


**SNAIGĖ AB
CONFIRMATION OF RESPONSIBLE PERSONS**

10 August, 2023

Following the Article No. 22 of the Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodic and Additional Information of the Bank of Lithuania, we, Mindaugas Sologubas, CEO of Snaigė AB and Vytautas Adomaitis, Chief of the Accounting and Finance Department of Snaigė AB hereby confirm that, to the best of our knowledge, the attached unaudited interim consolidated Snaigė AB, financial statements for the six months period ended 30 June 2023, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, reflects the reality correctly and fairly shows issuer's assets, liabilities, financial position, profit or loss and cash flow of Snaigė AB.

As well, we confirm that Consolidated Interim Report fairly presents the review of issuer's business development and business activities.


Mindaugas Sologubas
Managing Director
Vytautas Adomaitis
Chief of the Accounting and
Finance Department

UNDER RESTRUCTURING SNAIGÉ AB

***CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND
CONSOLIDATED INTERIM REPORT
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023
(UNAUDITED)***

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I. GENERAL PROVISIONS

1. Accounting period of the report

The report has been issued for the period of six months ended 30 June 2023.

2. The basic data about the issuer

The name of the company – SNAIGĖ PLC (hereinafter referred to as the “Company”)

Authorized capital – one Company's share is equal to EUR 0.17 and to establish that the Company's authorized capital is equal to EUR 6,735,807.

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Phone – (+370 315) 56 206

Fax – (+370 315) 56 207

Email – snaige@snaige.lt

Website – <http://www.snaige.lt>

Legal organisation status – legal entity, public limited company

Legal status – under restructuring (Note 30)

Registered as an enterprise on 1 December 1992 in the Municipality Administration of Alytus; registration number AB 92-119; enterprise register code 249664610. The latest Statute of Snaigė AB was registered on 19 August 2020 in Register of Legal Entities of the Republic of Lithuania.

3. Information with regard to the location and time provided for introduction of the report and the accompanying documents; name of the mass media

The report is available in the Accounting and Finance Department of Snaigė AB at Pramonės str. 6, Alytus, on the days of I - IV from 7.30 to 16.30, and V from 7.30 to 14.00.

The mass media – publication issued by the Centre of Registers, daily paper “Kauno diena”.

II. FINANCIAL STATUS

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Ref. No.	ITEMS	Notes	01-01-2023 30-06-2023	01-04-2023 30-06-2023	01-01-2022 30-06-2022	01-04-2022 30-06-2022
1.	Sales	3	9,189	4,916	11,755	6,138
2.	Cost of sales	4	(9,526)	(4,794)	(12,132)	(6,402)
3.	Real value change of biological property					
4.	GROSS PROFIT (LOSS)		(337)	122	(377)	(264)
5.	Selling expenses		(433)	(189)	(854)	(372)
6.	General and administrative expenses		(1,079)	(425)	(1,448)	(889)
7.	Results of other activity	5,7	36	14	41	22
8.	Investments incomes into the shares of patronise, patronized and associated companies					
9.	Incomes of other long-term investments and loans	8				
10.	Incomes of other interest or similar incomes	8	2		1	3
11.	Value decrease of financial property and short-term investments					
12.	Costs of interest and other similar costs	9			(276)	(135)
13.	PROFIT (LOSS) BEFORE INCOME TAX		(1,811)	(478)	(2,913)	(1,635)
14.	Income tax					
15.	NET PROFIT (LOSS) BEFORE NONCONTROLLING INTEREST		(1,811)	(478)	(2,913)	(1,635)
16.	Non-controlling interest					
17.	Other comprehensive income		516	258	520	261
18.	TOTAL COMPREHENSIVE INCOME		(1,295)	(220)	(2,393)	(1,374)

Managing Director

Mindaugas Sologubas

Chief of the Accounting and Finance Department

Vytautas Adomaitis

Consolidated Statement of Financial Position

Ref. No.	ASSETS	Notes	As at 30 June 2023	As at 31 December 2022
	ASSETS			
A.	Non-current assets		12,563	13,509
1.	Intangible assets	10	1,223	1,345
2.	Tangible assets	11	11,340	12,164
2.1.	Land			
2.2.	Buildings and structures		4,899	5,011
2.3.	Machinery and equipment		5,734	6,351
2.4.	Vehicles and other property		623	718
2.5.	Right to leased assets		84	84
2.6.	Construction in progress and prepayments			
3.	Financial assets	12	0	0
4.	Other non-current assets		0	0
B.	Current assets		5,404	6,728
1.	Inventories	13	2,897	3,793
2.	Accounts receivable within one year		2,271	2,756
2.1.	Customers' debts	14	1,515	2,025
2.2.	Contracts assets			
2.3.	Prepayments		650	580
2.4.	Other amounts receivable	15	106	151
3.	Short-term investments			
4.	Cash and cash equivalents	16	236	179
C.	Accrued income and prepaid expenses		0	0
	Total assets		17,967	20,237

(Continued on the next page)

SNAIGĖ AB, company code 249664610, Pramonės str. 6, Alytus, Lithuania
CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND CONSOLIDATED INTERIM REPORT
FOR SIX MONTHS PERIOD ENDED 30 JUNE 2023
(All amounts are in EUR thousand unless otherwise stated)

Ref. No.	ASSETS	Notes	As at 30 June 2023	As at 31 December 2022
	EQUITY AND LIABILITIES			
D.	Equity		(3,336)	(1,602)
1.	Capital		6,736	6,736
1.1.	Authorized (subscribed) share capital		6,736	6,736
1.2.	Signed unpaid capital (-)			
1.3.	Own shares (-)			
2.	Shares premiums			
3.	Revaluation reserve		6,347	6,785
4.	Reserves	18	44	718
5.	Retained earnings (loss)		(16,408)	(15,787)
6.	Influence of currency exchange rate		(55)	(54)
7.	Non-controlling interest		0	0
E.	Grants, subsidies	19	206	234
F.	Provisions		1,271	1,366
1.	Pensions provisions and similar provisions		208	209
2.	Taxes provisions		985	1,063
3.	Other provisions	20	78	94
G.	Accounts payable and liabilities		19,826	20,239
1.	Accounts payable after one year and other non-current liabilities	21	18,269	18,351
1.1.	Debts for credit institutions		10,053	10,053
1.2.	Other non-current liabilities		8,216	8,298
2.	Account payable within one year and current liabilities		1,557	1,888
2.1.	Liabilities of debts			9
2.2.	Debts for credit institutions	21		
2.3.	Received prepayments		42	121
2.4.	Debts to suppliers		599	835
2.5.	Short - term lease obligations		84	86
2.6.	Payable sums acc.to bills and cheque			
2.7.	Contracts liabilities			
2.8.	Payable sums for associated companies			
2.9.	Profit tax payment obligations			
2.10.	Obligations related to work relations		658	597
2.11.	Other current liabilities		174	240
H.	Accrued charges and deferred income			
	Total equity and liabilities		17,967	20,237

Managing Director

Mindaugas Sologubas

Chief of the Accounting and Finance Department

Vytautas Adomaitis

Consolidated Statement of Cash Flow

Ref. No.	Assets	30-06-2023	30-06-2022
I.	Cash flows from the key operations		
I.1	Net result before taxes	(1,811)	(2,913)
I.2	Depreciation and amortization expenses	964	944
I.3	Grants (subsidies) amortization	(28)	(28)
I.4	Result from disposal of non-current assets		(1)
I.5	Write-off of non-current assets		1
I.6	Write-off of inventories		12
I.7	Depreciation of receivables		
I.8	Loss on currency futures		
I.9	Change in provision for guarantee repair	(49)	(11)
I.10	Recovery of devaluation of trade receivables and other provisions	3	217
I.11	Influence of foreign currency exchange rate change		
I.12	Financial income (interest income)	(2)	(1)
I.13	Financial expenses (interest expenses)		276
I.14	Income tax expense (income)		
I.15	Elimination of other non-monetary items		
II.	Cash flows from the key operations until decrease (increase) in working capital	(923)	(1,504)
II.1	Change in receivables and other debts liabilities (increase)	485	(17)
II.2	Change in inventories (increase)	891	1,387
II.3	Change in trade and other payables (decrease)	(375)	819
III.	Cash flows from the main activities	78	685
III.1	Interest received		
III.2	Interest paid		
III.3	Income tax paid		
	Net cash flows from the key operations	78	685
IV.	Cash flows from (to) investing activities		
IV.1	Acquisition of tangible non-current assets	(11)	(36)
IV.2	Capitalization of intangible non-current assets		
IV.3	Proceed from disposal of non-current assets		2
IV.4	Loans granted		
IV.5	Loans regained		
IV.6	Advance payments	(5)	(466)
IV.7	Interest received		
IV.8	Financial investment assets		
	Net cash flows from the investing activities	(16)	(500)

V.	Cash flows from the financial activities	(5)	(132)
V.1	Cash flows related to the shareholders of the company		
V.1.1	Issue of shares		
V.1.2	Shareholders' contributions for covering losses		
V.1.3	Sale of own shares		
V.1.4	Payment of dividends		
V.2	Cash flows arising from other financing sources		
V.2.1	Grants received		
V.2.1.1	Proceeds from non-current borrowings		
V.2.1.2	Factoring received (repaid)		52
V.2.1.3	Repayment of borrowings		(68)
V.2.2	Finance lease received		
V.2.2.1	Payments of leasing (finance lease) liabilities	(5)	(9)
V.3	Other decreases in the cash flows from financial activities		(10)
V.4.	Interest paid		(97)
	Net cash flows from the financial activities	(5)	(132)
VI.	Cash flows from extraordinary items		
VI.1.	Increase in cash flows from extraordinary items		
VI.2.	Decrease in cash flows from extraordinary items		
VII.	The influence of exchange rates adjustments on the balance of cash and cash equivalents		
VIII.	Net increase (decrease) in cash flows	57	53
IX.	Cash and cash equivalents at the beginning of period	179	129
X.	Cash and cash equivalents at the end of period	236	182

Managing Director

Mindaugas Sologubas

Chief of the Accounting and Finance Department

Vytautas Adomaitis

Consolidated Statement of Changes in Equity

	Paid up authorised capital	Share premium	Own shares (-)	Legal reserves		Other reserves			Retained earnings (losses)	TOTAL	Minority shareholders	TOTAL
				Compulsory	For acquiring own shares	For social needs	Other	Currency exchange reserve				
Recalculated balance as at 31 December 2021	6,736	0	0	718	0	0	0	(52)	7,675	(11,507)	0	3,570
Total recognized revenue and expenses for the I-st to II-nd quarter 2022										(2,913)		(2,913)
Formed reserves												
Reduction of authorized capital											0	
Other changes									(442)		0	(442)
Other comprehensive income										520		520
Balance as at 30 June 2022	6,736	0	0	718	0	0	0	(52)	7,233	(13,900)	0	735
Total recognized revenue and expenses from III-rd to IV-th quarter 2022										(2,821)		(2,821)
Transfers from reserves												
Reduction of authorized capital											0	
Other changes								(2)	(448)			(450)
Other comprehensive income										934		934
Balance as at 31 December 2022	6,736	0	0	718	0	0	0	(54)	6,785	(15,787)	0	(1,602)
Total recognized revenue and expenses for the I-st to II-nd quarter 2023										(1,811)		(1,811)
Formed reserves				(674)						674		
Reduction of authorized capital											0	
Other changes								(1)	(438)			(439)
Other comprehensive income										516		516
Balance as at 30 June 2023	6,736	0	0	44	0	0	0	(55)	6,347	(16,408)	0	(3,336)

Managing Director

Mindaugas Sologubas

Chief of the Accounting and Finance Department

Vytautas Adomaitis

III. EXPLANATORY NOTES

1. Basic information

Snaigė AB (hereinafter the “Company”) is a public company registered in the Republic of Lithuania. The address of its registered office is as follows:

Pramonės str. 6,
Alytus,
Lithuania.

The Company is engaged in production of refrigerators, freezers and metal products. The Company was registered on 1 April 1963. The Company’s shares are traded on the Baltic Secondary List of the NASDAQ Vilnius stock exchange.

Main shareholders of Snaigė AB were:

	30 June 2023		31 December 2022	
	Number of shares owned	Share of total capital, %	Number of shares owned	Share of total capital, %
Sekenora Holdings Limited	36,096,193	91.10%	36,096,193	91.10%
Other shareholders	3,526,202	8.90%	3,526,202	8.90%
Total	39,622,395	100%	39,622,395	100%

All the shares of the Company are ordinary registered intangible shares with the par value of EUR 0.17 each and were fully paid as at 30 June 2023 and 31 December 2022.

As at 30 June 2023 and 31 December 2022, the Company did not hold its own shares.

The Group consisted of Snaigė AB and the followings subsidiaries as at 30 June 2023 (hereinafter – the “Group”):

Company	Country	Percentage of the shares held by the Group	Profit (loss) for the reporting year	Shareholders’ equity
Snaige-Ukraina TOB	Ukraine	99%		3
Almecha UAB	Lithuania	100%	(4)	212

As at 30 June 2023, the Board of the Company consist of 4 members. As at 31 December 2022, the Board of the Company consisted of 3 members. The board does not have Snaigė AB representatives.

Snaige-Ukraina TOB (Kiev, Ukraine) was established in 2002. Since the acquisition in 2002, the Company holds 99% shares of this subsidiary. The subsidiary provides sales and marketing services in the Ukrainian market.

Almecha UAB (Alytus, Lithuania) was established in 2006. The main activities of the company are production of refrigerating components and equipment. The Company acquired 100% of the Company’s shares.

As at 30 June 2023, the number of employees of the Group was 360 (as at 31 December 2022 – 397).

2. Accounting principles

The principal accounting policies adopted in preparing the Group's financial statements are as follows:

2.1. Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union (hereinafter the "EU").

These financial statements are prepared on the historical cost basis.

2.2. Going concern

The Group's financial statements at 30 June 2023 have been prepared on the basis that the Group will continue in operation for at least 12 months. Going concern has been assessed on the basis of the following assumptions and risks:

- The Company plans to finance its working capital through the sale of more profitable new product categories, the sale of assets that are not necessary for the Company's operations and proceeds from the sale of manufacturing services. The debts to suppliers are planned to be reduced by means of the measures foreseen in the restructuring plan, through operating profits and the sale of some assets.
- The Company and the Group's management believe that the impact of the war in Ukraine (Note 29), which started at the end of February 2022, is significant but not critical. At the beginning of the war, trade in this, one of the Company's largest markets, was halted, but at the time of issue of the report the Company is again exporting to this country. The war and the resulting increase in the cost of energy and raw materials have had a negative impact on the financial results. Not wishing to risk the future of a viable and potential Company, and in order to secure the jobs and social security of its employees, the Company's management decided to initiate a process of restructuring of the Company (Note 30).

In the opinion of the management of the Company and the Group, this situation is temporary and is expected to be resolved with available resources. The Company's development in other profitable refrigeration product categories and the active search for customers in new markets and segments will help the Company to secure revenue growth.

Management acknowledges that the above assumptions are subject to material uncertainties which may cast doubt on the Company's ability to continue as a going concern, but notwithstanding this and taking into account the material uncertainties, management expects that the Company will have sufficient resources to continue as a going concern in the foreseeable future. Accordingly, the Company has continued to adopt the going concern basis in preparing these financial statements.

Neither the Company nor its directors or shareholders are subject to war-related sanctions.

2.3. Presentation currency

The Group's financial statements are presented in the currency of the European Union, the euro (EUR), which is the Company's functional and the Group's and the Company's presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the statement of financial position date. All differences are included in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as of the date of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign entity and translated at the rate of exchange ruling at the statement of financial position date.

The functional currency of a foreign entity Snaige-Ukraine TOB is Ukrainian hryvnia (UAH). As at the reporting date, the assets and liabilities of this subsidiary are / were translated into the presentation currency of Snaigė AB (EUR) at the rate of exchange at the statement of financial position date and their items of the statement of profit or loss and other comprehensive income are translated at the average monthly exchange rates for the reporting period. The exchange differences arising on the translation are stated in other comprehensive income.

On disposal of a foreign entity, the deferred cumulative amount recognised in the shareholders' equity caption relating to that particular foreign operation is transferred to profit or loss.

The applicable exchange rates in relation to euro as at the 30 June 2023, and 31 December 2022, were as follows:

	<u>30 June 2023</u>	<u>31 December 2022</u>
UAH	40.18801	39.34128
USD	1.0938	1.0666

2.4. Principles of consolidation

The consolidated financial statements of the Group include Snaigė AB and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting year, using consistent accounting policies.

Subsidiaries are consolidated from the date from which effective control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Group. All intercompany transactions, balances and unrealised gains and losses on transactions among the Group companies have been eliminated. The equity and net result attributable to non-controlling interest are shown separately in the statement of financial position and profit or loss.

Acquisitions and disposals of non-controlling interest by the Group are accounted as equity transaction: the difference between the carrying value of the net assets acquired from/disposed to the non-controlling interests in the Group's financial statements and the acquisition price/proceeds from disposal is accounted directly in equity.

2.5. Intangible assets, except for goodwill

Intangible assets are measured initially at cost. Intangible assets are recognised if it is probable that future economic benefits that are attributable to the asset will flow to the Group and the Company and the cost of asset can be measured reliably. After initial recognition, intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets are amortised on a straight-line basis over their estimated useful lives (1 – 8 years).

Research and development

Research costs are expensed as incurred. Development expenditure on individual projects is recognised as an intangible asset when the Group and the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, their intention to complete and their ability to use or sell the asset so that the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use.

Licenses

Amounts paid for licences are capitalised and amortised over their validity period.

Software

The costs of acquisition of new software are capitalised and treated as an intangible asset if these costs are not an integral part of the related hardware. Software is amortised over a period not exceeding 3 years.

Costs incurred in order to restore or maintain the future economic benefits that the Group and the Company expect from the originally assessed standard of performance of existing software systems are recognised as an expense when the restoration or maintenance work is carried out.

2.6. Tangible non-current assets

Property, plant and equipment are assets that are controlled by the Group and the Company, which are expected to generate economic benefits in the future periods with the useful life exceeding one year, and which acquisition (manufacturing) costs could be reliably measured. Property, plant and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of such assets when that cost is incurred if the asset recognition criteria are met. Replaced parts are written off.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Property, plant and equipment are shown at revalued amount, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which is determined using fair value at the date of statement of financial position. The fair value of the property, plant and equipment is determined by appraisals undertaken by certified independent valuers. Any accumulated depreciation and impairment losses at the date of revaluation were eliminated against the gross carrying amount of the asset, instead the historical acquisition cost was increased by the surplus of the revaluation.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to other comprehensive income and shown as revaluation reserve in shareholders' equity. The revaluation reserve for property, plant and equipment is being reduced each period by the difference between depreciation based on the revalued carrying amount of the asset and that based on its original cost, which is transferred directly to retained earnings.

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Decreases that offset previous increases of the same asset are charged to other comprehensive income and debited against revaluation reserve in equity; all other decreases are charged to the profit or loss. Revaluation increases that offset previous decreases charged to the profit or loss are recognised in the profit or loss.

Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the profit or loss, and depreciation based on the asset's original cost is transferred from revaluation reserve to retained earnings net of deferred income tax.

Depreciation is computed on a straight-line basis over the following estimated useful lives from 1 October 2016:

Buildings and structures (including investment property)	15 – 73 years
Machinery and equipment	5 – 63 years
Vehicles	4 – 20 years
Other property, plant and equipment	3 – 30 years

Weighted average useful lives from 1 October 2016 are as follows:

Buildings and structures (including investment property)	55 years
Machinery and equipment	21 years
Vehicles	16 years
Other property, plant and equipment	12 years

The asset's carrying amounts, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of property, plant and equipment and are recognised within other income or other expenses in the statement of comprehensive income. When revalued assets are sold, the amounts included in revaluation reserve are transferred to retained earnings.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

Construction in progress is stated at cost less accumulated impairment. This includes the cost of construction, plant and equipment and other directly attributable costs. Construction in progress is not depreciated until the relevant assets are completed and put into operation.

2.7. Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Property, plant and equipment once classified as held for sale are not depreciated.

If the Group has classified an asset as held for sale, but the above mentioned criteria are no longer met, the Group ceases to classify the asset as held for sale and measure a non-current asset that ceases to be classified as held for sale at the lower of: its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held for sale, and its recoverable amount at the date of the subsequent decision not to sell. The adjustment to the carrying amount of a non-current asset that ceases to be classified as held for sale and recorded in profit or loss in the period in which the criteria are no longer met.

2.8. Inventories

Inventories are valued at the lower of cost or net realisable value, after write-down of obsolete and slow moving items. Net realisable value is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution. Cost is determined by the first-in, first-out (FIFO) method. The cost of finished goods and work in progress includes the applicable allocation of fixed and variable overhead costs based on a normal operating capacity. Unrealisable inventory is fully written-off.

2.9. Receivables and loans granted

Receivables are initially recorded at the true value at the same moment as they were given. Later receivables and loans are accounted in justice to their depreciation.

2.10. Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits at current accounts, and other short-term highly liquid investments.

2.11. Borrowings

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised, otherwise – expensed as incurred. No borrowing costs were capitalised as at 30 June 2023 and 31 December 2022.

Borrowings are initially recognised at fair value of proceeds received, net of expenses incurred. They are subsequently carried at amortised cost, the difference between net proceeds and redemption value being recognised in the net profit or loss over the period of the borrowings (except for the capitalised portion as discussed above).

Borrowings are classified as non-current if the completion of a refinancing agreement before the balance sheet date provides evidence that the substance of the liability at the balance sheet date was non-current.

2.12. Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into. Subsequent to initial recognition and measurement, outstanding derivatives are carried in the statement of financial position at the fair value. Fair value is determined using the discounted cash flow method applying the effective interest rate. The estimated fair values of these contracts are reported on a gross basis as financial assets for contracts having a positive fair value; and financial liabilities for contracts with a negative fair value. Contracts executed with the same counterparty under legally enforceable master netting agreements are presented on a net basis. The Group had no derivative contracts outstanding as at 30 June 2023 and 31 December 2022.

Gain or loss from changes in the fair value of outstanding derivative contracts is recognised in the comprehensive income statement as they arise.

2.13. Factoring

Factoring transaction is a funding transaction wherein the company transfers to factor claim rights for determined fee. The companies alienate rights to receivables due at a future date according to invoices.

2.14. Financial lease and operating lease

Finance lease – the Group as lessee

The Group recognises finance leases as assets and liabilities in the statement of financial position at amounts equal at the inception of the lease to the fair value of the leased property or, if lower, to the present value of the minimum lease payments. The rate of discount used when calculating the present value of minimum payments of finance lease is the nominal interest rate of finance lease payment, when it is possible to determine it, in other cases, Group's composite interest rate on borrowings is applied. Directly attributable initial costs are included into the asset value. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Direct expenses incurred by the lessee during the lease period are included in the value of the leased asset.

The depreciation is accounted for finance lease assets and it also gives rise to financial expenses in the statement of comprehensive income for each accounting period. The depreciation policy for leased assets is consistent with that for depreciable assets that are owned. The leased assets cannot be depreciated over the period longer than the lease term, unless the Group according to the lease contract, gets transferred their ownership after the lease term is over.

If the result of sales and lease back transactions is finance lease, any profit from sales exceeding the book value is not recognised as income immediately. It is deferred and amortised over the finance lease term.

Operating lease – the Group as lessee

Leases where the lessor retains all the risk and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

If the result of sales and lease back transactions is operating lease and it is obvious that the transaction has been carried out at fair value, any profit or loss is recognised immediately. If the sales price is lower than the fair value, any loss is recognised immediately, except for the cases when the loss is compensated by lower than market prices for lease payments in the future. The loss is then deferred and it is amortised in proportion to the lease payments over a period, during which the assets are expected to be operated. If the sales price exceeds the fair value, a deferral is made for the amount by which the fair value is exceeded and it is amortised over a period, during which the assets are expected to be operated.

2.15. Grants and subsidies

Grants and subsidies (hereinafter “Grants”) received in the form of non-current assets or intended for the purchase, construction or other acquisition of non-current assets are considered as asset-related grants (mainly received from the EU and other structural funds). Assets received free of charge are also allocated to this group of grants. The amount of the grants related to assets is recognised in the financial statements as used in parts according to the depreciation of the assets associated with this grant. In the statement of comprehensive income, a relevant expense account is reduced by the amount of grant amortisation.

Grants received as a compensation for the expenses or unearned income of the current or previous reporting period, also, all the grants, which are not grants related to assets, are considered as grants related to income (mainly received from the EU and other structural funds). The income-related grants are recognised as used in parts to the extent of the expenses incurred during the reporting period or unearned income to be compensated by that grant.

2.16. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The provisions are reviewed at each balance sheet date and adjusted in order to present the most reasonable current estimate.

2.17. Non-current employee benefits

According to the collective agreement, each employee leaving the Company at the retirement age is entitled to a one-time payment. Employment benefits are recognised in the statement of financial position and reflect the present value of future payments at the date of the statement of financial position. The above mentioned employment benefit obligation is calculated based on actuarial assumptions, using the projected unit credit method. Present value of the non-current obligation to employees is determined by discounting estimated future cash flows using the discount rate which reflects the interest rate of the Government bonds of the same currency and similar maturity as the employment benefits. Actuarial gains and losses are recognised in the statement of comprehensive income as incurred.

2.18. Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably. Sales are recognised net of VAT and discounts. Revenue from sales of goods is recognised when delivery has taken place and transfer of risks and rewards has been completed. Service revenue is recognised on an accruals basis and recorded to the statement of comprehensive income when the services are rendered. In these consolidated financial statements intercompany sales are eliminated.

2.19. Impairment of assets

Financial assets

Financial assets are reviewed for impairment at each reporting date.

For financial assets carried at amortised cost, whenever it is probable that the Group will not collect all amounts due according to the contractual terms of loans or receivables, impairment is recognised in the statement of comprehensive income. The reversal of impairment losses previously recognised is recorded when the decrease in impairment loss can be justified by an event occurring after the write-down. Such reversal is recorded in the statement of comprehensive income. However, the increased carrying amount is only recognised to the extent it does not exceed the amortised cost that would have been had the impairment not been recognised.

Other assets

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of comprehensive income. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is accounted for in the same caption of the statement of comprehensive income as the impairment loss.

2.20. Subsequent events

Subsequent events that provide additional information about the Group's position at the date of the statement of financial position (adjusting events) are reflected in the financial statements. Subsequent events that are not adjusting events are disclosed in the notes when material.

2.21. Offsetting and comparative figures

When preparing the financial statements, assets and liabilities, as well as revenue and expenses are not set off, except the cases when a certain International Financial Reporting Standard specifically requires such set-off.

3. Segment information

The Group's sole business segment identified for the management purposes is the production of refrigerators and specialised equipment, therefore this note does not include any disclosures on operating segments, as they are the same as information provided by the Group in these financial statements.

Information as at 30-06-2023 and at 30-06-2022 on Group's sales and receivables from clients is presented below:

	Total sales revenue		Inter-group sales		Sales revenue	
	2023	2022	2023	2022	2023	2022
Russia	-	-	-	-	-	-
Ukraine	956	532	-	-	956	532
Western Europe	5,633	5,492	-	-	5,633	5,492
Central Europe	1,059	3,781	-	-	1,059	3,781
Lithuania	1,357	1,797	(22)	(187)	1,335	1,610
Other CIS countries	70	98	-	-	70	98
Other Baltic states	103	117	-	-	103	117
Other countries	33	125	-	-	33	125
Total	9,211	11,942	(22)	(187)	9,189	11,755

Transactions between the Group companies are made on commercial terms and conditions. Inter-group sales are eliminated in consolidation.

As at year 2023 the sales to the five largest buyers comprised 49.60% of total sales, including the largest buyer 25.59% (as at 2022 – 42.74%, including: the largest buyer 11.55%).

4. Cost of sales

	30-06-2023	30-06-2022
Raw materials	5,882	7,735
Salaries and wages	1,287	1,442
Depreciation and amortisation	858	770
Other	1,499	2,185
Total:	9,526	12,132

5. Other income

	30-06-2023	30-06-2022
Income from transportation services	23	44
Income from sale of other services	32	-
Income from rent of premises	23	14
Gain on disposal of property, plant and equipment	-	1
Other	-	60
Total:	78	119

6. Operating expenses

	30-06-2023	30-06-2022
Selling expenses	433	854
General and administrative expenses	1,079	1,448
Total:	1,512	2,302

7. Other operating expenses

	30-06-2023	30-06-2022
Transportation expenses	23	37
Gain on disposal of property, plant and equipment	-	-
Other	19	41
	42	78

8. Financial income

	30-06-2023	30-06-2022
Foreign currency exchange gain	2	1
Interest income and other	-	-
	2	1

9. Financial expenses

	30-06-2023	30-06-2022
Interest expenses	-	276
Loss of foreign currency exchange, net	-	-
Realized loss on foreign currency derivatives	-	-
Loss of foreign currency translation transactions	-	-
Other	-	-
	-	276

10. Intangible assets

	Balance sheet value	
	30-06-2023	31-12-2022
Development costs	1,174	1,300
Software, license	3	4
Other intangible assets	46	41
Total:	1,223	1,345

Over the period of six months of 2023 the Group has accumulated EUR 127 thousand (over six months of 2022 respectively – EUR 139 thousand) of intangible assets depreciation, of which EUR 127 thousand (EUR 139 thousand in 2022) is included in operating expenses of the profit (loss) statement.

Part of non-current intangible assets of the Group with the acquisition value of EUR 5,296 thousand as at 30 June 2023, was fully amortised (EUR 5,161 thousand for 2022) but is still in use.

11. Non-current tangible assets

	Balance sheet value	
	30-06-2023	31-12-2022
Land and buildings	4,899	5,011
Machinery and equipment	5,734	6,351
Vehicles and other property	7	20
Other equipment, fittings and tools	616	698
Construction in progress and prepayments	-	-
Vehicles used on a leasing basis	-	-
Right to land lease	84	84
Total:	11,340	12,164

Revaluation of tangible assets

Starting from 30 September 2016, the Group, and the Company decided to reevaluate the non-current assets, including buildings, structures, machinery and equipment as well as other production equipment. The valuation of non-current assets for financial reporting purposes has been carried out by external, independent valuator, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The valuation of real estate was based on the comparable method by comparing sales prices of similar real estate in Lithuania. The valuation of machinery and equipment and other non-current assets was based on comparable or depreciated replacement cost (DRC) methods. The fair value of the property was determined by an independent property appraiser, UAB Corporation Matininkai.

Building and structures were attributed to Level 3 of fair value hierarchy. Under the Market method, the sale transactions or offer examples in respect of the real estate and constructions were observed in the market. The comparable real

estate objects were selected due to the similarity with the object being measured with respect to size, nature, location, intended use, condition and other parameters. The valuation of real estate required adjustments to reflect differences between the objects being measured and comparable objects.

Machinery and equipment, vehicles and other assets were also attributed to Level 3 of fair value hierarchy. Part of the machinery was valued based on at least two or three comparable inputs. Comparable inputs selected were similar to the assets subject to valuation. This method was used for the measurement of a part of equipment in respect of which sale or offer market data was available. The remaining part of machinery and equipment were valued by DRC method. The replacement values of these non-current assets were based on their acquisition costs and comparable price changes provided by the Statistics Department. When establishing physical obsolescence, it is assumed that the value of property being measured is written off in proportion to the number of years. The assets subject to valuation were classified into categories in respect of which the useful life up to 20 years depending on the group of asset was established based on the expert opinion of the valuator.

Assets were valued under this scheme:

1. All Company long term assets were valued using discounted cash flows model.
2. From this value, intangible assets at balance value and buildings at market value were taken off.
3. Other movable assets were valued using comparison method, while special movable assets and other assets, not possible to value at comparison model, were valued at DRC model. Some assets, not possible to value by methods described above, were valued at disposal rate.
4. The remaining value was allocated to all valued items, by using correction coefficients. Only assets, valued by DRC and disposal methods, were corrected using coefficients.

The increase in value of non-current tangible assets was registered by increasing the acquisition cost of the asset and was accounted as follows as at 30 September 2018:

The Company	Book value	Revalued amounts	Revaluation surplus
Buildings and structures	5,404	5,975	571
Machinery and equipment	8,089	9,160	1,071
Vehicles and other assets	1,435	1,759	324
Total	14,928	16,894	1,966

The useful life terms of Non-current material assets, in years:

	Statistical	Remaining useful life terms at the revaluation date	Remaining useful life terms, stated after revaluation
Land and buildings	49	22	26
Machinery and equipment	6	1	8
Vehicles	6	1	4
Other plant, devices, tools and equipment	5	0.5	5
Other tangible assets	5	0.5	8

The new useful lifetimes for assessing depreciation have been applied since 1 October 2016.

The depreciation charge of the Group's property, plant and equipment and investment property for the period of six months of 2023 amounts to EUR 837 thousand (EUR 805 thousand respectively for six months of 2022). After the assessment of amortization of grants, the amount of EUR 803 thousand for 2023 (EUR 762 thousand for 2022) was included into production costs. The remaining amount of EUR 34 thousand (EUR 43 thousand for 2022) was included into administration expenses in the Group's profit or loss.

As at 30 June 2023 buildings of the Group and the Company with the carrying amount of EUR 4,815 thousand, (as at 31 December 2022 – EUR 4,919 thousand respectively), the Group's and the Company's machinery and equipment with the carrying amount of EUR 5,605 thousand (as at 31 December 2022 – EUR 6,187 thousand respectively) were pledged to hypothetical lenders as a collateral for the loans (Note 21).

12. Non-current and current loans to related companies

	Group		Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Loans granted	8,068	8,068	8,068	8,068
Interest calculated	2,262	2,262	2,262	2,262
Total receivables	10,330	10,330	10,330	10,330
Minus:				
Provisions for doubtful loans	(8,068)	(8,068)	(8,068)	(8,068)
Provisions for doubtful interest	(2,262)	(2,262)	(2,262)	(2,262)
Minus: total provisions	(10,330)	(10,330)	(10,330)	(10,330)
Net receivables	-	-	-	-

13. Inventories

	30-06-2023	31-12-2022
Raw materials, spare parts	1,638	1,674
Production in progress	346	309
Finished goods	891	1,739
Goods purchased for resale	253	302
Minus: total provisions	(231)	(231)
Total inventories, net	2,897	3,793

Raw materials and spare parts consist of compressors, components, plastics, wires, metals and other materials used in the production.

As at 30 June 2023 and as at 31 December 2022, the Group and Company has no legal restrictions on inventories.

14. Trade receivables

	30-06-2023	31-12-2022
Receivables	2,685	3,196
Less: impairment allowance for doubtful receivables	(1,170)	(1,171)
	1,515	2,025

Trade receivables are non-interest bearing and are generally on 30 – 90 day's terms.

As at 30 June 2023 100% impairment was accounted trade receivables in gross values of EUR 1,170 thousand (as at 31 December 2022 – EUR 1,171 thousand). Change in impairment allowance for receivables was accounted for within administrative expenses.

Impairment allowance for doubtful receivables is recognised due to receivables from not related customers.

In note 14 mentioned trade receivables from the Group in the amount of EUR 1,082 thousand (EUR 1,645 thousand as at 31 December 2022) were insured with credit insurance by Atradius Sweden Kreditförsäkring Lithuanian branch. Trade receivables from Ukraine, Moldova, Russia and other CIS countries are not insured.

Movements in the individually assessed impairment of trade receivables were as follows:

	30-06-2023	31-12-2022
Balance at the beginning of the period	(1,171)	(671)
Charge for the year	-	(503)
Write-offs of trade receivables	-	-
Effect of the change in foreign currency exchange rate	1	3
Amounts paid	-	-
Balance in the end of the period	(1,170)	(1,171)

The receivables are written-off when it becomes obvious that they will not be recovered.

15. Other current assets

	30-06-2023	31-12-2022
VAT receivable	60	101
Restricted cash	10	10
Other receivables	36	40
	106	151

Movements in the individually assessed impairment of other receivables were as follows:

	30-06-2023	31-12-2022
Balance at the beginning of the period	-	-
Charge for the year	-	-
Effect of the change in foreign currency exchange rate	-	-
Amounts paid	-	-
Write off	-	-
Balance in the end of the period	-	-

16. Cash and cash equivalents

	30-06-2023	31-12-2022
Cash at bank	230	174
Cash on hand	5	4
Cash in transit	1	1
	236	179

17. Share capital

According to the Law on Companies of the Republic of Lithuania, the Company's total equity cannot be less than 1/2 of its share capital specified in the Company's by-laws. As at 30 June 2023, the Company did not comply with this requirement. The Company's equity is negative. The issue of compliance of the share capital with the Law on Companies will be resolved during the restructuring of the Company.

18. Reserves

Legal reserve

The Company's legal reserve is compulsory under Lithuanian legislation. Annual transfers of not less than 5% of net profit are compulsory until the reserve reaches 10% of the share capital.

The Company's legal reserve of EUR 674 thousand was used to cover losses by shareholders' resolution.

As at 30 June 2023, the legal reserve of EUR 44 thousand consisted exclusively of the reserve of the subsidiary Almecha UAB.

Other reserves

Other reserves are formed based on the decision of the General Shareholders' Meeting for special purposes. All distributable reserves before distributing the profit are transferred to retained earnings and redistributed annually under a decision of the shareholders.

Foreign currency translation reserve

The foreign currency translation reserve is used for translation differences arising upon consolidation of the financial statements of foreign subsidiaries.

Exchange differences are classified as equity in the consolidated financial statements until the disposal of the investment. Upon disposal of the corresponding investment, the cumulative translation reserve is transferred to retained result in the same period when the gain or loss on disposal is recognised.

19. Grants

Balance as at 31 December 2021	5,138
Received during the period	-
Balance as at 31 December 2022	5,138
Received during the period	-
Balance as at 31 March 2023	5,138
Received during the period	-
Balance as at 30 June 2023	5,138
Balance as at 31 December 2021	4,849
Amortisation during the period	55
Accumulated amortisation as at 31 December 2022	4,904
Amortisation during the period	14
Accumulated amortisation as at 31 March 2023	4,918
Amortisation during the period	14
Accumulated amortisation as at 30 June 2023	4,932
Carrying amount as at 30 June 2023	206
Carrying amount as at 31 December 2022	234

The grants were received for the renewal of production machinery and repairs of buildings in connection with the elimination of CFC 11 element from the production of polyurethane insulation and filling foam, and for elimination of greenhouse gases in the manufacturing of domestic refrigerators and freezers; also, for increase in efficiency by investing into the production of commercial refrigerators and infrastructure development via investments into a research centre of new products.

Grants are depreciated over the same period as the machinery and other assets for which grants were designated when compensatory costs are incurred. The amortization of grants is included in production cost against depreciation of machinery and reconstruction of buildings for which the grants were designated.

To reimburse costs the grants is included in the period in which only those costs have been incurred and reduced.

20. Warranty provision

The Group provides a warranty of 2 years for the production sold and 5 years warranty on promotional products. The provision for warranty repairs was accounted for based on the expected cost of repairs and statistical warranty repair rates and divided respectively into non-current and current provisions.

Changes in warranty provisions were as follows:

	<u>30-06-2023</u>	<u>31-12-2022</u>
As at 1 January	242	300
Additions during the year (accruals)	14	61
Utilised	(46)	(117)
Foreign currency exchange effect	-	-
Written off (after expiry of warranty period)	(17)	(2)
	<u>193</u>	<u>242</u>

Warranty provisions are accounted for:

	<u>30-06-2023</u>
- non-current	77
- current	116
	<u>31-12-2022</u>
- non-current	94
- current	148

21. Borrowings

	<u>30-06-2023</u>	<u>31-12-2022</u>
Non-current borrowings with interest		
Non-current borrowings with fixed interest rate	1,259	1,259
Accrued interest	104	104
Non-current borrowings with variable interest rate	8,376	8,376
Accrued interest	314	314
Long-term liabilities of leasing companies		-
Total	<u>10,053</u>	<u>10,053</u>
Current borrowings		
Current borrowings with fixed interest rate	-	-
Current borrowings with variable interest rate	-	-
Current liabilities of leasing companies	-	9
Other debt liabilities	-	-
Total	<u>-</u>	<u>9</u>
In Total	<u>10,053</u>	<u>10,062</u>

Other non-current liabilities

	30-06-2023	31-12-2022
Debts to suppliers	8,104	8,186
Debts to subsidiaries	-	
Amounts payable to the National Social Insurance Fund	63	63
Dividends payable and deposited	49	49
In Total	8,216	8,298

The main information on individual borrowings is disclosed below:

	Type	Maturity	As at 30 June 2023	As at 31 December 2022:
Borrowing 1	Loan	Under the restructuring plan	8,690	8,690
Borrowing 2	Loan	Under the restructuring plan	1,363	1,363
Leasing 1		25-06-2023	-	3
Leasing 2		25-06-2023	-	2
Leasing 3		25-06-2023	-	2
Leasing 4		25-06-2023	-	2
			10 053	10 062

As at 30 June 2023, annual interest rate of the loan 1 is 1-month EURIBOR + 5.25% (as at 31 December 2022, EURIBOR + 5.25% annual interest rate).

As at 30 June 2023, interest rate for the loan 2 is set: 0.67% for a period of 30 days and 0.23% compensatory interest (per day).

As of 30 June 2023, the Company's buildings with the carrying amount of EUR 4,815 thousand (EUR 4,919 thousand as at 31 December 2022), the Group's and Company's machinery and equipment with the carrying amount of EUR 5,605 thousand (EUR 6,187 thousand as at 31 December 2022) were pledged to hypothetical lenders as collateral for loans.

The claim rights on Loan 1 and Loan 2 were transferred to the new creditors after the start of the restructuring process, while the other terms of the loans remained in force. When the Court approves the Company's Restructuring Plan, all liabilities will be discharged and accounted for in accordance with the creditors' payment schedules approved in the Plan.

At the reporting date, the outstanding loans and lease received in foreign currencies:

Currency of loans, leasing and other debt obligations:	30-06-2023	31-12-2022
EUR	10,053	10,062
	10,053	10,062

In accordance with the status of the company under restructuring and the ruling of the Kaunas District Court, which approved the existing creditor debt as of 20 September 2022, all the Company's creditor debt, until the Restructuring Plan is approved, is accounted for in long-term liabilities.

22. Financial leasing

The Group's finance lease liabilities have a fixed interest rate of 3.9%.

Financial lease payments in the future in accordance with the financial lease agreements for dates 30 June 2023 and 31 December 2022 as follows:

	30-06-2023	31-12-2022
2022	-	-
2023	-	10
Financial lease liabilities total	-	10
Interest		(1)
Financial lease liabilities current value	-	9

Financial lease obligations are accounted as:	-
- current	-
- non-current	-

The assets of the Group under financial lease agreements consist of machinery and equipment (subsidiary).
Term of lease – 5 years.

Book value of leased assets:

	30-06-2023	31-12-2022
Machinery and equipment	34	43
Cars	-	11
	34	54

23. Operating lease

The Group have concluded several contracts of operating lease of land and premises. The terms of lease do not include restrictions of the activities of the Group in connection with the dividends, additional borrowings or additional lease agreements. As at 30 June 2023, the lease expenses of the Group amounted to EUR 2 thousand (EUR 11 thousand as at 30 June 2022).

Planned operating lease expenses of the Group in 2023 will be EUR 14 thousand.

The most significant operating lease agreement of the Group is the non-current agreement of Snaigė AB signed with the Municipality of Alytus for the rent of the land. The payments of the lease are reviewed periodically; the lease end term is 2 July 2078.

Future lease payments according to the signed lease agreements are not defined as agreements might be cancelled upon the prior notice of 1 month.

24. Other current liabilities

	30-06-2023	31-12-2022
Salaries and related taxes	413	398
Vacation reserve	245	199
Dividends payable	-	-
Accrued interest	16	16
Other taxes payable	-	-
Provisions for warranty repairs	116	148
Other payables and accrued expenses	42	76
	832	837

Terms and conditions of other payables:

- Other payables are non-interest bearing and have the settlement term up to six months.
- Interest payable is normally settled monthly throughout the financial year.

25. Basic and diluted profit (loss) per share in EUR

	30-06-2023	30-06-2022
Shares issued 1 January	39,622	39,622
Net profit (loss) for the year, attributable to the shareholders of company, in EUR	(1,811)	(2,913)
Basic profit (loss) per share, in EUR	(0.05)	(0.07)

26. Risk and capital management

The Group and the Company have exposure to the following risks: credit risk, liquidity risk and market risk. This note presents information about the Group's and the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board has overall responsibility for the establishment and oversight of the Group and the Company's risk management framework. The Group's and Company's risk management policies are established to identify and analyse the risks faced by the Group and the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's and the Company's activities. The Group and the Company aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

As at 30 June 2023 and 31 December 2022, the maximum exposure to credit risk is represented by the carrying amount of each financial asset, consequently, the Group's and the Company's management considers that its maximum exposure is reflected by the amount of loans receivable from related parties, trade and other receivables, net of impairment allowance, and the amount of cash and cash equivalents recognised at the date of the statement of financial position. Credit risk or risk that a counterparty will not fulfil its obligations, is controlled by credit terms and monitoring procedures, using services of external credit insurance agencies.

As at 30 June 2023 and 31 December 2022, the credit risk was related to:

	30-06-2023	31-12-2022
Trade and other receivables	1,515	2,025
Cash and cash equivalents	236	179
	1,751	2,024

The concentration of the Group's trade partners and the largest credit risk related to trade receivables according to clients as at 30 June 2023 and 31 December 2022:

	2023	%	2022	%
Client 1	281	11	651	20
Client 2	140	5	345	11
Client 3	136	5	155	5
Client 4	112	4	135	4
Client 5	109	4	105	3
Client 6	103	4	73	2
Client 7	95	3	69	2
Other clients	1,709	64	1,663	53
Impairment	(1,170)		(1,171)	
	1,515	100	2,025	100

Trade receivables according to geographic regions:

	30-06-2023	31-12-2022
Central Europe	246	247
Ukraine	104	108
Lithuania	258	363
Western Europe	826	1,288
Other CIS countries	38	-
Other Baltic States	43	19
Russia	-	-
Other	-	-
	1,515	2,025

The analysis of delays in trade receivables less impairment losses as at 30 June 2023 and 31 December 2022 is as follows:

	Receivables from customers that are not past due and are not recognized for impairment	Overdue receivables from customers, that are not recognized for impairment					Total
		Less than 30 days	30 – 60 days	60 – 90 days	90 – 120 days	More than 120 days	
2023	1,294	95	26	1	2	97	1,515
2022	1,731	142	18	8	35	91	2,025

Central Europe comprises Poland, the Czech Republic, Bulgaria; Western Europe comprises France, Germany, Norway, Portugal; other CIS countries include Uzbekistan, Moldova, and Azerbaijan.

The Group's and the Company's management believes that the maximum risk equals to trade receivables, less recognised impairment losses at the reporting date. The Group and the Company do not provide guarantees for obligations of other parties.

The credit policy is implemented by the Group and the Company and credit risk is constantly controlled. Credit risk assessment is applied to all clients willing to get a payment deferral.

Trade receivables from the Group in the amount of EUR 1,082 thousand (EUR 1,645 thousand as at 31 December 2022) were insured with credit insurance by Atradius Sweden Kreditförsäkring Lithuanian branch. Trade receivables from Ukraine, Moldova, Russia and other CIS countries were not insured.

In accordance with the policy of receivables recognition as doubtful, the payments variations from agreement terms are monitored and preventive actions are taken in order to avoid overdue receivables in accordance with the standard of the Group entitled "Trade Credits Risk Management Procedure".

According to the policy of the Group, receivables are considered to be doubtful if they meet the following criteria:

- The client is late with settlement for 60 and more days, receivable amount is not covered by insurance and it does not come from subsidiaries;
- Factorised clients late with settlement for 30 and more days;
- Client is unable to fulfil the obligations assumed;
- Reluctant to communicate with the seller;
- Turnover of management is observed;
- Reorganisation process is observed;
- Information about tax penalties, judicial operation and restrictions of the use of assets is observed;
- Bankruptcy case;
- Inconsistency and variation in payments;
- Other criteria.

Interest rate risk

The Group's borrowings are subject to variable interest rates related to EURIBOR.

As at the period of six months of 2023 and in 2022, the Group did not use any financial instruments to hedge against interest rate risk.

Liquidity risk

The purpose of the Group's liquidity risk management policy is to maintain the ratio between continuous financing and flexibility in using overdrafts, bank loans, bonds, financial and operating lease agreements.

Foreign exchange risk

The Group significantly reduced income earned in USD.

Most of income is earned in euro by the Group.

Capital management

The Group manage share capital, share premium, legal reserves, reserves, foreign currency translation reserve and retained earnings as capital. The primary objective of the Group's capital management is to ensure that the Group complies with the externally imposed capital requirements and to maintain appropriate capital ratios in order to ensure its business and to maximise the shareholders' benefit.

The Group manages its capital structure and makes adjustments to it in the light of changes in the economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares, reduce capital.

The Company is obliged to keep its equity not lower than 50% of its share capital, as imposed by the Law on Companies of the Republic of Lithuania. As at 30 June 2023, this requirement had not been fulfilled (Note 17).

27. Commitments and contingencies

The tax authorities may at any time perform investigation of the Company's accounting registers and records for the period of five years preceding the accounting tax period, as well as calculate additional taxes and penalties. Management of the Company is not aware of any circumstances which would cause calculation of additional significant tax liabilities.

By order of 8 September 2022 in civil case No eB2-1226-555/2022 the Kaunas District Court initiated restructuring proceedings against Snaigė AB. The order of Kaunas District Court to initiate restructuring proceedings came into force and Snaigė AB obtained the status of company under restructuring on 20 September 2022. The Company under restructuring continue commercial activities. The corporate commercial activities managed by the Company's management bodies in accordance with their competence and in accordance with the restrictions laid down in the order of Kaunas District Court of 8 September 2022. However, in the course of the process, legal disputes may arise between the Company, its shareholders, creditors or other interested parties concerning the restructuring plan itself or its implementation, which may directly or indirectly affect the Company.

28. Related party transactions

According to IAS 24 Related Party Disclosures, the parties are considered related when one party can unilaterally or jointly control other party or have significant influence over the other party in making financial or operating decisions or operation matters, or when parties are jointly controlled and if the members of management, their relatives or close persons who can unilaterally or jointly control the Group or have influence on it. To determine whether the parties are related the assessment is based on the nature of relation rather than the form.

The related parties of the Group during 2023 and 2022 were as follows:

Vaidana UAB (former controlling party);

Hymana Holdings Ltd. (former controlling party);

Sekenora Holdings limited (the parent).

The Group has a policy to conduct related party transactions on commercial terms and conditions. Outstanding balances at the year-end are unsecured, interest-free, except the loan granted.

As at 30 June 2023 and 31 December 2022, the Group has formed an impairment allowance for doubtful debts, related to receivables for advance payments, for loans and related interest from related parties. Doubtful receivables are tested each year by inspecting the financial position of the related party and assessing the market in which the related party operates.

SNAIGĖ AB, company code 249664610, Pramonės str. 6, Alytus Lithuania
CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND CONSOLIDATED INTERIM REPORT
FOR SIX MONTHS PERIOD ENDED 30 JUNE 2023
(All amounts are in EUR thousand unless otherwise stated)

Financial and investment transactions with the related parties at 30 June 2023 and 31 December 2022:

	2023				2022			
	Loans received	Interest expenses	Loans granted	Interest income	Loans received	Interest expenses	Loans granted	Interest income
Controlling parties	-	-	-	-	-	-	-	-
The parent	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

The agreement, for the assignment claim right towards Hymana Holdings Ltd., arising from the Agreement for the Assignment (Cession) dated 24 November 2015 concluded between the Company and Hymana Holdings Ltd., was concluded with the Company's Board member K.A. Kovalchuk (Assignee). The Claim Right shall be assigned by instalments and when the Assignee makes a payment and funds are credited to the Company's bank account, respective part of the Claim Right in amount corresponding to the amount of funds received shall be considered to be assigned to the Assignee by the Company. The Assignee shall not in any case be considered as acquired the whole Claim Right if the amount paid by the Assignee and credited in the Company's bank account is lower than an amount of the Claim Right. The Company shall have a right to terminate the Agreement unilaterally at any time.

Trade transactions with the related parties:

<u>30-06-2023</u>	Purchases	Sales	Receivables	Payables
Companies, controlled by ultimate shareholders	-	-	494	-
Controlling parties	-	-	-	-
	-	-	494	-

<u>31-12-2022</u>	Purchases	Sales	Receivables	Payables
Companies, controlled by ultimate shareholders	72	22	494	-
Controlling parties	-	-	-	-
	72	22	494	-

The Company's transactions carried out with subsidiaries:

	Purchases		Sales	
	30-06-2023	31-12-2022	30-06-2023	31-12-2022
Subsidiaries	22	207	55	147

The Company has a policy to conduct transactions with subsidiaries on contractual terms. The Company's transactions with subsidiaries represent acquisitions and sales of raw materials and finished goods and acquisitions of marketing services, as well as acquisitions of property, plant and equipment. Outstanding balances at the year-end are unsecured, receivables are interest-free and settlement occurs at bank accounts. There were no pledged significant amounts of assets to ensure the repayment of receivables from subsidiaries.

The carrying amount of receivables from subsidiaries at 30 June 2023 and 31 December 2022:

	30-06-2023	31-12-2022
Non-current receivables		
Subsidiaries	-	-
Total non-current receivables	-	-
Current receivables		
Subsidiaries	125	63
Total current receivables	125	63

The analysis of receivables from subsidiaries and granted loans during the period of 30 June 2023 and 31 December 2022:

	Receivables from subsidiaries and granted loans neither past due nor impaired	Receivables from subsidiaries and granted loans past due but not impaired					Total
		Less than 30 days	30 – 60 days	60 – 90 days	90 – 120 days	More than 120 days	
2023	17	10	11	15	14	58	125
2022	30	15	18	-	-	-	63

Payables to subsidiaries as of 30 June 2023 and 31 December 2022 (included under the trade payables caption in the Company's statement of financial position):

	30-06-2023	31-12-2022
Subsidiaries	204	170

At the moment of report preparation, Company does not have any guarantee agreements for its subsidiaries.

Remuneration of the management and other payments

In the first half of 2023, the remuneration costs including taxes for the management of the Company and its subsidiaries (20 employees in total) amounted to EUR 402 thousand (EUR 473 thousand and 23 employees in 2022, respectively). The Management of the Company and of its subsidiaries did not receive any other loans, guarantees; no other payments or property transfers were made or accrued.

29. Impact of the military conflict in Ukraine

In response to the geopolitical situation, Snaigė AB has taken all necessary measures to preserve the continuity of the Company's operations, employees, clients and partners. At the time of issue of the Statements the Company continues to operate. Snaigė AB is able to fulfil the placed orders and fulfils them to the best of its ability, but there are additional potential risks to the Company's operations:

- At the time of preparing the Statements, no sanctions related to the military conflict have been imposed on the Company, its management or shareholders.
- At the time of preparing the Statements, exports of production to Ukraine are partially resumed. An impairment loss was recognised for receivables from Ukrainian customers. Raw material supplies from Ukraine have partially resumed, but the volumes in 2023, as in 2022, were insignificant (about 1% of total purchases) and the suspension of supplies from Ukraine does not have a direct impact on the Company's operations.
- Exports of products to Russia and Belarus are suspended, although there are no trade restrictions or sanctions on the products or the Company's customers at the time of preparing the Statements. The Company's revenue in 2022 from sales in Russia and Belarus amounted about 2% of the Company's total turnover. Receivables from Russian and Belarusian customers were insignificant. Raw material supplies from Belarus and Russia are not ongoing, but their volumes in 2022 were insignificant (less than 1% of total purchases). The suspension of supplies from Russia and Belarus does not directly affect the Company's operations.
- The indirect impact of the military conflict on the Company's and the Group's operations is very negative because:
 - Due to the resulting tensions, a significant slowdown in trade is observed in almost all of the Company's markets (up to 50% of normal volumes in different markets, according to expert estimates).
 - Uncertainties caused by the war in Ukraine have led to significant volatility in the prices of raw materials, transportation and energy resources. The opportunities to purchase them are decreasing, which has a negative impact on the Company's and the Group's operating results.
- There is a risk that the estimates used in the Company's and the Group's accounting, due to the market value of assets, the fair market value of financial instruments and going concern assumptions, may be inaccurate, as it is not yet possible to predict the exact consequences of military conflict for these sizes.

At present, it is quite difficult to reasonably estimate the impact on the financial results due to various uncertainties. However, Snaigė AB exports its products to more than 30 countries in Europe, Asia and Africa, therefore, the Company expects to compensate for poor sales in Ukraine and other markets.

30. The process of Company restructuring

In order to implement the restructuring according to the draft restructuring plan of the Company approved by the extraordinary general meeting of the Company's shareholders on 23 July 2022, Snaigė AB on 1 July 2022 applied to the Kaunas District Court with a request to initiate the Company's restructuring case.

Kaunas District Court by the order of 08/09/2022 in civil case No. eB2-1226-555/2022 has opened restructuring proceedings in respect of Snaigė AB (The Company).

UAB Įmonių Bankroto Administravimo ir Teisinių Paslaugų Biuras (UAB Office of Enterprise Bankruptcy Administration and Legal Services) was appointed as the Administrator (No N-JA0027), authorised person – Aurimas Valaitis.

The order to initiate of restructuring proceedings came into force and Snaigė AB obtained the status of company under restructuring on 20/09/2022.

Pursuant to the Article 28 of the Law on Insolvency of Legal Entities, from the date of entry into force of the decision to open restructuring proceedings, i.e., from 20/09/2022, and until entry into force of the court's order to approve the Restructuring Plan or to terminate the insolvency proceedings, Snaigė AB is prohibited the following:

1. To execute financial obligations of the company which have not been fulfilled before the date of entry into force of the of the court's order to open restructuring proceedings, including the payment of taxes, interest and penalties;
2. To recover debts from the company;
3. To set off claims other than homogeneous counter-claims which satisfy both of the following conditions: arose before the date of entry into force of the court's order to open restructuring proceedings and such set-off is possible in accordance with the provisions of the tax legislation on off-setting of tax overpayment (arrears);
4. To calculate penalties and interest on the Company's obligations arising before the date of entry into force of the court's order to open restructuring proceedings;
5. To fix forced mortgage, easements, usufruct;
6. To pledge the property, guarantee, ensure or otherwise guarantee the fulfilment of obligations of other persons;
7. To sell or otherwise transfer the assets of the company necessary to maintain its viability.

The company under restructuring pays all current contributions, i.e., all payments and contributions necessary to ensure the business activities of the Company, including the compulsory contributions, which are made during the restructuring proceedings, starting from the date of entry into force of the court's order to open restructuring proceedings.

The company's obligations to creditors, arising before the date of entry into force of the court's order to open restructuring proceedings, i.e., before 20/09/2022, will be executed with the terms and conditions set out in the restructuring plan.

The company under restructuring continue commercial activities. The corporate commercial activities managed by the company's management bodies in accordance with their competence, as set out in the Company's statutes and other documents governing the Company's activities, and in accordance with the restrictions laid down in the Law on Insolvency of Legal Entities and in the order of Kaunas District Court of 8 September 2022.

On 2 January 2023, Snaigė AB held an Extraordinary General Meeting of Shareholders, at which the shareholders approved the Company's restructuring plan.

On 20 January 2023, by the decision of the Kaunas District Court, the deadline for submitting the restructuring plan of Snaigė AB to the court was extended until 20 March 2023.

On 27 February 2023, the Extraordinary General Meeting of Shareholders approved the revised restructuring plan.

On 20 March 2023 a request for approval of the Company's restructuring plan was submitted to the Kaunas District Court.

On 4 April 2023 the Kaunas District Court has not approved the restructuring plan of Snaigė AB.

On 12 April 2023 a decision was taken to appeal against the decision of the Kaunas District Court not to approve the restructuring plan.

The Ordinary General Meeting of Shareholders of Snaigė AB was held on 28 April 2023 which approved changes to the Company's restructuring plan.

On 17 May 2023, the Company's creditors' meeting was held and approved the amended restructuring plan.

On 7 June 2023 the Court of Appeals of Lithuania annulled the Kaunas District Court's order of 4 April 2023 not to approve the restructuring plan of AB SNAIGĖ and returned it to the court of first instance for a new hearing in order to fully assess and analyse the submitted revised restructuring plan. The Court of First Instance has not yet set a hearing date for the issue of the report.

31. Subsequent events

11 July 2023 Snaigė AB has received a notification from the mortgage creditor UAB EDS INVEST 3. By this notification, the Company is informed that UAB EDS INVEST 3 had submitted a notification of concentration to the Competition Council of the Republic of Lithuania on 11 July 2023, requesting to authorise a concentration between UAB EDS INVEST 3 and the Company by acquiring 36,096,193 units ordinary registered dematerialised shares of the Company from the Company's current shareholder SEKENORA HOLDINGS LIMITED. The Company has no further information on this transaction.

On 1 August 2023, the Competition Council of the Republic of Lithuania decided to authorise the concentration of UAB EDS INVEST 3 by acquiring the shares of Snaigė AB.

IV. INTERIM REPORT

INFORMATION ABOUT THE ISSUER'S AUTHORIZED CAPITAL, THE ISSUED SECURITIES, SHAREHOLDERS AND MEMBERS OF THE MANAGEMENT BODIES

The issuer's authorized capital

The authorized capital registered in the enterprise register

Name of the securities	Amount of the securities	Nominal value, EUR	Total nominal value, EUR	Share of the authorized capital, in percentage
Ordinary registered shares ISIN LT0000109274	39,622,395	0.17	6,735,807.15	100

Changes in authorized capital:

Registration of changed authorized capital	The sizes of the authorized capital
01-01-2015	EUR 11,490,494.55
20-12-2016	EUR 11,886,718.50
24-09-2019	EUR 10,301,822.70
19-08-2020	EUR 6,735,807.15

Major shareholders

The total number of the shareholders on 30 June 2023 was 1205.

The major shareholders who own or control more than 5 percent of the issuer's authorized capital:

Names (company names, addresses, enterprise register codes) of the shareholders	Amount of the ordinary registered shares available, in pcs.		Share of the authorized capital and votes available, in percentage				
	Total	incl. the ones owned by the shareholder	Total		incl. the ordinary registered shares owned by the shareholder		Total incl. the share of the entities group operating jointly, in percentage
			Share of the votes	Share of the capital	share of the appointed votes	share of the capital	
Sekenora Holdings Limited, 32 Kritis str., Papachristoforou Building, Cyprus, HE371000	36,096,193	36,096,193	91.10	91.10	91.10	91.10	-

The secondary turnover of the issuer's securities

The securities issued by the Company have been listed in the Official Trading List of NASDAQ OMX Vilnius since 9 April 1998. Trade of the Company's ordinary registered shares in the securities stock exchange was started on 11 August 1995. The VP ISIN number is LT0000109274.

Based on 1 June 2009, Snaigė AB request the Company's shares from NASDAQ OMX Vilnius Baltic main list were moved to NASDAQ OMX Vilnius Baltic secondary list.

The name of the securities – the ordinary registered shares of Snaigė AB.

Amount of the securities: 39,622,395 units. The nominal value of a share: EUR 0.17.

Trade in securities

Accounting period		Price, EUR				Total turnover	
from	to	As of last session.	Max price	Min price	Overage price	pcs	EUR
01-01-2023	31-03-2023	0.136	0.149	0.120	0.132	59,152	7,825.02
01-04-2023	30-06-2023	0.132	0.138	0.110	0.123	46,339	5,719.75

Below you can find Company shares turnover and price (in EUR). The information is from NASDAQ OMX Vilnius internet page:

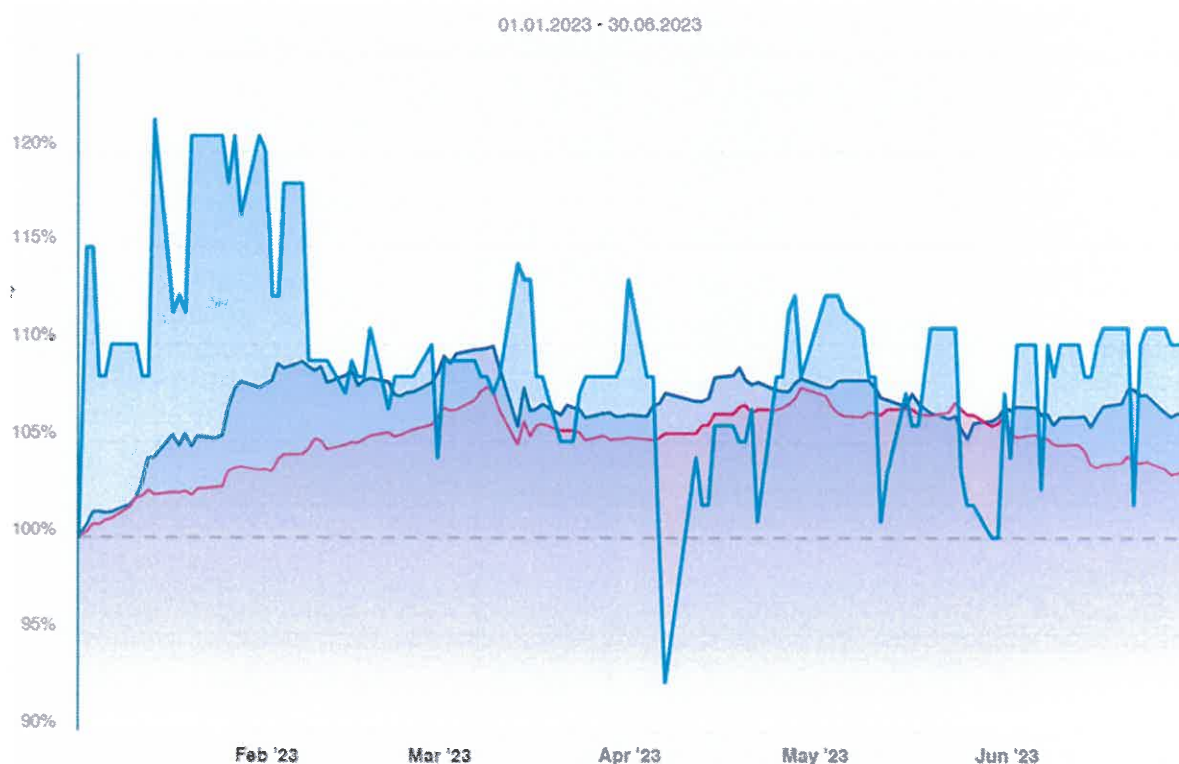


Capitalization of the Company's shares on 30 of June 2023:

Name	30-12-2022	30-06-2023	Change
SNG1L	EUR 4,754,687.4	EUR 5,230,156.14	+10%

Below the graphs are from OMX Baltic Benchmark GI, OMX Vilnius GI indexes and Snaigė AB shares prices graph for period from 1 January 2023 till 30 June 2023. The information is from AB NASDAQ Vilnius website:

Baltic market indexes



INDEX EQUITY	OPENING VALUE	CLOSING VALUE	CHANGE %
■ OMX_Baltic_Benchmark_GI	1,384.42	1,475.36	+6.57
■ OMX Vilnius_GI	947.14	980.31	+3.5
■ SNG1L - Snaigė	0.12	0.13	+10

Agreements with the stakeholders of public circulation of securities

On 20 May 2013 Snaigė AB entered into agreement with FM| Orion securities UAB (A. Tumėno str. 4, Vilnius) for management of accounts of the Company's issued securities and management of accounts of personal securities.

Management bodies of the company

The company's bodies are:

- General meeting of shareholders.
- The Board consists of five members elected for a term of four years.
- CEO of the company – Managing Director.

The convening and competence of the General Meeting of Shareholders does not differ from the procedure and competence of convening the General Meeting of Shareholders specified in the Law on Companies.

The Board of the Company is elected and revoked by the General Meeting of Shareholders in accordance with the procedure regulated by the Law on Companies. The Board of the Company has the right to make a decision to issue bonds and performs a supervisory function. The competence of the Board in other cases does not differ from the competence established in the Law on Companies. The procedure of the Board of the Company is established by the Rules of Procedure of the Board.

The competence of the CEO of the Company, the procedure of his appointment and removal does not differ from that specified in the Law on Companies.

Since 2009, the Company has an existing and operating collegial management body – the Audit Committee, elected by the shareholders. The Audit Committee shall operate in accordance with the rules of Procedure of the Audit Committee. On 28 April 2023, by decision of the General Meeting of Shareholders, Anna Korneeva was appointed as a member of the Audit Committee for a new 4-year term of office.

Members of the Management Bodies

Position, names and data with regard to the share of the issuer's authorized capital available

Name, surname	Position	Amount of shares available in units	Share of the capital available, in percentage	Share of votes, in percentage
BOARD				
Aleksey Kovalchuk	Chairman of the Board of Snaigė AB	-	-	-
Konstantin Kovalchuk	Member of the Board of Snaigė AB			
Anna Korneeva	Member of the Board of Snaigė AB	-	-	-
Mikhail Topolin	Member of the Board of Snaigė AB			
ADMINISTRATION (Administrative Manager, Chief Accountant)				
Mindaugas Sologubas	Managing Director of Snaigė AB	-	-	-
Vytautas Adomaitis	Chief of the Accounting and Finance Department of Snaigė AB	-	-	-

Information about start date and end date of the office term of each member or the management body

Name	Start date of the Office term	End date of the Office term
BOARD		
Aleksey Kovalchuk	14-12-2011	till 2027 GMS
Konstantin Kovalchuk	30-04-2018	till 2027 GMS
Anna Korneeva	15-05-2019	till 2027 GMS
Mikhail Topolin	28-04-2023	till 2027 GMS
ADMINISTRATION (Managing Director and Chief / accountant)		
Mindaugas Sologubas	21-09-2019	Term less agreement (Snaigė AB Financial director 23-09-2014 – 20-09-2019)
Vytautas Adomaitis	03-10-1983	Term less agreement

Information on the management bodies involvement of other companies, institutions and organizations

Name	Name of organisation, position	Share of the capital and votes available in other companies, in %
Aleksey Kovalchuk	Does not participate in other Lithuanian companies activities and interests	-
Konstantin Kovalchuk	Does not participate in other Lithuanian companies activities and interests	-
Anna Korneeva	Does not participate in other Lithuanian companies activities and interests	-
Mikhail Topolin	Does not participate in other Lithuanian companies activities and interests	-
Mindaugas Sologubas	Member of the board of Almecha UAB	-
	Managing director of Verslo Architektūra UAB	100%
Vytautas Adomaitis	Does not participate in other Lithuanian companies activities and interests	-

Information about benefits and loans granted to the members of the management bodies.

No loans or benefits were granted to the members of the management bodies during this period.

INFORMATION ABOUT THE ISSUER'S BUSINESS

Overview of the Company's activities during the reporting period

AB SNAIGĖ achieved excellent results in the first half of the year, clearly reflected in the doubling of its consolidated unaudited EBITDA from EUR -1.7 million for the same period last year to EUR -0.8 million this year. The significant and positive difference between this year's and last year's EBITDA demonstrates the Company's potential and viability. It is clear evidence that the Company is moving forward in the right direction.

Mindaugas Sologubas, Managing Director of Snaigė AB, says that not only the achieved results are pleasing, but also their positive dynamics. "The Company is slowly but surely climbing out of a deep deficit", says M. Sologubas. We are particularly pleased with the second quarter results: since the announcement of the restructuring in the first half of 2022, we finally have positive EBITDA. Although we only earned EUR 2 thousand, this is a huge breakthrough for the Company, as last year in the same quarter we had an EBITDA loss of EUR 1 million and were in a really unenviable situation. Even under the most adverse conditions, we did not give up and achieved a positive result thanks to the efficient work of the entire SNAIGĖ team, the support of our customers and suppliers.

Sales revenues of EUR 9.2 million in the first half of this year are around 20% lower than in the same period last year. According to M. Sologubas, this is a consequence of limited working capital. "We have more orders than we can produce due to limited working capital, so we are forced to postpone or even not accept some orders. It is not possible to attract additional financing and increase sales volumes in the absence of an approved restructuring plan," said M. Sologubas.

Although the Company's restructuring plan has not been approved due to the legal proceedings that have been dragging on for almost a year, AB SNAIGĖ is already implementing its objectives: it is increasing the production volumes of more profitable professional refrigeration equipment (from 61% in 2022 to 69% in 2023), expanding the range of these products, employing its own production facilities to fulfil the orders of other manufacturing companies, expanding the base of its existing customers, and expanding its reach into new markets. By implementing its strategy and strengthening its financial position, the Company is effectively tackling the challenges of the past and striving to achieve sustainable growth for the future.

AB SNAIGĖ is currently awaiting a second decision of the Kaunas Regional Court on its restructuring plan. The Company hopes that the court will approve the plan, thus allowing the Company to operate and pay its creditors.

The vast majority (over 80%) of the Company's non-mortgage creditors and Sodra support the plan. The Company is supported by the Economic Committee of the Seimas and the vast majority of its customers.

AB SNAIGĖ was forced to embark on a restructuring process in order to preserve the continuity of its operations, which were threatened by the outbreak of the war in Ukraine last year.

Information about Company's employees

The main information about the employees of Snaigė AB and its subsidiaries employees is presented in the table below:

Employees group	January – June of 2023		January – June of 2022	
	Average number of employees	Average monthly salary, EUR	Average number of employees	Average monthly salary, EUR*
Administrative employees (with executive officers)	85	1,881	110	1,823
Factory workers	284	1,013	386	918
In total	369	1,217	496	1,118

Information about the subsidiary companies of the issuer

On 30 June 2023, the Snaigė AB Group consisted of the following companies: the Group's parent company Snaigė AB, its subsidiaries Snaigė-Ukraine TOB and Almecha UAB. The main information about the Group's subsidiary companies presented in the table below:

	SNAIGE-UKRAINE TOB	ALMECHA UAB
Registration date, head-office address	Registration date: November 2002. Address: Grushevskogo str. 28-2a/43, Kyiv, Ukraine	Registration date: November 2006. Address: Pramonės str. 6, Alytus, Lithuania
Type of activities	Sales and marketing services	Production of other equipment and machinery
Share of the authorized capital available to Snaigė AB, %	99%	100%
The authorized capital, EUR	4,134	398,978
Share of the authorized capital unpaid by the issuer	Fully paid	Fully paid

Transactions with the related parties

The information about related party transactions is revealed in the 28th note of the consolidated financial statements.

SIGNIFICANT EVENTS IN THE ACTIVITIES OF THE ISSUER

02-01-2023

Resolutions of Snaigė AB the Extraordinary Meeting of Shareholders

The Extraordinary Meeting of shareholders of Snaigė AB (further - the Company) was held on 2 January 2023.

The following decisions on the agenda questions were adopted at the Extraordinary Meeting of the shareholders:

The agenda question: 1. Approval of the Company's restructuring plan.

The decision:

- 1. Approve the Company's restructuring plan.*

23-01-2023

The deadline for submitting AB SNAIGĖ's restructuring plan has been extended

In 2023 January, 20, The Kaunas District Court granted the request of AB Snaigė's insolvency administrator Aurimas Valaitis to extend the deadline for submitting the Company's restructuring plan to the court until 2023 March 20

According to the Company's general director, Mindaugas Sologubas, this decision was made because one of the Company's mortgage creditors started transferring claim rights to a new creditor. Since the new creditor needed more time to enter the restructuring process due to the ongoing formalities, it was decided to postpone the consideration of the draft restructuring plan.

The Company's other creditors approved the Company's restructuring plan by a majority of votes during the voting.

In M. Sologubas's opinion, the Company's restructuring plan meets the interests of the Company and its creditors. It gives optimism that the Company will be able to resolve temporary financial problems.

"The main strategic goal of the Company during the restructuring period is to optimize and reorganize the company's activities in such a way that the company can fulfil its obligations to creditors as soon as possible," said M. Sologubas.

During the restructuring plan, the Company will implement the planned measures that will help increase the production volume and sales of industrial and medical refrigerating devices with higher added value, as well as the production and sales of more profitable exclusive domestic refrigerating devices.

27-01-2023

The deadline for submitting AB SNAIGĖ's restructuring plan has been extended (additional information provided)

In 2023 January, 20, The Kaunas District Court granted the request of AB Snaigė's insolvency administrator Aurimas Valaitis to extend the deadline for submitting the Company's restructuring plan to the court until 2023 March 20

According to the Company's general director, Mindaugas Sologubas, this decision was made because one of the Company's mortgage creditors started transferring claim rights to a new creditor. Since the new creditor needed more time to enter the restructuring process due to the ongoing formalities, it was decided to postpone the consideration of the draft restructuring plan.

(Additional information: AB SNAIGĖ's creditor, AO UniCredit Bank, transferred ownership of claim rights to a new creditor, UAB Easy Debt Service)

The Company's other creditors approved the Company's restructuring plan by a majority of votes during the voting.

In M. Sologubas's opinion, the Company's restructuring plan meets the interests of the Company and its creditors. It gives optimism that the Company will be able to resolve temporary financial problems.

"The main strategic goal of the Company during the restructuring period is to optimize and reorganize the company's activities in such a way that the company can fulfil its obligations to creditors as soon as possible," said M. Sologubas.

During the restructuring plan, the Company will implement the planned measures that will help increase the production volume and sales of industrial and medical refrigerating devices with higher added value, as well as the production and sales of more profitable exclusive domestic refrigerating devices.

06-02-2023

Convocation of the Extraordinary General Meeting of Shareholders of Snaigė AB

On 27 February 2023 the Extraordinary General Meeting of Shareholders of Snaigė AB, the address of head office Pramonės str. 6, Alytus, the company code 249664610 (hereinafter, the "Company") is convened (hereinafter, the "Meeting").

The Company will present the restructuring plan to the shareholders, which changed insignificantly when one of the mortgage creditors of AB SNAIGĖ transferred the claim rights to a new creditor, and the latter wanted to adjust the restructuring plan.

According to the Company's restructuring plan, AB SNAIGĖ should resolve the temporary difficulties that arose due to the crisis of raw materials in , the increase in the price of energy resources and the war in Ukraine.

Before the change of the mortgage creditor, the Company's other creditors approved the Company's restructuring plan by a majority of votes during the first creditors' meeting.

According to Mindaugas Sologubas, the Company's general director, the shareholders' meeting should approve the new restructuring plan because the changes made are not essential.

Currently, AB SNAIGĖ continues its activities by manufacturing refrigeration appliances for domestic and professional purposes, paying employees and taxes to the state on time, and developing new projects.

The place of the meeting –at AB "Snaige" office, at the address Kareiviu str. 6, Vilnius, Lithuania.

The Meeting commences – at 10 a.m. (registration starts at 9.45 a.m.).

The Meeting's accounting day – 20 February 2023 (the persons who are shareholders of the Company at the end of accounting day of the General Meeting of Shareholders or authorized persons by them, or the persons with whom

shareholders concluded the agreements on the disposal of voting right, shall have the right to attend and vote at the General Meeting of Shareholders).

The meeting is initiating and convening by the decision of the Managing Director of the Company.

Agenda and draft decisions of the Meeting:

The agenda question 1. Regarding the approval of the restructuring plan of the Company.

Draft of the decision: To approve the restructuring plan of the Company.

The Company shall not provide the possibility to participate and vote in the Meeting through electronic communication channels.

Draft resolutions on agenda issues, documents be submitted to the General Meeting of Shareholders and other information related with the exercising of the shareholders' rights are available on the website of the Company www.snaige.lt on menu item "For investors". This information will be also available for the shareholders at the head office of the Company (Pramonės street 6, Alytus) on business days from 9:00 am. till 16:00 pm. (on Fridays till 14:00), tel. +370 315 56206.

Shareholders holding shares that grant at least 1/20 of all votes shall have the right of proposing to supplement the agenda of the Meeting by providing the Meeting draft resolution on each additionally proposed issue or in case no resolution is required - the explanation. The proposals to supplement the agenda shall be submitted in writing or by e-mail. The proposals shall be presented in writing to the Company on business days or by sending it by registered mail at the address Snaigė AB, Pramonės street 6, LT-62175 Alytus, Lithuania. The proposals submitted via the e-mail shall be sent by e-mail akcininkams@snaige.lt. The proposals to supplement the agenda with the additional issues shall be submitted till 12 February 2023, 4:00 p.m. In case the agenda of the Meeting is supplemented the Company will report on it no later than 10 days before the Meeting in the same ways as on convening of the Meeting.

Shareholders holding shares that grant at least 1/20 of all votes shall have the right of proposing new draft resolutions on the issues already included or to be included in the agenda of the Meeting. The proposals shall be submitted in writing or by e-mail. The proposals shall be presented in writing to the Company on business days till 24 February 2023, 2 p.m. or by sending it by registered mail at the address Snaigė AB, Pramonės street 6, LT-62175 Alytus, Lithuania. During the Meeting the proposals shall be submitted to the Chairman of the Meeting after he announces the Meeting agenda and no later than the Meeting starts working on the issues of agenda. The proposals submitted via the electronic mail shall be sent on akcininkams@snaige.lt. The proposals submitted on this e-mail till 24 February 2023, 2:00 p.m. will be discussed during the Meeting.

The shareholders shall have the right to present questions related to the General Meeting of Shareholders' agenda issues to the Company in advance in writing. The shareholders shall present the questions not later than 3 business days before the Meeting via the electronic mail on akcininkams@snaige.lt. The Company undertakes to respond to the submitted questions via the electronic mail till the Meeting day, except the questions related to the Company's commercial secret and confidential information.

During the registration to attend the Meeting the shareholders or the persons authorized by them shall submit a document which is a proof of his identity. The shareholders' authorized persons shall submit the power of attorney confirmed by the established order. The power of attorney issued by the natural person shall be notarized. A power of attorney issued in a foreign state must be translated into Lithuanian and legalized in the manner prescribed by law. Representative can be authorized by more than one shareholder and shall have a right to vote differently under the orders of each shareholder. The shareholder holding shares of the Company, where the shares have been acquired on his own behalf, but for the benefit of other persons, must disclose before voting at the General Meeting of Shareholders to the Company the identity of the final customer, the number of shares that are put to the vote and the content of the voting instructions submitted to him or any other explanation regarding the participation agreed upon with the customer and voting at the General Meeting of Shareholders.

Shareholder shall also have the right to authorize through electronic communication channels another person (natural or legal) to participate and vote in the Meeting on shareholder's behalf. Such authorization shall not be confirmed by the notary officer. The power of attorney issued through electronic communication channels must be confirmed by the shareholder with a safe electronic signature developed by safe signature equipment and approved by a qualified certificate effective in the Republic of Lithuania. The shareholder shall inform the Company on the power of attorney issued through electronic communication channels by e-mail akcininkams@snaige.lt no later than the last business day before the meeting at 2:00 p.m.

Each shareholder or representative thereof shall have the right to cast his/her vote in advance in writing by filling in a general ballot paper. The general ballot paper form is on the Company's website www.snaige.lt on menu item "For Investors". Upon the written shareholder's request, the Company no later than 10 days before the Meeting shall send a general ballot paper by registered mail or hand it in person against signature. The general ballot paper filled shall be signed by the shareholder or his/her representative. In case the ballot paper is signed by the shareholder's authorized

representative, such person along with the filled ballot paper shall submit the document to confirm the voting right. The ballot paper filled and the document confirming the voting right (if required) shall be submitted in a written form to the Company by registered mail at the address Snaigė AB, Pramonės street 6, LT-62175, Alytus, Lithuania, or by submitting it to the Company. Validated will be fully filled-in ballot papers, received until the meeting.

The following information and documents are available on the website of the Company www.snaige.lt on menu item "For Investors":

- The notification on the convening of the Meeting, draft resolutions on each agenda issue;
- The total number of the Company's shares and the number of shares with voting rights on the convening day of the Meeting;
- General ballot paper form.

27-02-2023

Resolutions of Snaige AB the Extraordinary Meeting of Shareholders

The Extraordinary Meeting of shareholders of Snaige AB (further - the Company) was held on 27 February 2023.

The following decisions on the agenda questions were adopted at the Extraordinary Meeting of the shareholders:

The agenda question: 1. Approval of the Company's restructuring plan.

The decision:

1. *Approve the Company's restructuring plan.*

28-02-2023

Consolidated Interim Report for Year 2022

According to unaudited consolidated data, in 2022 the company reached 21 million. EUR turnover, i.e. one and a half times less than in 2021.

According to Mindaugas Sologubas, general director of AB "Snaigė", the decreased turnover of the company is also a consequence of war and the cost raise of resources, transport and energy.

"In the first half of last year, the war not only closed Ukraine, one of our largest markets, but also significantly frightened many our customers in Central and Western Europe." – says M. Sologubas.- "The uncertainty of the situation has prompted many of them to postpone their orders, to put their development plans on hold. In almost all of our markets, sales slowed down or even stopped in the first half of the year. Increase of energy prices in the second half of the year also affected significantly to the drop in sales."

In order to ensure business continuity, the company prepared restructuring plan for the company's activities and began the restructuring process, which became effective in September. According to the Court, the prospects of the company's activities provided for in the draft restructuring plan lead to the conclusion that the company has real opportunities to restore solvency, which is why it was allowed to restructure.

According to Mindaugas Sologubas, general director of AB "Snaigė", currently the company is continuing to operate, producing refrigerators, developing its new category of industrial refrigeration products and has no intention of stopping. "We are trying to get out of this unfavourable for the company situation on our own," says M. Sologubas. "The biggest internal obstacle to our activity is the lack of working capital. We have many more orders than we can and actually produce. We cannot borrow yet, we pay for raw materials in advance, which also negatively affects the company's result".

The company suffered of 2.7 million. EUR unaudited consolidated EBITDA loss. Mr Sologubas points out that almost half of this loss was due to the re-calculation of reserves, provisions and accumulations. This recalculation had to be done by the company following IFRS, due to the restructuring process and the assessment of the consequences of the war in Ukraine. Therefore, according to M.Sologubas, the real results of the company's everyday activities are better.

In 2022, AB "Snaigė" exported 93% of its production.

Sekenora Holdings Limited, a Cypriot investment company, is the main shareholder of SNAIGĖ. The SNAIGĖ group of companies includes two subsidiaries TOB SNAIGĖ UKRAINA and UAB ALMECHA.

AB "Snaigė" is one of the largest employers of Alytus city and district, employing over 360 employees. The company supplies orders and works to many Lithuanian companies, annually pays the State of Lithuania about EUR 3 million. Eur in taxes.

20-03-2023

AB SNAIGĖ submitted a request for approval of the restructuring plan

AB SNAIGĖ insolvency administrator Aurimas Valaitis applied to Kaunas Regional Court to approve the company's restructuring plan. The basis of this application is the meeting of creditors of the company held on 16.03.2023 at which this issue was discussed. The decision to approve the restructuring plan in the group of non-mortgage creditors was taken by a majority vote (79%), and was not taken in the group of mortgage creditors.

According to Mindaugas Sologubas, general director of AB "SNAIGĖ", the company respects the opinion of all creditors, is grateful to those who approved the draft restructuring plan and hopes that Kaunas regional court will approve this plan.

In the opinion of Mindaugas Sologubas, the company's restructuring plan is in the interests of both the company and its creditors and gives optimism that the company will be able to resolve temporary financial problems. "The main strategic goal during the restructuring period is to optimize and restructure the company's activities so that the company can meet its obligations to creditors as soon as possible," said M. Sologubas.

Currently, the company has more orders than it can produce due to lack of working capital, develops new refrigeration appliances, pays with employees and the state on time. Since the start of the restructuring, the company has paid over EUR 0.5 million. Eur to Sodra and more than EUR 0.6 million. Eur in taxes to the state.

According to M. Sologubas, AB SNAIGĖ is not only a significant company in the region, employing almost 400 people, but also the only manufacturer of refrigerators in the Baltic States More than a hundred different Lithuanian companies supply AB SNAIGĖ with their products, therefore, in the opinion of M. Sologubas, approval of the restructuring plan will preserve jobs for employees and income for related companies.

During the restructuring plan, the company will implement the measures envisaged, which will help to increase the production and sales of professional and medical refrigeration appliances with a higher added value, as well as the production and sales of more profitable household refrigeration appliances. According to M. Sologubas, the company is already continuing its activities in the chosen direction. "Industrial products account for more than half of our turnover. Our goal is to have a fundamentally changed product portfolio in 2025, where professional refrigeration equipment will account for more than 70%. We're working on it at full capacity, we have a plan for how to do it, so I have reason to believe we'll succeed."

04-04-2023

The Kaunas Regional Court did not approve the restructuring plan of AB SNAIGĖ

On 4 April. the Kaunas Regional Court did not approve the restructuring plan of AB SNAIGĖ. Although it was approved by a majority of both the company's shareholders and the majority of the company's non-mortgage creditors, the mortgage creditor UAB Easy Debt Service voted against this plan.

In the opinion of Mindaugas Sologubas, managing director of AB SNAIGĖ, the restructuring plan is an opportunity for the company to solve temporary financial difficulties, optimize and restructure the company's activities so that the company can meet its obligations to all creditors as soon as possible. "The restructuring plan was in the interests of all creditors." - says M. Sologubas. "The failure to approve this plan means that in reality, non-mortgage creditors can hardly count on the recovery of their debt, the beneficiary will only be the mortgage creditor."

According to Mindaugas Sologubas, "AB SNAIGĖ is now a functioning, viable company that pays taxes to state and salaries to its employees on time, makes current payments to its creditors, and exports its products to almost 30 European countries. "If the restructuring plan will not be approved, the legendary Lithuanian company, which is counting for sixty years this year, will cease to exist," said M. Sologubas. "-350 employees would be left without work, whose total salary fund in 2022 amounted to EUR 5,615,385.09, and the total amount of contributions charged to SODRA'i in 2022 amounted to EUR 1,393,718.33. Not only the company's creditors, but also the company's suppliers (about 100 companies) and the company's customers would be affected.

AB SNAIGĖ, according to Mindaugas Sologubas the Director General, will consider the possibility of appealing against this court decision in accordance with the procedure provided for by legal acts.

07-04-2023

Convocation of the ordinary General Meeting of Shareholders of Snaigė AB

On 28 April 2023 the ordinary General Meeting of Shareholders of Snaigė AB, the address of head office Pramonės str. 6, Alytus, the company code 249664610 (hereinafter, the "Company") is convened (hereinafter, the "Meeting").

The place of the meeting –at AB "Snaigė" office, at the address Kareiviu str. 6, Vilnius, Lithuania.

The Meeting commences – at 10 a.m. (registration starts at 9.45 a.m.).

The Meeting's accounting day – 21 April 2023 (the persons who are shareholders of the Company at the end of accounting day of the General Meeting of Shareholders or authorized persons by them, or the persons with whom shareholders concluded the agreements on the disposal of voting right, shall have the right to attend and vote at the General Meeting of Shareholders).

The meeting is initiating and convening by the decision of the Managing Director of the Company.

Agenda of the Meeting:

The agenda question 1: Consolidated annual report of "Snaigė" AB on the company's activity for 2022 with information about the Company strategy and its implementation;

The agenda question 2: Auditor's report on the company's 2022 financial statements;

The agenda question 3: Approval of the set of financial statements of the company for 2022;

The agenda question 4: Approval of distribution of profit (loss) of Snaigė AB for 2022;

The agenda question 5: Election of the Board for a new term;

The agenda question 6: Election of the Audit Committee for the new term.

The Company shall not provide the possibility to participate and vote in the Meeting through electronic communication channels.

Draft resolutions on agenda issues, documents be submitted to the General Meeting of Shareholders and other information related with the exercising of the shareholders' rights are available on the website of the Company www.snaige.lt on menu item "For investors". This information will be also available for the shareholders at the head office of the Company (Pramonės street 6, Alytus) on business days from 9:00 am. till 16:00 pm. (on Fridays till 14:00), tel. +370 315 56206.

Shareholders holding shares that grant at least 1/20 of all votes shall have the right of proposing to supplement the agenda of the Meeting by providing the Meeting draft resolution on each additionally proposed issue or in case no resolution is required - the explanation. The proposals to supplement the agenda shall be submitted in writing or by e-mail. The proposals shall be presented in writing to the Company on business days or by sending it by registered mail at the address Snaigė AB, Pramonės street 6, LT-62175 Alytus, Lithuania. The proposals submitted via the e-mail shall be sent by e-mail akcininkams@snaige.lt. The proposals to supplement the agenda with the additional issues shall be submitted till 13 April 2023, 4:00 p.m. In case the agenda of the Meeting is supplemented the Company will report on it no later than 10 days before the Meeting in the same ways as on convening of the Meeting.

Shareholders holding shares that grant at least 1/20 of all votes shall have the right of proposing new draft resolutions on the issues already included or to be included in the agenda of the Meeting. The proposals shall be submitted in writing or by e-mail. The proposals shall be presented in writing to the Company on business days till 27 April 2023, 2 p.m. or by sending it by registered mail at the address Snaigė AB, Pramonės street 6, LT-62175 Alytus, Lithuania. During the Meeting the proposals shall be submitted to the Chairman of the Meeting after he announces the Meeting agenda and no later than the Meeting starts working on the issues of agenda. The proposals submitted via the electronic mail shall be sent on akcininkams@snaige.lt. The proposals submitted on this e-mail till 27 April 2023, 2:00 p.m. will be discussed during the Meeting.

The shareholders shall have the right to present questions related to the General Meeting of Shareholders' agenda issues to the Company in advance in writing. The shareholders shall present the questions not later than 3 business days before the Meeting via the electronic mail on akcininkams@snaige.lt. The Company undertakes to respond to the submitted questions via the electronic mail till the Meeting day, except the questions related to the Company's commercial secret and confidential information.

During the registration to attend the Meeting the shareholders or the persons authorized by them shall submit a document which is a proof of his identity. The shareholders' authorized persons shall submit the power of attorney confirmed by the established order. The power of attorney issued by the natural person shall be notarized. A power of attorney issued in a foreign state must be translated into Lithuanian and legalized in the manner prescribed by law. Representative can be authorized by more than one shareholder and shall have a right to vote differently under the orders of each shareholder. The shareholder holding shares of the Company, where the shares have been acquired on his own behalf, but for the benefit of other persons, must disclose before voting at the General Meeting of Shareholders to the Company the identity of the final customer, the number of shares that are put to the vote and the content of the voting instructions submitted to him or any other explanation regarding the participation agreed upon with the customer and voting at the General Meeting of Shareholders.

Shareholder shall also have the right to authorize through electronic communication channels another person (natural or legal) to participate and vote in the Meeting on shareholder's behalf. Such authorization shall not be confirmed by the notary officer. The power of attorney issued through electronic communication channels must be confirmed by the shareholder with a safe electronic signature developed by safe signature equipment and approved by a qualified certificate effective in the Republic of Lithuania. The shareholder shall inform the Company on the power of attorney

issued through electronic communication channels by e-mail akcininkams@snaige.lt no later than the last business day before the meeting at 2:00 p.m.

Each shareholder or representative thereof shall have the right to cast his/her vote in advance in writing by filling in a general ballot paper. The general ballot paper form is on the Company's website www.snaige.lt on menu item "For Investors". Upon the written shareholder's request, the Company no later than 10 days before the Meeting shall send a general ballot paper by registered mail or hand it in person against signature. The general ballot paper filled shall be signed by the shareholder or his/her representative. In case the ballot paper is signed by the shareholder's authorized representative, such person along with the filled ballot paper shall submit the document to confirm the voting right. The ballot paper filled and the document confirming the voting right (if required) shall be submitted in a written form to the Company by registered mail at the address Snaigė AB, Pramonės street 6, LT-62175, Alytus, Lithuania, or by submitting it to the Company. Validated will be dully filled-in ballot papers, received until the meeting.

The following information and documents are available on the website of the Company www.snaige.lt on menu item "For Investors":

- The notification on the convening of the Meeting, draft resolutions on each agenda issue;
- The total number of the Company's shares and the number of shares with voting rights on the convening day of the Meeting;
- General ballot paper form.

12-04-2023

AB SNAIGĖ decided to appeal against the decision of Kaunas Regional Court not to approve the restructuring plan

According to Mindaugas Sologubas, general director of AB SNAIGĖ, the company does not agree with the court's decision not to approve the restructuring plan, since such a decision does not protect the interests of either the company or the company's non-mortgage creditors. It can only be favorable to one side – the mortgage creditor UAB Easy debt service, who, without risking anything, regardless of whether the company continues to operate or is closed.

"I cannot accept the fact that a viable company that pays taxes and salaries and counts its years anniversary may be doomed to closure in the interests of the mortgage creditor. "- said M. Sologubas. – "-350 SNAIGĖ employees would remain without work. Those companies that supply SNAIGĖ with goods and services would also could be closed or will experience difficulties."

The state would also suffer losses: instead of the 2 million EUR received annually from SNAIGĖ as a tax, it will have to pay social benefits to people who will become unemployed.

In 2022, the total salary fund of SNAIGĖ amounted to EUR 5,615,385.09, and the total amount of contributions charged to SODRA in 2022 amounted to EUR 1,393,718.33. The company has paid €723,656.88 in personal income tax alone in the year from 1 March 2022 to 28 March 2023.

According to M. Sologubas, the restructuring plan is an opportunity for the company to resolve its temporary financial difficulties, to optimize and restructure the company's activities in such a way that the company can meet its obligations to all creditors as soon as possible. "- In its order, the court did not express doubts about the validity of the restructuring plan, therefore, UAB Easy debt service's assertions that the company's restructuring plan does not correspond to reality," - said M. Sologubas. –"In this way, the mortgage creditor selfishly forms the opinion that AB SNAIGĖ will not be able to implement the restructuring plan."

AB SNAIGĖ has every opportunity to operate and develop further. Even in difficult conditions, the company designed and introduced the market a new product: a double refrigerating unit-monobloc TWIN SGL017P2AAX1XSN - an efficient refrigerating unit for refrigerating storage facilities; 585 l capacity professional freezer CF70M; 350 l refrigerator-showcase CD35DM black color modification; 585 l capacity professional refrigerator with glass door CD70MF. Also, the AB SNAIGĖ supplemented its line of medical refrigerators with several important products: Company created a prototype of the MD40 refrigerator with metal doors, and prepared the MD35 refrigerator cabinet for further development. Not only the existing customers of the company were interested in these products, but also number of new ones.

AB SNAIGĖ is supported not only by the company's non-mortgage creditors, but also by customers. One of them is world-class manufacturer Whirlpool, who recently signed a factoring agreement with the company.

14-04-2023

Information for the Ordinary General Meeting of Shareholders of SNAIGE AB

Additional information for the Ordinary General Meeting of Shareholders of AB "Snaigė" (hereinafter referred to as the "Meeting") to be convened on 28 April 2023 at 10 a.m.

The agenda of the meeting is supplemented by item No. 7: Approval of an amendment to the Company's restructuring plan.

The Company's shareholders are invited to participate in the Ordinary General Meeting of Shareholders and to vote on the items on the agenda of the Meeting by submitting duly completed general voting ballot to the Company (at Pramonės g. 6, Alytus, Lithuania) in advance. The ballot paper must be accompanied by a document confirming the right to vote.

Attached:

1. The general voting ballot.

25-04-2023

AB SNAIGĖ shareholders will consider the adjusted restructuring plan

Additional information for the Ordinary General Meeting of Shareholders of AB "Snaigė" (hereinafter referred to as the "Meeting") to be convened on 28 April 2023 at 10 a.m.

The Company's shareholders are invited to participate in the Ordinary General Meeting of Shareholders and to vote on the items on the agenda of the Meeting by submitting duly completed general voting ballot to the Company (at Pramonės g. 6, Alytus, Lithuania) in advance. The ballot paper must be accompanied by a document confirming the right to vote.

The Company's shareholders will discuss the adjusted restructuring plan. AB SNAIGĖ made technical corrections taking into account some comments of the Kaunas District Court. They did not influence the essence of the restructuring plan, nor the goals pursued, nor the means to achieve them, nor the term of validity, etc.

In the adjusted restructuring plan, the company provided non-personalized lists of its creditors and debtors. In the first version of the plan, protecting the confidentiality of debtors and creditors, this was not done, but both creditors and debtors were disclosed to the court in a separate document. The company's mortgage creditors are also named in the plan. Also added (calculated) the financial requirements covered by the second stage (which was not disclosed in the previously submitted restructuring plan).

The company did not agree with other comments of the Kaunas District Court. AB SNAIGĖ appealed the court's decision not to approve its restructuring plan to the Lithuanian Court of Appeal. In the opinion of AB SNAIGĖS, such a decision of the district court represents the interests of only one - the main mortgage creditor and ignores other non-mortgage creditors, most of whom support the company's restructuring plan.

Failure to approve the restructuring plan leads to the closure of a functioning company that pays taxes and salaries to its employees on time. More than 350 SNAIGĖ employees may be out of work. Employees of those companies that serve SNAIGĖ will also lose their jobs. According to the mayor of Alytus, Nerijus Cesiulis, AB SNAIGĖ is one of the largest employers not only in Alytus but also in the entire region, its closure will threaten the Alytus region with a social catastrophe, as neither the city of Alytus nor the region will be able to offer so many jobs.

In the opinion of AB SNAIGĖ General Director Mindaugas Sologubas, the company's shareholders will undoubtedly approve the adjusted restructuring plan, as its essence, goals and measures remained unchanged. "Our plan is a real and reasonable opportunity not only to solve temporary financial difficulties, to settle with creditors, but also to continue to create and develop the segment of refrigeration equipment, to export, to create added value," said Mindaugas Sologubas.

Attached:

1. AB "Snaigė" restructuring plan (adjusted)

27-04-2023

Despite the difficult year of 2022, SNAIGĖ believes in the prospects of its activities

SNAIGĖ AB is providing the audited company's financial statements for 2022, the auditor's report, the annual report and the project of distribution of profit (loss) for the ordinary general shareholders meeting of the Company which will be held on 28 April 2023.

The Company's shareholders are invited to attend the Ordinary General Meeting of Shareholders and to vote on the items on the agenda of the Meeting (Kareivių g. 6, (5th floor) Vilnius, Lithuania).

In 2022, the Company reached 21 million. EUR audited consolidated turnover, i.e. 37 percent less than in 2021.

According to Mindaugas Sologubas, general director of AB "Snaigė", the falling turnover of the company is also a consequence of war and the cost raise of resources, transport and energy.

"In the first half of last year, the war not only deprived Ukraine, one of our largest markets, but also significantly frightened many our customers in central and western Europe." – says M. Sologubas.- "The uncertainty of the situation has prompted many of them to postpone their orders, to put their plans on hold. In almost all of our markets, sales

slowed down or even stopped in the first half of the year. Increase of energy prices in the second half of the year also contributed significantly to the drop in sales."

The Company, not wanting to risk the future of a viable and potential company, in order to ensure jobs and social guarantees for its employees, initiated a restructuring process, which became effective in September 2022. In its ruling, the Kaunas Regional Court did not express any doubts about the validity of the restructuring plan, but did not approve the plan, since, in its opinion, the plan does not sufficiently represent the interests of the mortgage creditor. AB SNAIGĖ, opposing such a court decision, appealed against it to a higher court.

According to Mindaugas Sologubas, general director of AB SNAIGĖ currently the company is continuing to operate, producing refrigerators, developing its new category of industrial refrigeration products and has no intention of stopping. "We are trying to get out of this unfavourable for the company situation on our own," says M. Sologubas. "The biggest internal obstacle to our activity is the lack of working capital. We have many more orders than we can produce. We cannot borrow yet, we pay for raw materials in advance, which also negatively affects the company's result. In this situation, we are supported by most of our creditors and especially by our customers: some pay for the goods earlier than agreed, others do not complain if we are late with the execution of the order, etc. These are WHIRLPOOL (Italia), SEVERIN, KBS, NORD CAP, GASTRO, BOMAN, BAYTRONIC (Germany), AIEA (Moldova), MARIO MIRANDA (Portugal) and many others, our long-term partners.

The company's audited consolidated loss before interest, taxes, depreciation and amortization (EBITDA) last year reached 2.7 million. Eur. According to M. Sologubas, almost half of this loss was caused by the recalculation of reserves, provisions and accumulations, which the company carried out due to the restructuring process and the assessment of the consequences of the war in Ukraine. Therefore, according to the manager, the results of direct economic activity are better.

"We dared to turn to the Parliament for help," said M. Sologubas. "The SNAIGĖ issue was discussed in the Economic Committee of the Parliament on Wednesday. I am glad that we were heard, the chairman of the committee, Kazys Starkevičius, will hold a separate meeting to examine our problem, seconded by the deputy chairman of the committee, Gintautas Paluckas, who assessed SNAIGĖ as a significant company not only in the region, but also in Lithuania."

AB "Snaigė" in 2022 exported 93 percent its products to 30 European and Asian countries. The company's largest markets were Germany, Poland, Austria, Switzerland, Italy, Ukraine.

AB SNAIGĖ is one of the largest employers in the city and district of Alytus, the factory employs over 340 employees, the company provides orders and work to many Lithuanian companies. The total wage fund of SNAIGĖ in 2022 amounted to 5.6 million. EUR, and the total amount of calculated contributions to SODRA in 2022 amounted to 1.4 million. Eur. The Company has paid EUR 723,657 in personal income tax alone during the year (from March 1, 2022 to March 28, 2023).

More detailed information is provided in the audited consolidated financial statements of AB SNAIGĖ for 2022 (see appendices).

Attached:

1. The general voting ballot;
2. 2022 set of financial statements, auditor's report, annual report, draft profit and loss account.

28-04-2023

Resolutions of Snaige AB General Ordinary Meeting of Shareholders

The General Ordinary Meeting of shareholders of Snaige AB was held on 28 April 2023.

At the meeting was made following resolutions:

1. THE AGENDA QUESTION: Consolidated annual report of "Snaigė" AB on the company's activity for 2022 with information about the Company strategy and its implementation.

In the meeting taken for information the consolidated annual report of "Snaigė" AB on the company's activity for 2022 with information about the Company strategy and its implementation.

2. THE AGENDA QUESTION: Auditor's conclusion on the company's financial statements for 2022.

In the meeting taken for information with the auditor's conclusion on the company's financial statements for 2022.

3. THE AGENDA QUESTION: Approval of the set of financial statements of the company for 2022.

THE DECISION: The set of financial statements of the company for 2022 has been approved.

4. THE AGENDA QUESTION: Approval of distribution of profit (loss) of Snaigė, AB for 2022.

THE DECISION: The distribution of profit (loss) of Snaigė, AB for 2022 has been approved:

Non-distributed profit (loss) at the end of the last financial year	(11,253,712) EUR
Net result - profit (loss) of financial year	5,212,518 Eur
Profit (loss) for the reporting financial year not recognized in the income statement	889,500 EUR
Distributable result- profit (loss) of financial year	(15,576,730) Eur
Transfers from reserves:	673,581 Eur
• For the acquisition of own shares	
• Transfers from mandatory reserve	673,581 EUR
Distributable profit	(14,903,149) Eur
Distribution of profit	0
• To reserve foreseen by law	
Non-distributed result - profit (loss) at the end of financial year	(14,903,149) EUR

5. THE AGENDA QUESTION: The election of the Board for new term.

THE DECISION: For the new Board term to the Board elected:

Aleksey Kovalchuk

Konstantin Kovalchuk

Anna Korneeva

Mikhail Topolin

To authorize the General Manager of the Company Mindaugas Sologubas (with the right to reauthorize) to perform all necessary actions, sign and submit documents relating with changed date presentation to register of Juridical persons.

6. THE AGENDA QUESTION: The election of the audit committee for new term.

THE DECISION: Anna Korneeva elected to audit committee for new 4 years cadence.

7. THE AGENDA QUESTION: Regarding change of the restructuring plan of the Company.

THE DECISION: To approve the changed restructuring plan of the Company.

17-05-2023

The creditors of AB SNAIGĖ voted by a majority of votes to support the company's restructuring plan

2023-05-15 a meeting of the company's creditors was held, where the revised restructuring plan of the company was considered. The decision to approve the restructuring plan in the group of non-mortgage creditors was taken by a majority vote (almost 80%), and was not taken in the group of mortgage creditors. SODRA also voted in favour of the restructuring plan.

According to Mindaugas Sologubas, general director of AB "SNAIGĖ", the company respects the opinion of all creditors, is grateful to those who approved the restructuring plan and hopes that the Court of Appeal of Lithuania will approve this plan.

According to M. Sologubas, the company's restructuring plan is in the interests of both the company and its creditors and is a real way to preserve a viable functioning company that pays salaries to employees on time and settles accounts with the State (since the beginning of the restructuring, the company has paid over EUR 0.5 million Eur to Sodra and more than EUR 0.6 million. Eur in taxes).

"The main strategic goal during the restructuring period is to optimize and restructure the company's activities so that the company can meet its obligations to creditors as soon as possible," said M. Sologubas. During the restructuring plan, the company will implement the measures envisaged, which will help to increase the production and sales of industrial and medical refrigeration appliances with a higher added value, as well as the production and sales of more profitable household refrigeration appliances. According to M. Sologubas, the company is already continuing its activities in the chosen direction. "Industrial products account for more than half of our turnover. Our goal is to have a fundamentally changed product portfolio in 2025, where professional refrigeration equipment will account for more than 70%. We're working on it at full capacity, we have a plan for how to do it, so I have reason to believe we'll succeed."

Currently, the company has orders more than it can produce due to lack of working capital. According to M. Sologubas, the company is the only manufacturer of refrigerators in the Baltic States and a significant company in the region, which employs almost 400 people. About 100 Lithuanian companies supply various services, materials and parts to AB

SNAIGE, therefore, in the opinion of M. Sologubas, approval of the restructuring plan will preserve jobs for employees and income for related companies.

26-05-2023

Information on the election of the Chairman of the Board of AB "Snaigė"

Aleksey Kovalchuk is re-elected Chairman of the Board of Snaigė AB.

26-05-2023

First quarter results

According to unaudited consolidated data, in the first quarter of this year AB SNAIGĖ reached over 4.6 million Eur turnover and suffered 0.8 million EUR unaudited consolidated EBITDA loss.

According to Mindaugas Sologubas, general director of AB "Snaigė", the first quarter of the year is always the worst, because the season of sale of refrigeration equipment begins in the hot season. And this year it was even worse due to the depletion of energy resources, inflation and increased interest rates on loans. These circumstances did not encourage consumers in all the company's markets to upgrade their household refrigeration appliances. There was also a huge shortage of sales to Ukraine, which in the first months of this year survived numerous bombardments of electrical stations and the cities themselves, and almost did not buy the company's refrigerators.

AB SNAIGEI was much better at selling commercial refrigeration equipment. In this segment, there were more orders than the company could produce due to the lack of working capital. Most of the commercial equipment was exported to Germany, Italy and Poland.

The rise in energy and the increase in average wages also increased the company's own costs. The purchase of raw materials and parts in advance also worsened the company's result. In the opinion of M. Sologubas, if the company had sufficient working capital, its sales and profitability would increase significantly.

Despite the circumstances, AB SNAIGĖ does not intend to stop and abandon its plans. The company continues to develop its new line of industrial refrigeration products, making its way to new markets and new business segments. According to M. Sologubas, the second quarter must be better: more and more orders are placed by Ukrainian customers, we hope for a successful outcome of negotiations with potential customers of medical refrigeration equipment and monoblock refrigeration units.

AB SNAIGĖ is currently awaiting the decision of the Court of Appeal of Lithuania on its restructuring plan. The company expects the court to approve the plan, thus enabling the company to operate and settle with its creditors.

The vast majority (over 80 per cent) of all non-mortgage creditors of the company and SODRA support this plan. The company is supported by the Economic Committee of the Lithunainan Parliament and a large number of the company's customers. AB SNAIGĖ was forced to start the process of reconstruction in order to preserve the continuity of activities, which was threatened by the outbreak of the war in Ukraine last year.

Attached:

1. AB Snaige consolidated interim financial statements for three months period ended 31 March 2023 (unaudited).

07-06-2023

The Court of Appeal of Lithuania annulled the decision of the first instance not to approve the restructuring plan of AB SNAIGĖ

The Court of Appeal of Lithuania annulled the 2023 decision of the Kaunas District Court April 4 the decision not to approve AB SNAIGĖ's restructuring plan and returned it to the court of first instance for re-examination, in order to fully assess and analyze the revised restructuring plan submitted.

General director of AB SNAIGĖ, Mindaugas Sologubas, positively assesses the decision of the Lithuanian Court of Appeal and hopes that the Kaunas District Court will evaluate the revisions to the restructuring plan, which the company made taking into account the comments of the Kaunas District Court, as well as the company's potential, its importance and the created value not only for the region but also and the state, and will approve the revised restructuring plan.

According to Mindaugas Sologubs, the restructuring plan is an opportunity for AB SNAIGĖ to solve the temporary financial difficulties the company faced after the war in Ukraine started last year. "The main strategic goal of the company during the restructuring period is to optimize and reorganize the company's operations in such a way that the company fulfills its obligations to creditors and becomes profitable again," - said M. Sologubas.

According to M. Sologubas, AB SNAIGĖ is already operating according to the restructuring plan: optimizing production processes, looking for new markets and new customers, developing a more profitable range of professional refrigeration equipment, providing others with production services, etc. "AB SNAIGĖ is a functioning, viable, company that pays taxes

to the state and Sodra on time, salaries to its employees, makes current payments to its creditors, and exports its products to almost 30 European countries," said M. Sologubas.

In the opinion of the head of AB SNAIGĖ, the company's restructuring plan meets the interests of both the company and its creditors and is a realistic way to preserve a viable operating company that pays salaries to employees on time and settles with the state.

11-07-2023

Company information on a material event

11 July 2023 AB "Snaigė" (hereinafter referred to as the "Company") has received a notification from the mortgage creditor UAB EDS INVEST 3. By this notification, the Company is informed that UAB EDS INVEST 3 has submitted a notification of concentration to the Competition Council of the Republic of Lithuania on 11 July 2023, requesting to authorise a concentration between UAB EDS INVEST 3 and the Company by acquiring 36,096,193 ordinary registered dematerialised shares of the Company from the Company's current shareholder SEKENORA HOLDINGS LIMITED (legal No. HE371000, Address Arch. Makrios III Avenue 232, APOLLO COURT, Flat/Office 504, Limassol, Cyprus). The Company has no further information on this transaction.

02-08-2023

Company information on a material event

Competition Council of the Republic of Lithuania in 2023 August 1 decided to allow the concentration of UAB EDS INVEST 3 by acquiring the shares of the joint-stock company "Snaigė".