

OFFICIAL POSITION STATEMENT

Re: Criminal Proceedings No. 03-2-00365-23

Updated Following Receipt of the Indictment

This official position statement is issued in response to the indictment submitted by the Kaunas District Prosecutor's Office in criminal case No. 03-2-00365-23 concerning Jurby WaterTech and Mr. Victor Redko.

The statement reflects Mr. Victor Redko's position regarding the allegations contained in the indictment. As the criminal proceedings are ongoing, all final legal conclusions remain within the exclusive competence of the court.

1. Key Principle

The indictment does not demonstrate the existence of criminal intent, a criminal agreement, or intentional participation in prohibited economic activity.

The accusations are based primarily on assumptions, indirect interpretations, and selective fragments of information rather than on factual evidence proving:

- unlawful commercial activity,
- intentional evasion of sanctions,
- participation in prohibited export transactions, or
- deliberate wrongdoing.

The materials cited by the prosecution do not contain direct instructions, agreements, or decisions that would constitute a criminal offence. The assessment of all evidence will ultimately be carried out by the court.

2. On Intercepted Communications

The indictment relies extensively on fragments of everyday business conversations obtained through wide-ranging telephone monitoring of:

- company numbers of Jurby WaterTech,
- personal mobile numbers of employees,
- communications involving third parties.

These materials form part of the pre-trial investigation record.

Mr. Victor Redko's position is as follows:

- The intercepted conversations do not demonstrate unlawful actions.
- They do not contain instructions, agreements, or coordination aimed at violating sanctions.
- The cited statements represent general discussions, opinions, or routine business communication, not criminal conduct.

Certain phrases quoted in the indictment, when read in context, indicate an awareness of compliance requirements rather than intent to breach them. The mere existence of such conversations does not establish criminal liability.

3. On Contracts Concluded Prior to 24 February 2022

The indictment refers to documentation relating to contracts concluded with private-sector industrial clients prior to the outbreak of the armed conflict in Ukraine.

Mr. Redko's position:

- These contracts were lawful at the time of their conclusion.
- No prohibitions existed under Lithuanian or EU law at that time.
- EU restrictive measures do not generally have retroactive effect unless explicitly stated.
- The indictment does not establish that the execution of any pre-existing contract constituted a violation of EU sanctions regulations.

The existence of pre-war contractual obligations is a relevant factual background that must be evaluated within the applicable legal framework.

4. On the Nature of Exported Goods

The equipment at issue consists of **water treatment / water purification systems**, classified under:

Combined Nomenclature (CN / KN) code 8421 21 00 *"Filtering or purifying machinery and apparatus for liquids – for water"*.

Key characteristics:

- The equipment is designed for water treatment purposes.
- It is used in municipal, industrial, energy, and environmental applications.
- It is **not equipment for oil refining or petrochemical processing**.
- It is **not classified as dual-use goods** under Regulation (EU) 2021/821.

This CN code is **not listed** in the annexes to Regulation (EU) No 833/2014 that prohibit export to Russia or Belarus. As such, the equipment itself is not subject to a general export ban under EU sanctions.

5. Exports via Third Countries

EU sanctions legislation does not impose a general prohibition on the export of non-sanctioned goods to third countries.

In this context:

- Export of water treatment equipment to third countries is not prohibited per se.
- Liability may arise only where it is proven that sanctioned goods were exported or that there was intentional circumvention of sanctions.
- The indictment does not demonstrate that the goods were classified as prohibited or that there was intent to circumvent EU restrictive measures.

All goods were formally declared under the applicable customs code.

6. On Ownership Structure and Corporate History

The indictment describes an international ownership structure involving entities in Curaçao, the Netherlands, and Lithuania.

Mr. Redko's position:

- This structure has existed openly for more than two decades.
 - It has been registered, audited, and known to the relevant authorities.
 - The indictment does not demonstrate that this structure was used to conceal transactions or evade sanctions.
 - The mere existence of an international corporate structure does not constitute evidence of criminal activity.
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7. On Allegations Concerning Shipments and Inspections

The indictment refers to container inspections and customs procedures.

According to the materials cited:

- Goods were formally declared.
- Customs inspections were conducted.
- In the referenced cases, no violations were established at the time of inspection.

These facts form part of the evidentiary record and must be assessed in their entirety.

8. Proportionality of Measures

During the investigation, extensive measures were applied, including asset freezes and broad surveillance.

While these measures have since been lifted, their proportionality remains a matter for legal assessment in light of the absence of established criminal intent or proven violations at this stage.

9. Summary of Position

The indictment does not conclusively demonstrate:

- a criminal agreement,
- intentional violation of EU sanctions,
- export of prohibited goods,
- deliberate unlawful economic activity.

Instead, it relies on:

- selective excerpts of communications,
- lawful pre-2022 contractual relations,
- interpretations unsupported by technical or customs classifications,
- assumptions regarding intent rather than demonstrable facts.

Conclusion

Mr. Victor Redko maintains that he did not commit any criminal offence.

- The activities of Jurby WaterTech were conducted within the applicable legal framework.
- The equipment involved does not fall under EU export prohibitions.
- The contracts referenced were concluded prior to the introduction of relevant sanctions.
- The materials cited in the indictment do not establish intent or unlawful conduct.

Final legal assessment of the case rests exclusively with the court.