

17.06.2019.

VALMIERAS STIKLA ŠKIEDRA, AS

UPDATE ON LATEST DEVELOPMENTS

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AGENDA

Stefan Jugel, Chairman of the Board

- Today's LPP announcement
- Annual report update, ESG / CG reports
- Financial guidance
- Strengthening the balance sheet and the planned FPO
- Q&A



**STEFAN JUGEL,
CHAIRMAN OF THE
BOARD
VALMIERAS STIKLA
ŠĶIEDRA, AS**



LPP ANNOUNCEMENT FILING AND AIM

- VALMIERAS STIKLA ŠĶIEDRA AS has on 17 June 2019 filed an application with Vidzeme District Court in Valmiera for commencement of legal protection proceedings ('LPP') in order to ensure sustainable continuation of group level operations
 - The business operations and production processes of VALMIERAS STIKLA ŠĶIEDRA AS continue in full swing
 - LPP is not an insolvency process
- The aim of the LPP process is to allow the company with creditor consent to restructure its liabilities by allowing continuous operation of its key production lines and gain time to reach agreement with its creditors on the procedure of satisfying claims of all creditors.

ANNUAL REPORT UPDATE PUBLISHING ESG, CG REPORTS

- Prior to today's LPP announcement, auditors requested further additional information on the US operations to that which was sought earlier, preventing a timely sign-off (with audit opinion).
 - Currently anticipated to be distributed by September 16, 2019
- Timely versions have been available for the ESG and Corporate Governance Reports.
 - In the interests of transparency and good relations with our various stakeholders we are making these available already now, rather than awaiting the publication of the annual report.

FINANCIAL GUIDANCE WITHDRAWN FOR NOW

- We provided financial guidance for 2019 and 2020 results
 - This was predicated on a successful turnaround in the US operations.
 - Latest operational and financial data suggests this will take longer
- Updated guidance for 2019 and 2020 will now be delayed
 - At a minimum this needs to await a sign-off of the LPP agreement with creditors
 - Annual report is essential finalise the actual balance sheet as of end 2018
- Latvian and UK operational update
 - Both divisions are performing in line with expectations
 - Healthy cash generation has been shadowed by problematic US operations

FPO UPDATE

OTHER PRIORITIES RIGHT NOW

- Balance sheet strength even more a priority now
 - The FPO (Follow-on Public Offering) was planned for the second half of 2019. Timing for this will be somewhat dependent on LPP developments and agreements with creditors for a sustainable and realistic plan.
 - Having plans in place for creating a strong balance sheet run hand in hand with creating a sustainable long-term business.
- Next steps relating to the FPO
 - The AGM on Friday, June 28, 2019 contains an agenda item relating to this
 - Ultimately this is a decision for the shareholders to take

THANK YOU!

Q&A