



Unaudited financial results of KN group for 12 months of 2023

February 29th, 2024

Topics



Highlights



Business overview



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Presenters



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Vision

KN envisions a world where sustainable liquid energy as well as chemicals and feedstock solutions empower industries and communities, creating a cleaner, safer, and more prosperous future for all.

We strive to be at the forefront of this transformation, continuously innovating and expanding our portfolio of services to support the global energy transition and achieve climate neutrality by 2050.

Mission

Enabling safe and reliable liquid energy as well as chemicals and feedstock flows for customers in the Baltic Sea region by

- Offering storage and transshipment solutions for a variety of liquid energy products, chemicals, and feedstocks for consumption in the region and export into the global market
- Enabling the decarbonization of the region by focusing on sustainable solutions and energy carriers
- Providing national energy security to the Lithuanian state for both liquid energy and electricity

Supporting customers globally with knowledge and capabilities in the development and operations of LNG or other sustainable energy infrastructure projects

Highlights

KEY PERFORMANCE INDICATORS

83.5 MEUR

Group revenue 7.3% higher than for the respective period in 2022 (77.8 MEUR).

35.6 MEUR

Group EBITDA 2% higher than for the respective period in 2022 (35 MEUR).

13.2 MEUR

Group net profit reached 13.2 MEUR, when in 2022 was 5.9 MEUR loss.

34 TWh

LNG regasification and reloading (32.4 TWh in 2022).

4 M tonnes

Transshipment of liquid energy products (4.3 M t in 2022).

LIQUID ENERGY TERMINALS

Record handling

A record-breaking 90,000 tonnes of petrol were loaded onto the tanker SKS DARENT, marking the largest petrol batch handled to date in the Klaipėda liquid energy terminal.

ISO containers

KN resumes the supply of diesel to Ukraine in ISO containers. At the company's liquid energy products terminal in Klaipėda, 30,000 tonnes of diesel was loaded into ISO containers and transported by rail to Ukraine via Poland

GLOBAL LNG & NEW ENERGIES

KN - commercial manager

KN secured the public tender for the commercial services of four German LNG terminals on the North Sea coast. The company has signed contract with Deutsche Energy Terminal GmbH (DET), the German state-owned company that operates state-controlled LNG terminals

CCS

The European Commission has included CCS Baltic Consortium to the final list of Project of Common Interest (PCI) to the planned liquefied carbon dioxide (CO2) capture and transportation project in Lithuania and Latvia, planned by KN and its partners.

OTHER NEWS

KN changed legal name

AB Klaipėdos nafta is turning a new page in history by continuing its operations under the new legal name AB KN Energies. This name change reflects the company's strategic changes and new long-term strategy to follow the path of sustainable energy by switching from fossil fuels to new types of energy.

Legal entity name of Company's subsidiary UAB SGD logistika is changed to UAB KN Global Terminals.

01 Business Overview



Liquid Energy Terminals

Firm demand for Liquid energy terminal transshipment and storage services in 12 months of 2023 led to 0.4% higher revenue in comparison to the same period in 2022. The income from the Company's main activities - transshipment and storage - increased by 2.7% compared to the previous period



TRANSSHIPMENT ACTIVITY

- Stable global consumption, tense supply of liquid fuels in Europe (due to unplanned refineries outages, industrial actions in the region) contributed to stable demand for the liquid energy products transshipped via KN terminal - its volumes in Klaipėda terminal remained nearly the same as in 2022 - about 4 M t.
- 2023 results were primarily driven by increased transshipment and storage volumes of biofuels and light oil products, which continued to increase its share vs dark oil products in Company's total transshipment turnover in 2023.
- In 2023 KN further expanded its footprint in logistics chain of fuel supply to existing and new customers in southwest directions – revenue from this activity segment nearly doubled.

SERVICING REGION FUEL CONSUMERS NEEDS

Slightly increased y-o-y consumption of gasoline and road transport diesel in Lithuania in 2023 contributed to ~ 7% higher transshipment flows in Klaipėda liquid energy terminal tanker truck station with growing share of gasoline in it.

BITUMEN TRANSSHIPMENT GROWS

Transshipment of bitumen in KLET continued its upward trend during 2023 - about 82.5 kt of bitumen or 18% more compared to 2022 was loaded at the terminal last year. Sanctions applied on imports of Russian product from 2023-02 also contributed to the increased demand of bitumen cargoes transshipped via Klaipėda liquid energy terminal.

Regulated LNG

In 12 months of 2023 Klaipėda's LNG terminal regasification and reloading quantities were 34 TWh – 4.7% higher compared to the same period last year.



STABLE REGASIFICATION AND RELOADING QUANTITIES

67 LNG carriers have arrived at the LNG terminal during 2023 (both loading and reloading) and 34 TWh of LNG have been regasified and reloaded, which is 4.7% higher than in 2022 (32.4 TWh).

AVERAGE EUROPE'S LNG TERMINALS UTILIZATION 59%, WHILE KLAIPĖDA LNG TERMINAL – AVG. 71.4%

- The average utilization of Europe's LNG terminals in 2023 was 59% (vs 62% a year ago). The average utilization of Klaipėda LNGT in 2023 was 71.4%.
- The average Dutch TTF Natural Gas Index was equal to 48.52 EUR/MWh in 2023 vs 131.80 EUR/MWh in 2022.

KLAIPĖDA LNG TERMINAL FULLY BOOKED ON A LONG-TERM BASIS FOR 2025-2032

Klaipėda LNG terminal capacities have been allocated to 6 different market participants from Lithuania, Latvia, Estonia, Poland and Norway until 2032.

85% OF THE NATURAL GAS TRANSPORTED INTO LITHUANIA DURING 2023 WERE IMPORTED THROUGH KLAIPĖDA LNGT

In 2023, Lithuania's natural gas consumption was about 14.9 TWh (4% less than in 2022).

85% (31.9 TWh) of all imported natural gas transported into Lithuania's gas transmission system in 2023 were imported through Klaipėda LNGT (excluding gas transit to Kaliningrad).

Commercial LNG

27.4% increase in commercial LNG revenue during 12 months of 2023 compared to the same period last year. With execution of contract with Deutsche Energy Terminal GmbH" (DET), KN has been providing services or consultations to 47% of implemented European Union floating LNG terminals.



Acu LNG terminal (Courtesy of GNA)

KN OPERATIONS IN BRAZIL AND GERMANY

In January 2024 KN increase involvement into German projects through securing the public tender for the commercial services of four German LNG terminals. **The company has signed contract with Deutsche Energy Terminal GmbH (DET)**, the German state-owned company that is responsible for operation of state-controlled LNG terminals. KN services will continue its services to Wilhelmshaven and Brunsbüttel LNG terminals and will incorporate two new facilities to become operational in 2024 – Stade and Wilhelmshaven-2 floating LNG terminals.

KN provides Acu LNG terminal operation and maintenance services in Brazil.

KN HAS COMPLETED COMMISSIONING AND START-UP SUPPORT FOR PIOMBINO LNG TERMINAL PROJECT IN ITALY

The facility has been successfully transferred into the operational phase and now can provide around 7% of Italy's natural gas demand. KN continues on-demand support for SNAM FSRU Italia in operational, marine and safety aspects.

LNG TRUCK LOADING IN KLAIPĖDA IS PICKING UP

During 2023 **record number of 1 036 LNG semitrailers were loaded at the ssLNG terminal in Klaipėda**. Increase by 57% in comparison to 2022.

New Energies

CCS Baltic Consortium, CO2 value chain project in Baltic region, was included in the final 6th PCI list by the European Commission. Project developed by KN and partners.



Courtesy of CCS Baltic Consortium

CCS (CARBON CAPTURE AND STORAGE)

- In November 2022 KN, Mitsui O.S.K. Lines Ltd, Larvik Shipping AS, Akmenės cementas, AB and SCHWENK Latvija SIA signed consortium agreement on establishment of CCS Baltic Consortium that is primarily aimed at significantly decreasing CO2 emissions originating from two EU Member States – Lithuania and Latvia, through CCS technology.
- In November 2023, the European Commission has included CCS Baltic Consortium in the final 6th list of Project of Common Interest. This means that the project is recognized as a cross-border project of great importance, which will significantly contribute to the implementation of the energy policy and climate goals of the European Union.
- It is expected that the project will attract large-scale EU investments to Lithuania and Latvia. It is estimated that the total value chain capital investments 1.1-1.2 billion euros. The final investment decision is planned to be taken Q1 2027, and the CO2 capture and export operations will start in 2030

Environmental, social, and corporate governance (ESG)

Strategic commitment achieve complete climate neutrality for KN's operation by 2050.

Two goals have been set towards KNs environmental progressions by 2030:

1. To reduce emissions into the atmosphere and enhance air quality.
2. To ensure sustainable consumption and production patterns.

STRATEGY 2050



Commitment to Climate Neutrality by 2050

SAFETY



TRCF 0.6 vs Goal of 0.8

CO2 EMISSIONS



Scope 1: 8% Decrease*

SUPPLIERS



Prepared and approved Code of Ethics for Suppliers

EQUAL OPPURTUNITIES



Pay gap decrease (same Hay level) 14% vs Goal of 10%
Women in managerial positions 26%

GOOD GOVERNANCE



Good Governance Index A increase from A-
Corruption intolerance rate 96% 3% increase

* Direct Scope 1 emissions continued to decrease due to applied energy efficiency measures, however one-time increase in Scope 2 was recorded due to the change of electricity supplier.

02 Financial Results



Consolidated financial results (unaudited), MEUR

REVENUE



EBITDA



NET PROFIT (LOSS)



ADJUSTED NET PROFIT (LOSS)



SEGMENTS EXPLANATION

● LIQUID ENERGY TERMINALS

- Klaipėda Liquid Energy Terminal
- Subačius Liquid Energy Terminal

● REGULATED LNG ACTIVITIES (LNGT)

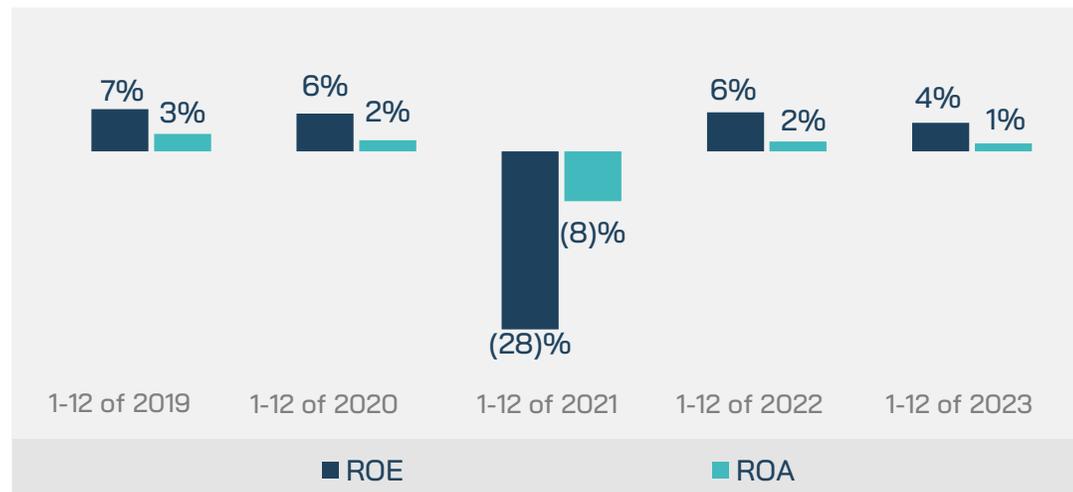
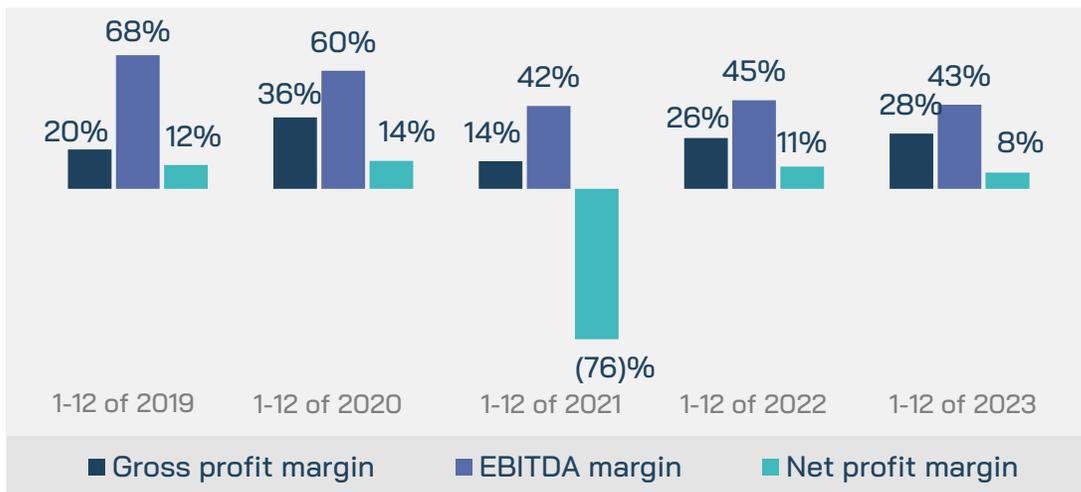
- Klaipėda LNG Terminal

● COMMERCIAL LNG ACTIVITIES (comLNG)

- Small-scale LNG reloading station in Klaipėda
- Operation of LNG terminals in Brazil and Germany
- Business development projects and consultations.

Profitability and Market Value Ratios

* Net profit margin, ROE, ROA, EPS and P/E ratios are calculated based on adjusted profit (loss) and adjusted equity figures.



Leverage Metrics

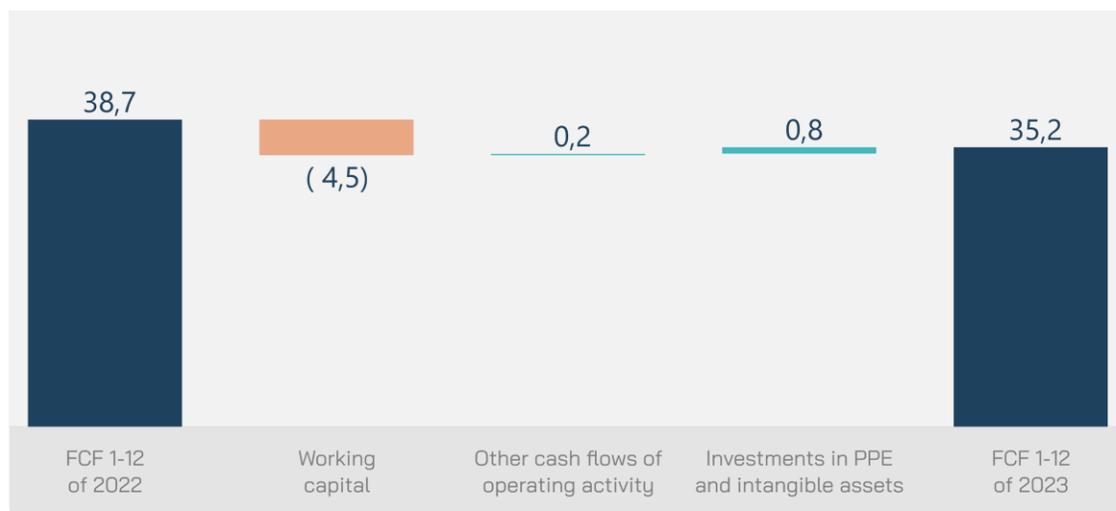
NET DEBT (MEUR)

MEUR	31.12.2022	31.12.2023	Change
Cash and cash equivalents	72.4	19.5	(52.9)
Short-term deposits	0	57.5	57.5
Loans	143.1	164.4	21.2
Lease liabilities	266.2	213.2	(53.1)
Net Debt	336.9	300.5	(36.4)

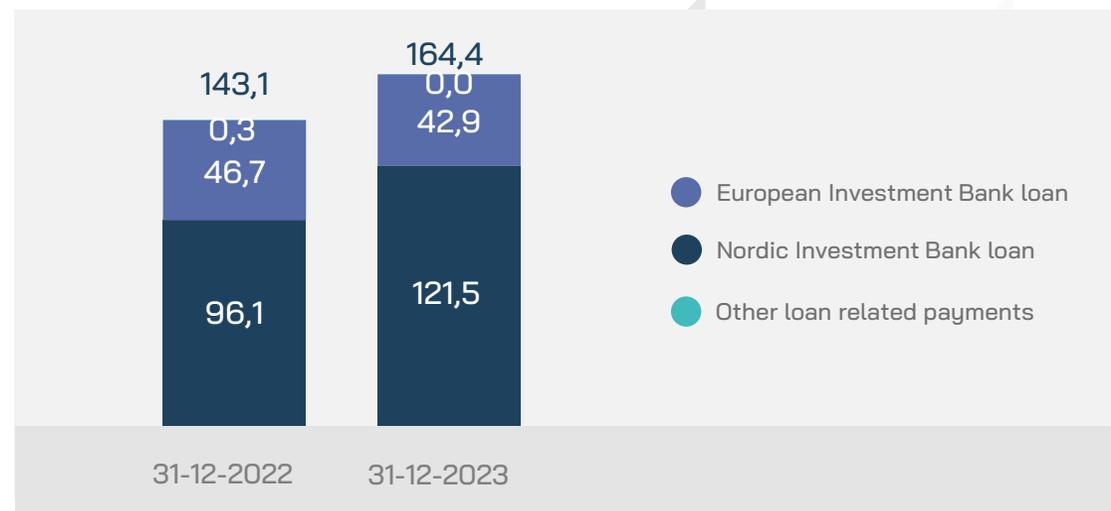
DEBT to EBITDA and DSCR



FREE CASH FLOW (FCF), (MEUR)



LOANS (MEUR)



03 Other Information



Alternative Performance Measures

MEASURE	EXPLANATION*
EBITDA	Earnings before taxes – Financial activity income + Financial activity expenses + Depreciation and amortization expenses + Impairment expenses and reversals
EBITDA margin	EBITDA / Revenue
Gross profit margin	(Revenue – COGS) / Revenue x 100
Net profit margin	Adjusted profit (loss) for the period / Revenue
ROE	Adjusted profit (loss) of the last twelve months / (Equity at the end of Q of the reporting year + Equity at the end of Q of the prior reporting year) / 2
ROA	Adjusted profit (loss) of the last twelve months / (Total assets at the end of the period + Total assets at the beginning of the period) / 2
Price / earnings ratio	Average share price for the period / (Adjusted profit (loss) of the last twelve months / Total number of shares at the end of the period)
Net Debt	Cash and cash equivalents – long-term and short-term loans – long-term and short-term lease liabilities
Net Debt / EBITDA	Net Debt / EBITDA for the last twelve months
Earnings per share	Adjusted profit (loss) for the period / total number of shares at the end of the period

* Adjusted financial indicators/data are recalculated and presented by eliminating from net profit (loss) the following amounts: (1) the impact of unrealised foreign currency exchange rates (forex) arising from IFRS 16 requirements, (2) respective impact of deferred income tax arising from forex and (3) impact of financial derivatives.

Shareholders and Shares

Since 2003 the shares of the Company are listed on NASDAQ OMX Vilnius stock exchange.

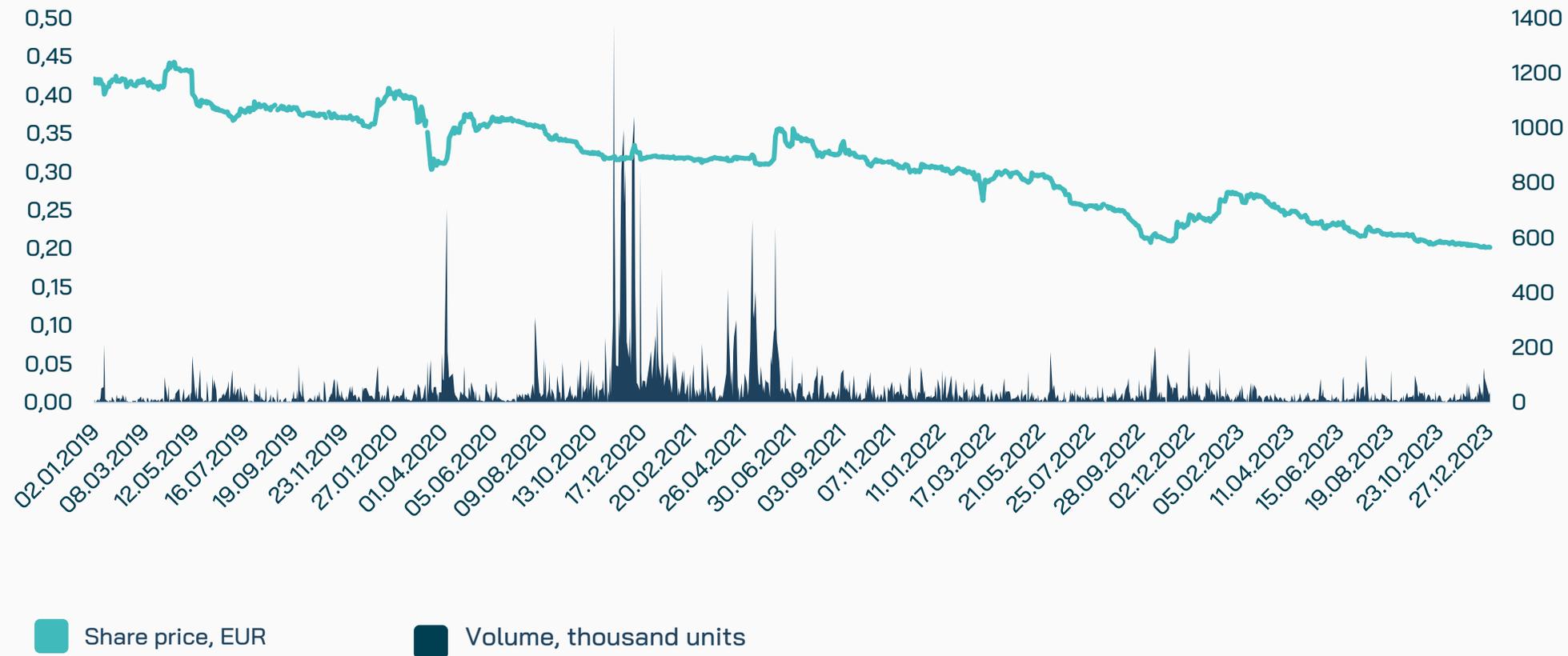


ISIN code – LT0000111650
Abbreviation – KNE1L

SHAREHOLDER'S NAME (company's name, address, company code of registration)	31 DECEMBER 2023		31 DECEMBER 2022	
	Number owned shares (unit)	Part of authorized capital (%)	Number owned shares (unit)	Part of authorized capital (%)
The Republic of Lithuania, represented by the Ministry of Energy of the Republic of Lithuania	275,687,444	72.47	275,687,444	72.47
UAB koncernas "ACHEMOS GRUPĖ"	39,662,838	10.43	39,662,838	10.43
Other (each owning less than 5%)	65,046,303	17.10	65,046,303	17.10
Total	380,396,585	100.00	380,396,585	100.00

Shareholders and Shares

TRADING IN KNE1L SHARES ON NASDAQ VILNIUS STOCK EXCHANGE



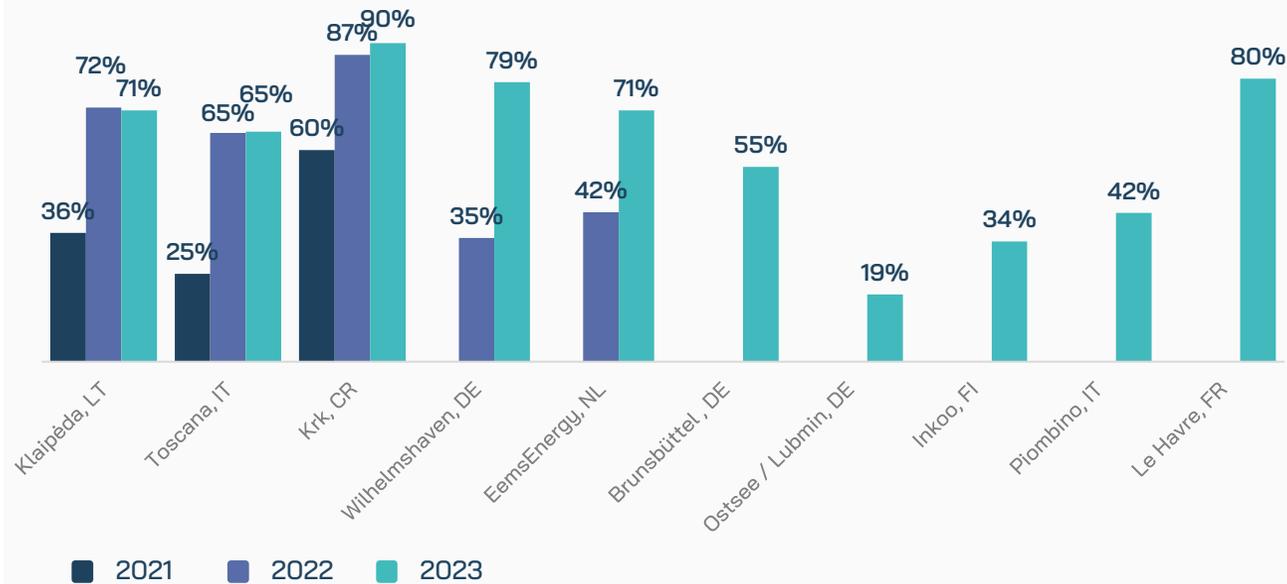
Shareholders and Shares

KNE1L SHARE PRICE COMPARISON WITH OMX VILNIUS AND OMX BALTIC BENCHMARK GI



Market overview

UTILIZATION RATE OF FSRU-BASED LNG TERMINALS IN EUROPE



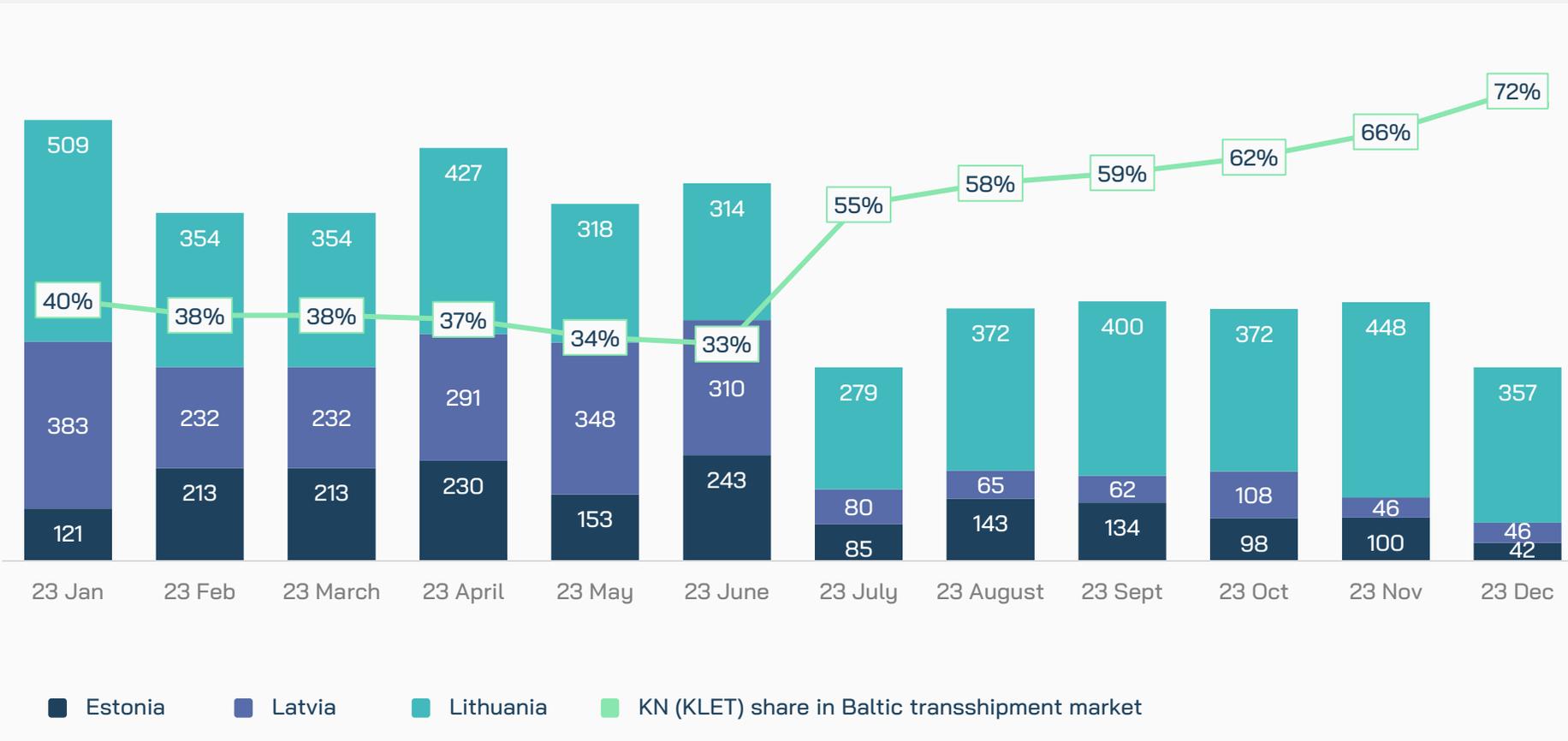
Notes:

1. Calculations are based on data from GIE ALSI database;
2. 10 terminals are floating type and have FSRU/FSU (LT, IT, CR, DE, FI and NL), marked
3. Send-out capacity is based on daily send-out capacity reported by operators of terminals; actual capacity could be lower.

LNG terminal	2018	2019	2020	2021	2022	2023
Adriatic, IT	79%	99%	86%	92%	88%	88%
Barcelona, ES	26%	30%	22%	15%	23%	19%
Bilbao, ES	39%	74%	71%	56%	76%	77%
Brunsbüttel, DE	-	-	-	-	-	55%
Cartagena, ES	4%	13%	24%	21%	37%	25%
Dunkirk, FR	8%	39%	24%	27%	75%	61%
EemsEnergy, NL	-	-	-	-	42%	71%
Fos Cavaou, FR	45%	50%	43%	53%	92%	72%
Fos Tonkin, FR	44%	58%	49%	43%	51%	52%
Gate, NL	18%	50%	46%	49%	92%	89%
Le Havre, FR	-	-	-	-	-	80%
Huelva, ES	31%	38%	34%	30%	39%	31%
Inkoo, FI	-	-	-	-	-	34%
Klaipėda, LT	20%	44%	49%	36%	72%	71%
Krk, CR	-	-	-	60%	87%	90%
Montoir-de-Bretagne, FR	33%	67%	68%	46%	86%	70%
Mugardos, ES	28%	34%	51%	55%	55%	66%
Ostsee / Lubmin, DE	-	-	-	-	-	19%
Panigaglia, IT	21%	59%	61%	26%	54%	62%
Piombino, IT	-	-	-	-	-	42%
Revithoussa, GR	15%	34%	33%	25%	39%	45%
Sagunto, ES	1%	22%	18%	22%	46%	36%
Sines, PT	59%	85%	81%	84%	82%	68%
South Hook, UK	11%	43%	n/a	n/a	n/a	n/a
Swinoujscie, PL	50%	61%	67%	68%	80%	84%
Toscana, IT	20%	64%	57%	25%	65%	65%
Wilhelmshaven, DE	-	-	-	-	35%	79%
Zeebrugge, BE	17%	45%	29%	22%	61%	61%
Average	25%	47%	45%	39%	62%	59%

Market overview

TRANSSHIPMENT IN BALTIC STATES (MILLION T)





Thank you for your
attention

