101134	Insurance
150		Annual insurance policy no. 710-920-101305 for transported cargoes	Insurance
151		Business interruption insurance policy No. . 710-140-5579 with an extension policy	Insurance
152		Certificate of insurance for business property No. 710-310-91042 with an extension policy	Insurance
153		Employers' liability insurance certificate No. 710-660-1115005	Insurance
154		Employers' liability insurance certificate No. 710-663-105763	Insurance
155		Certificate of insurance against civil liability for companies No. 710-660-1115005	Insurance
156		Group insurance contract for motor vehicles 710-850-G-3395 with an extension policy	Insurance
157	Ab "Snaigé" brand use agreement		
158		2019/41/PRT	Ab "Snaigé" brand use agreement
159		2020-01-02 Nr. N 01	Ab "Snaigé" brand use agreement

4.7 MARKET SITUATION, TRENDS

In February of this year with the start of Russia's military invasion of Ukraine, the world economy, still dealing with the aftermath of the pandemic, suffered another blow. The ongoing war in Europe and the growing response of states are affecting the global economy through a variety of channels: international trade, energy and commodity prices, the financial sector, currency and capital markets, and investor and consumer confidence. Due to the still extremely high level of uncertainty and the variability of these and other factors, it is currently extremely difficult to assess the development of the economies of both Lithuania and other countries in the next few years. For this reason, the Bank of Lithuania's latest economic review presents three possible paths for Lithuania's economic development: the conventional scenario and shock and higher shock sensitivity analyzes. The conventional scenario is based on data and information available up to 1 March, and the sensitivity analyzes are based on hypothetical assumptions based on more recent data and information. In addition, in all cases it is assumed that hostilities will be limited to the territory of Ukraine.

Lithuania's GDP fell by 0.5% in the second quarter of 2022 compared to the previous quarter. The main contributing factor was a significant drop in real exports of goods and services, which were almost 5% lower than in the previous quarter. The export trend was mainly influenced by the sanctions on trade with Russia and Belarus, which restricted the export of transport services, the closure of AB ORLEN Lietuva for scheduled repairs and the temporary closure of AB LIFOSA due to sanctions. Household consumption has also fallen significantly due to very high inflation. Even in the context of a relatively favourable development of household disposable income, it was more than 2.5% lower than in the previous quarter. The war and accelerating price increases have worsened households' sentiment and expectations, further reducing their willingness to consume.

For example, the consumer confidence indicator in August this year was close to its lowest level in a decade. Other recent higher frequency indicators also point to further difficulties in Lithuania's economic development. Business sentiment, after a significant deterioration in March, has remained significantly unchanged for almost half a year. Meanwhile, monthly turnover data for the largest sectors of the economy - industry, construction, trade and services - show signs of declining activity between June and July. These unfavourable factors can only be partly offset by the forecast of a ten percent increase in this year's agricultural harvest.

According to the latest data, exports to Russia accounted for 6%, to Ukraine for 3% and to Belarus for 3%. of all Lithuanian exports. The largest share of exports to Russia and Belarus was re-exported of goods, the loss of which would not be very painful for the entire Lithuanian economy, and exports of transport services. The main exports to Ukraine are goods of Lithuanian origin. The complete loss of these markets in 2022-2024. could lead to up to 3%. points slower growth of the Lithuanian economy. Imports from these countries accounted for 15%. of total Lithuanian imports, of which 44 percent. are energy products. Restricting import flows from these countries is likely to lead to temporary disruption of production due to a shortage of the required raw materials, and the cost of purchasing these raw materials from alternative suppliers will be slightly higher.

As 20 percent of metals and 45 percent of timber was imported from Russia, Belarus and Ukraine in 2021, and imports of metals and wood raw materials and products that are particularly important for the construction sector and some industries, such as metalworking and furniture, are likely to be the most disruptive. Due to the economic consequences of

Russia's military aggression in Ukraine for Lithuania's other export partners, the total foreign demand will decrease, which will worsen the growth prospects of other Lithuanian exports. The continued rise in oil and natural gas prices, as Western countries refuse to buy Russian resources, will increase the cost of electricity, heating and transport for all sectors of the economy and will continue to drive inflation due to rising consumer prices. Increased uncertainty is likely to hamper business investment, at least in the short term, which will also affect consumers' choice to consume less and save more. The increasing flow of refugees from Ukraine to Lithuania may have an additional impact on the Lithuanian labor market. If a part of these people stayed in the country for a longer period of time and entered the labor market, it would increase the Lithuanian labor force and reduce the problem of labor shortage that has been seen more and more recently.

Following Russia's restriction of gas supplies to Europe, gas prices on the market in August were more than five times higher than in the same period a year ago. As gas is used to generate electricity and heat, this has led to a significant increase in electricity and heat prices. In addition, the price of gas has led to a significant increase in the demand for solid fuels, mainly firewood, as an alternative energy source. This has further boosted the already rapidly rising prices of solid fuels, with solid fuel prices up 166% year-on-year in August. Energy prices for consumers are projected to rise at an average annual rate of 56% this year. Energy price increases will moderate next year, but will continue to be a key driver of inflation. Overall, the revision of energy price projections in both 2022 and 2023 has had the largest impact on the revision of inflation projections.

Even before the start of the war in Ukraine, Lithuania's real GDP growth forecast was reduced by declining exports to China, disruptions in the supply of raw materials, slower development of the transport sector due to the EU mobility package, and slower growth in total external demand. Continuing supply chain disruptions due to the pandemic have led to stagnant growth in the public investment and construction sectors. On the other hand, the financial situation of Lithuanian businesses and households was strong before the start of the war, which alleviated the inflationary challenges facing households. The decline in the savings rate that increased during the pandemic and the use of savings in the future were expected to dampen the negative impact of inflation on household consumption. With labor market shortages on the rise, wage growth has been expected to rise this year and next. Relatively strong domestic demand has facilitated the pass-through of cost increases to consumer prices. Although rising energy and raw material costs were particularly important in this case, the impact of domestic factors on price growth was becoming more pronounced, mainly due to the accelerating rise in service prices. At higher-than-expected inflation in January and February. The accelerated rise in energy prices due to rising geopolitical tensions and the revisions to the consumer price index basket at the beginning of the year also contributed. Until March 1. The information available on the effects of the war in Ukraine and the sanctions that came into force at the time led to a significant deterioration in external demand and a significant increase in the assumptions about the development of energy commodity prices. This further worsened the outlook for Lithuania's exports, investment and household consumption. Higher-than-expected inflationary pressures will also affect household income and consumption decisions.

4.8 SWOT ANALYSIS

During the implementation of the restructuring plan, the Company will seek to exploit its strengths and reduce the impact of weaknesses and threats to achieve the Company's objectives.

Table 20

SWOT ANALYSIS

Strengths	Weaknesses
<ul style="list-style-type: none"> • Many years of experience in the production of refrigeration equipment • Modern plant with the capacity to more than double current production levels quickly and efficiently • Thanks to modern equipment, suitable production lines and highly qualified employees, the production process is extremely efficient and flexible. • High-quality products. The product failure rates are well below the industry average • Strong and experienced management team and employees with many years of experience in the company. • The experienced product development team that develops new products consistently improves the existing ones and innovates in terms of technical parameters and design • Diversified product portfolio: The company manufactures household and professional refrigeration appliances • Established trade relationships with customers from more than 30 European, African and Asian countries • Recognized brand in the Baltics and Eastern Europe • A well-balanced product portfolio between own-brand and outsourced private brands, including well-known home appliance manufacturers (Whirlpool, Severin, Boman, KBS, etc.) and BT retail chains (Expert, Orima, Boulanger, etc.) 	<ul style="list-style-type: none"> • Relatively high financial liabilities to creditors; • Relatively low production volumes hinder the purchase of materials, damages and components at better prices • Relatively lower experience and low profile in new areas of the Company: medical and professional refrigeration market segments

Opportunities	Threats
<ul style="list-style-type: none"> • Establish the more profitable segments of professional and medical refrigeration equipment by increasing sales through existing customers and actively seeking new ones. • Increase sales in these segments by expanding the range of medical and professional refrigerators with new products that meet customer needs. • Focus on sales of more expensive and exclusive household refrigerators • Enter the market for compact DC (12 / 24V) refrigerators used in campers, yachts • Adapt DC (12 / 24V) refrigerators to use solar energy 	<ul style="list-style-type: none"> • The status of the restructured company during the implementation of the restructuring plan may have a negative impact on some of the Company's suppliers, customers and partners • If the Company's creditors do not approve the plan proposed by the Company, the continuity of operations will be endangered. • War and general uncertainty about supply chains, rising raw material and energy prices can directly impact performance and creditworthiness. • Due to the country of origin of the main shareholder, the Company cannot receive financing or support, and may lose part of its income.

4.9 ESTIMATED OPERATING REVENUE

The primary sources of funds that will be used to finance current activities and settle accounts with creditors are the following:

- The Company's generated profit (EBITDA) is planned to be earned by consistently increasing sales of professional and medical refrigerators and concentrating on more expensive household refrigeration appliances.
- Released working capital from optimization of the Company's operations (inventory management, cost optimization, change of procurement strategy).
- Proceeds from the sale of property (real estate, equipment, financial assets)

The restructuring plan will implement measures to increase the production and sales of higher value-added industrial and medical refrigeration appliances.

The professional and medical refrigeration equipment segment is less competitive and more profitable than the segment of household refrigeration appliances. Therefore, increasing its sales would significantly improve the Company's financial results.

The Company has all the prerequisites for implementing this measure: many years of experience in the refrigeration business, experienced specialists and engineers, suitably qualified or easily retrained employees and the necessary technical base for the development and production of such products.

Over the last few years, the Company has consistently developed this segment: Invested into production lines (EUR 1.2 million), developed number of new products, obtained international quality certificates, participated in an international exhibition, received support of large customers such as Whirlpool, KBS, NARA and others. The Company expects its products to appear in these customers' sales catalogues next year.

The Company also earns a portion of its revenue from home appliance sales, focusing on exclusive, more profitable products and design lines.

The following is the projected revenue over the RP implementation period.

Table 21

MAIN OPERATING INCOME DURING THE IMPLEMENTATION PLAN

Articles	Year 1	Year 2	Year 3	Year 4
Sales revenue	24 480 000	29 467 900	32 414 690	35 656 159

<i>Sales Thous. Eur</i>	2019	2020	2021	2022	2023	2024	2025
Total:	31 204	28 705	32 852	20 447	24 480	29 468	32 415
Household refrigerators	24 028	22 191	20 196	8 070	7 029	7 452	8 007
Refrigeration equipment for professional and medical use	5 029	5 103	10 444	11 330	16 479	21 148	23 493
Other products and sales	2 147	1 411	2 212	1 047	972	868	915

Assumptions for revenue growth in the coming years are as follows:

- Sales of existing products will remain at current levels, as contracts with key customers have been maintained and the Ukrainian market is considered to be almost non-recovering.
- The introduction of new professional products will generate additional revenue due to the ongoing market introduction.

Another source of settlement with creditors is income from the sale of long-term, current and financial assets of the Company. More information on the assets for sale is provided in Section 4.5 of the RP.

In conclusion, after implementing the business optimization plans, the Company can operate profitably, the forecasted profitability indicators of the Company allow the Company to ensure the continuity of operations and the fulfillment of the settlement schedule with creditors.

4.10 OPERATING EXPENDITURE, CURRENT PAYMENTS

The following costs will be incurred during the implementation of the restructuring plan:

- Cost of sales
- General administrative expenses

The cost of sales will consist of the direct costs associated with producing the output. There will also be operational and financial costs associated with the implementation of the plan. The following is a one-month forecast budget for the duration of the plan. The budget is forecasted on the basis of actual results during the period of preparation of the plan and on the basis of forecast estimates of production and operating costs.

Table 22

OPERATING BUDGET DURING THE PLANNING PERIOD FOR ONE MONTH

Expenses	Amount, EUR
Raw materials and supplies	1 516 398
Wages and salaries	347 017
Taxes	113 259
Energy costs	140 623
Leasing, interest and other financial charges	35 825
Transport costs	150 772
Other expenses	168 378
Total	2 472 272

4.11 ADMINISTRATIVE EXPENDITURES OF RESTRUCTURING

The administrative costs of the restructuring process will include the remuneration paid to the restructuring administrator during the plan period, costs related to the preparation of the restructuring plan, informing creditors about the implementation of the plan, organization of reporting creditors' meetings, possible additional legal costs related to the restructuring process.

During the period of the restructuring plan, the restructuring administrator will be paid a salary of EUR 1.000 (excluding VAT) per month. The cost of the preparation of the restructuring plan is EUR 5.000 (excluding VAT).

4.12 CONTINGENCY PROCEDURE

In order to ensure the continuity of the company's operations, to be able to make current payments on time, to cover unforeseen losses, the financial forecasts provided reserves to ensure the company's stability, timely settlement with employees, budget and creditors, as well as protect the company from short-term customers insolvency risk.

The company's reserve is expected to be at least EUR 70,000. The company can accumulate such a reserve amount from operating income. It should be noted that these reserve funds will ensure the uninterrupted operation of the Company and at the same time the timely repayment of the restructured accounts payable according to the planned schedule.

4.13. PROJECTED PROFIT (LOSS) STATEMENTS

The Company's forecast profit (loss) statement is presented in the table.

Table 23

PROJECTED PROFIT AND LOSS ACCOUNTS DURING THE RESTRUCTURING PERIOD

No.		1 year	2 year	3 year	4 year
I.	Sales revenue	24 480 000	29 467 900	32 414 690	35 656 159
II.	Cost of sales	19 584 000	23 868 999	26 093 825	28 703 208
III.	Operating profit (loss)	4 896 000	5 598 901	6 320 865	6 952 951
IV.	Operating costs	5 703 175	5 925 175	6 225 175	6 385 175
V.	Gross profit (loss)	-807 175	-326 274	95 690	567 776
VI.	Other activity	555 282	0	0	8 962 957
VI.1.	<i>Income</i>	980 000			16 377 800
VI.2.	<i>Expenses</i>	424 718			7 414 843
VII.	Financial and investment activities	0	0	0	0
VII.1	<i>Income</i>				
VII.2	<i>Expenses</i>				
VIII.	Ordinary profit (loss)	-251 893	-326 274	95 690	9 530 733
IX.	Extraordinary income (extraordinary gain)				
X.	Disposals (extraordinary loss)				
XI.	Profit (loss) before tax	-251 893	-326 274	95 690	9 530 733
XII.	Income tax				428 883
XIV.	Net profit (loss)	-251 893	-326 274	95 690	9 101 850
		<u>1 274 282</u>	<u>1 199 901</u>	<u>1 621 865</u>	<u>10 628 025</u>

source: Company data.

4.14. PROJECTED CASH FLOW STATEMENTS

The projected cash flow statements for the duration of the restructuring plan are set out in the table below.

Table 24

FORECAST CASH FLOW STATEMENT FOR THE RESTRUCTURING PERIOD

(EUR)	1 year	2 year	3 year	4 year
Cash flows from operating activities				
Net profit (loss)	-251 893	-326 274	95 690	9 101 850
Depreciation and amortisation expenses	1 526 175	1 526 175	1 526 175	1 526 175
Decrease (increase) in stocks, except advance payments	-880 000	180 000	210 000	270 000
Decrease (increase) in amounts receivable from entities of the entities group and the associated entities	-150 000	0	186 000	0
Decrease (increase) in trade debtors	-240 000	200 000	380 000	595 000
Increase (decrease) in liabilities of tax on profit	0	0	0	428 883
Increase (decrease) in liabilities related to employment relations	100 744	30 223	31 734	33 321
Other payables and current liabilities	0	95 000	70 000	35 000
Cash flows from operating activities	105 026	1 705 124	2 499 599	11 990 229
Cash flows from financing activities				
Elimination of results of disposals of fixed tangible and intangible assets	0	0	0	7 414 843
Investment in long. financial assets	424 718	0	0	0
Investments and deposits	0	0	0	0
Net cash flows from investing activities	424 718	0	0	7 414 843
Financial activities				
Other changes in capital (reserves)	0	0	0	0
Other changes in capital (profit distribution)	0	0	0	0
Provisions	0	0	0	0
Increase (decrease) in long-term amounts payable	-462 988	-2 160 000	-2 920 000	-11 887 872
Long - term amounts of current year	0	0	0	0
Financial debts	0	400 000	400 000	120 000
Cash flow from financing activities	-462 988	-1 760 000	-2 520 000	-11 767 872
Cash and cash equivalents at the beginning of the period	73 224	139 979	85 103	64 702
Cash flow total	66 756	-54 876	-20 401	7 637 200
Cash and cash equivalents at the end of the period	139 979	85 103	64 702	7 701 902

4.15. PROJECTED ECAS BALANCE SHEET

Forecast balance sheets for the restructuring period. Forecast balancesheets are based on the above operating and repayment options and other assumptions discussed in the draft restructuring plan:

Table 25

FORECAST BALANCE SHEET

No.		1 year	2 year	3 year	4 year
A.	Fixed assets	12 566 110	11 039 935	9 513 760	572 742
I.	Intangible assets	1 318 201	1 069 201	820 201	571 201
II.	Tangible assets	11 247 909	9 970 734	8 693 559	1 541
II.1	Land				
II.2	Buildings and Structures	4 644 203	4 220 968	3 797 733	0
II.3	Machinery and equipment	5 859 343	5 134 693	4 410 043	0
II.4	Vehicles	15 011	10 521	6 031	1 541
II.5	Other fixtures, fittings, tools and equipment	729 352	604 552	479 752	0
II.6	Unfinished construction	0	0	0	0
II.7	Other tangible assets	0	0	0	0
III.	Financial Fixed Assets		0	0	0
B.	Current assets	8 410 416	8 175 540	7 759 139	15 126 339
I.	Inventories (reserves), prepayments and contracts in progress	5 114 244	4 934 244	4 724 244	4 454 244
I.1.	Reserves	4 734 244	4 634 244	4 604 244	4 454 244
I.2.	Prepayments	380000	300000	120000	
I.3.	Contracts in progress				
II.	Within one year of receivables	3 156 193	3 156 193	2 970 193	2 970 193
II.1	Trade receivables	3 136 532	3 136 532	2 950 532	2 950 532
II.2	Subsidiaries and associated companies	0	0	0	0
II.3	Other receivables	19 661	19 661	19 661	19 661
III.	Other current assets		0	0	0
IV.	Money and money equivalents	139 979	85 103	64 702	7 701 902
C.	Accrued income and deferred charges	26 244	26 244	26 244	26 244
	TOTAL ASSETS	21 002 770	19 241 719	17 299 143	15 725 325
	<i>Shareholders' equity and liabilities</i>				
A.	Capital	-528 727	-855 001	-759 311	8 342 539
I.	Share capital	6 735 807	6 735 807	6 735 807	6 735 807
II.	Revaluation reserve	7006558	7006558	7006558	7006558
III.	Reserves	673 581	673 581	673 581	673 581
IV.	Retained profit (loss)	-14 944 673	-15 270 947	-15 175 257	-6 073 407

IV.1	The reporting year profit (loss)	-251 893	-326 274	95 690	9 101 850
IV.2	Previous year profit (loss)	-14 692 780	-14 944 673	-15 270 947	-15 175 257
B.	Financing (grants and subsidies)	0	0	0	0
C.	Provisions and deferred taxes	1 985 230	1 985 230	1 985 230	1 985 230
I.	Liabilities and charges Provisions	1 985 230	1 985 230	1 985 230	1 985 230
D.	Grants and subsidies	247 165	247 165	247 165	247 165
E.	Payment sums and liabilities	19 299 102	17 864 325	15 826 059	5 150 391
I.	After one year, the amount due	16 967 872	14 807 872	11 887 872	0
I.1	Financial debts	16 967 872	14 807 872	11 887 872	0
I.1.1.	Leasing and similar obligations	0	0	0	0
I.1.2.	Credit institutions	9 234 283	8 031 687	6 388 225	0
I.1.3	Other financial debt	7 733 589	6 776 185	5 499 647	0
II.	Within one year of the amount due	2 331 230	3 056 453	3 938 187	5 150 391
II.1.	Long-term debt Current portion	0	0	0	0
II.2.	Financial debts	0	400 000	800 000	920 000
II.2.1.	Credit institutions	0	400 000	800 000	920 000
II.2.2.	Other debts	0	0	0	0
II.3.	Debts to suppliers	1 726 767	1 926 767	2 306 767	2 901 767
II.4.	Prepayments received	0	95 000	165 000	200 000
II.5.	Taxation	0	0	0	428 883
II.6.	Employment related liabilities	604 463	634 686	666 420	699 741
II.7.	Provisions	0	0	0	0
II.8.	Other payables and current liabilities	0	0	0	0
E.	ACCRUED EXPENSES AND DEFERRED INCOME	0	0	0	0
	SHAREHOLDERS 'EQUITY AND LIABILITIES TOTAL	21 002 770	19 241 719	17 299 143	15 725 325