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KN ENERGIES

2024

Management Report and Financial statements

FOR THE FINANCIAL YEAR ENDING ON 31 DECEMBER 2024

CONTENTS

1. BUSINESS OVERVIEW

A FOREWORD OF THE CEO

Dear All,

Over the past five years, KN Energies has experienced fluctuations in its financial results. However, in 2023, the company returned to profitability, and in 2024, we further strengthened our growth. This success stems from a consistent strategy focused on international expansion and operational efficiency.

This year, our strategy received the highest recognition from the Governance Coordination Center (GCC) – for the first time, we were awarded the maximum score of 10 across all evaluation criteria. This confirms that our strategy is clear, ensures long-term value creation, and enables us to confidently plan for stable and sustainable growth, strengthen regional energy security, and expand in international markets.

We are experiencing a dynamic period – shifting toward new strategic goals, creating opportunities to handle a broader range of energy products, and leveraging our team's experience and expertise to expand operations beyond Lithuania. All of this allows the company to successfully adapt to market changes and confidently increase its profitability.

In 2024, KN Energies Group's revenue grew by 12%, reaching EUR 93.7 million. EBITDA increased significantly by 38% to EUR 49.4 million, while net profit rose by 16% to EUR 15.5 million.

Reflecting on the past year, we have much to be proud of—it was not only exceptionally dynamic but also historically significant for both our company and Lithuania as a whole.

One of the most important events of 2024 was the acquisition the acquisition of the floating LNG storage and regasification unit (FSRU) Independence and its registration in the Register of Seagoing Ships of the Republic of Lithuania. The raising of the Lithuanian flag on the vessel once again affirmed that Independence is a cornerstone of the country's energy security and a crucial support system for neighbouring countries that faced challenges following Russia's 2022 invasion of Ukraine.

With the acquisition of Independence, our company assumed an even greater responsibility for its management. This responsibility is shared with our long-standing partner, Norway's Höegh Evi group. Its subsidiary, Höegh LNG Klaipėda, won the tender and was appointed as the official technical operator of Independence. Under the contract, the company will ensure the technical management and maintenance of the FSRU for five years, with an option to extend the partnership for another five years.

The purchase of the FSRU Independence involved one of the largest currency hedging transactions in the Lithuanian currency market, fixing the exchange rate. This decision resulted in savings of EUR 8.05 million for the company compared to the exchange rate on the transaction date.

The millions saved during the acquisition further strengthen our commitment to ensuring the efficient operation of the LNG terminal and maximizing the utilization of its services.

Market shifts and scheduled maintenance—during which the FSRU was temporarily docked for inspection—led to a reduced utilization rate of Independence in 2023, reaching 52%. However, this figure still exceeded the European average of 45%.

Having successfully allocated long-term capacity, we have ensured the LNG terminal's service utilization for the next decade, until 2032. Moreover, more than half of the terminal's income comes from international clients—each company using the facility pays a regasification service fee, including businesses from Lithuania and neighbouring countries. This allows the terminal's operating costs to be eliminated from the security component paid by Lithuanian customers.

The successful implementation of the LNG terminal project in Lithuania has not only secured the country's energy independence but has also opened doors to the international market. Today, KN Energies is globally recognized as a professional and reliable LNG terminal operator and project developer.

One of last year's most significant achievements reflecting our growing position in the international market is our expanding role in Germany's LNG sector. We now serve as the commercial operator for four floating LNG terminals in Germany, and for the second Wilhelmshaven LNG terminal, we also provide technical operations and maintenance services. This not only demonstrates our accumulated expertise but also strengthens our position as a strategic partner in one of Europe's most dynamic LNG markets.

Our breakthrough in international LNG projects is also reflected in our financial performance—profits from the commercial LNG

segment reached EUR 4.8 million last year, marking a fivefold increase compared to 2023.

Our successful operations in Brazil, where the company is the operator of the Açu LNG terminal, have contributed to this also.

As we continue executing our strategic vision, we remain committed to being the top choice for clients developing LNG terminals worldwide. I am confident that the experience gained from developing the Klaipėda LNG value chain, the operational know-how acquired in Brazil's Açu port, and our successful track record in Germany will enable us to expand further into FSRU-based LNG projects.

We see strong potential for growth not only in Europe but also in Southeast Asia—particularly in Vietnam, the Philippines, Indonesia, Australia, and other countries.

The strong performance of the commercial LNG segment was also driven by a significant increase in KN Energies' small-scale LNG reloading operations and the revenue generated from them. Since April 2020, Polish energy company ORLEN has been utilizing the Klaipėda LNG reloading station in Melnragė. Last year, the strategic partnership agreement was extended for another five years, until 2030.

In 2024, the operations of KN Energies' liquid energy product terminals in Klaipėda and Subačius were significantly influenced by the supply and demand imbalance in both global and European liquid fuel markets. Due to reduced activity in major economies, Europe's diesel demand remained lower than pre-pandemic levels.

The business environment was further challenged by excess oil refining capacity—as new refineries opened in Africa, Latin America, and China, the global refining industry faced a surge in surplus capacity, further slowing demand growth.

These challenges, combined with ongoing geopolitical tensions in the region, resulted in a 17% decline in throughput volumes at the Klaipėda and Subačius liquid energy product terminals, reaching 3.4 million tons last year. Despite this, revenue from this segment in 2024 remained at a similar level to 2023. A stable customer base in Lithuania, increasing demand for storage services, and rising volumes of biofuel and bitumen transshipment contributed to maintaining steady income.

In 2024, the company focused on expanding its range of liquid energy products, enhancing biofuel transshipment capabilities, and introducing a new cargo type—used cooking oil (UCO). Currently, the Klaipėda terminal handles 16 different types of oil, chemical products, and biofuels. Soon, the product portfolio is set to expand further with the addition of sustainable aviation fuel (SAF) and methanol.

The year 2024 marked the first full year of KN Energies' deliberate and consistent progress toward the goals outlined in our energy transformation strategy. This period was filled with significant—and most importantly, well-planned—changes that are steering the company in a new direction: becoming the leading hub for sustainable energy storage and transportation in the Baltic region.

We are actively investing efforts to integrate into renewable energy sectors, including hydrogen and its carriers, carbon dioxide (CO2) capture and transportation, and energy storage solutions. We actively monitor market developments, assess infrastructure needs, explore the evolution of new energy sources, and analyse opportunities to define our role in these emerging fields.

One of the most promising areas in energy transformation is energy storage technologies. With the increasing importance of renewable energy, ensuring a stable energy supply and efficient grid balancing has become crucial. Recognizing these trends, in 2024, we joined Flow Batteries Europe—an association that brings together key industry players and shapes the long-term development strategy for the flow battery sector. We anticipate that our membership in this organization will enable us to contribute to policymaking, collaborate with market leaders, and leverage the latest technological insights to further advance our expertise in sustainable energy solutions.

One of the most significant breakthroughs in the new energy segment last year was in CO2 capture and transportation for permanent storage in the North Sea. In spring 2024, the European Commission granted the project, developed by KN Energies and its partners, the status of a Project of Common Interest (PCI). This grant means that the project is recognized as a key cross-border infrastructure project which will significantly contribute to the implementation of the energy policy and climate goals of the European Union (EU).

At the beginning of this year, the European Commission awarded more than €3 million in funding for commercial, technical, and environmental studies related to the project. These studies will help address financial challenges and accelerate the final investment decision (FID).

In summary, 2024 was a year of significant achievements and strong results. These accomplishments reaffirm that our strategic direction is the right one and that our ambitious goals are within reach. We are confident that we will successfully carry this momentum of positive transformation and growth into 2025.

Darius Šilenskis

CEO of KN Energies

SIGNIFICANT EVENTS OF THE REPORTING PERIOD

01

8th January 2024. 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.

10th January 2024. AB Klaipėdos nafta rebranded to AB KN Energies, reflecting its shift towards sustainable energy. The company's Articles of Association were updated accordingly. The Nasdaq Vilnius Stock Exchange ticker changed from KNF1L to KNE1L, while the ISIN code remained as LT0000111650. The subsidiary UAB SGD logistika was renamed to UAB KN Global Terminals without altering its obligations.

15th January 2024. Tomas Tumėnas was appointed Chief Financial Officer (CFO) of KN Energies.

18th January 2024. AB KN Energies announced its membership in the Gas Infrastructure Europe (GIE) association.

19th January 2024. A record amount of 105 thousand cubic meters of liquefied natural gas (LNG) was transferred from the FSRU Independence to the conventionally sized Amur River LNG vessel.

03

29th March 2024. KN signed a contract with UAB Hoegh LNG Klaipėda, according to which this company becomes the technical operator of the FSRU Independence.

04

17th April 2024. KN, UAB Hoegh LNG Klaipėda, and the Lithuanian Maritime Academy (LAJM) signed a tripartite agreement, committing to developing and enhancing the competence of seafarers in the servicing, management, and maintenance of LNG floating storage and regasification units (FSRUs) and LNG carriers.

05

3rd May 2024. The Company has won a tender launched by Deutsche Energy Terminal GmbH (DET), the state-owned operator of Germany's floating LNG terminals, to provide technical operation and maintenance services for the LNG terminal Wilhelmshaven 2 in Germany.

16th May 2024. The European Commission has granted the status of PCI to the CO2 capture and transportation project in Lithuania and Latvia developed by the consortium named CCS Baltic Consortium. The consortium consists of Akmenės cementas AB, KN Energies, AB, Larvik Shipping AS, Mitsui O.S.K. Lines, Ltd. and SCHWENK Latvija SIA.

27th May 2024. After the first in 10 years dry-dock maintenance the LNG terminal vessel Independence returned with a special weathervane. As a beacon of Lithuania's freedom, the weathervane emphasizes key moments in Lithuania's independence history.

07

3rd July 2024. Lithuanian Court of Appeal (Court) has examined the criminal case concerning Arturas Urbutis, Antanas Urbutis, Svetlana Popova, Andrejus Vaičiulis, former general manager of the Company Jurgis Aušra, former director of commerce of the Company Ričardas Milvydas and UAB Naftos grupė accused of illegal activities 2005 - 2011 in which the Company has filed the claim for damages for the total amount of 20.9 MEUR caused by the illegal activities of the accused.

For more detailed information, please follow this link: [Regarding the civil claim by the Company under the judgment of the court of appeal instance in the criminal case (nasdaq.com)]

30th July 2024. According to NERC data, the WACC calculated for the Company in 2025 will be 6.54 percent (5.06 percent in 2024). NERC, in determining the upper limit for liquefied natural gas regasification revenue for the Company for 2025, applied the forecasted regulated asset base (RAB) of EUR 176.3 million.

2 Global LNG contracts

EC granted PCI status to the **CCS** project

Regulated WACC
6.54% for 2025

08

29th August 2024, Jurgita Šilinskaitė-Venslovienė, who previously served as Head of LNG Commerce, has assumed the role of Chief Corporate Affairs Officer of international energy terminal operator KN Energies.

09

4th September 2024 the Company entered the contract for five years period with current Klaipėda LNG reloading station capacity holder Orlen S. A. (until merger former Polskie Górnictwo Naftowe i Gazownictwo S.A.). The duration of the agreement is from 1st April 2025 to 31st March 2030.

18th September 2024 Company has established a German subsidiary, KN Energies Deutschland GmbH, within its corporate group. The Company will be responsible for the smooth execution of its commitments to the German state-owned company, Deutsche Energy Terminal GmbH (DET), by providing technical operation and maintenance services for the second floating LNG import terminal at Wilhelmshaven.

10

11th October 2024. By the decision of the Board, Darius Šilenskis has been re-elected as the Company's Chief Executive Officer for further five years.

22th October 2024 a positive decision was reached during the Investment Committee meeting of the European Union's Modernization Fund program to allocate support of EUR 6 million for the Klaipėda LNG terminal electrification project.

25th October 2024 by the decision of the Board, Jūratė Lingienė has been elected as the new Chairperson of the Board at KN Energies starting 1 November 2024, she previously served as an independent member of the Board of the Company.

11

5th November 2024 KN received a formal notice from independent Board member Edvinas Katilius regarding his resignation from the position of Board member of KN, effective December 31, 2024.

12

6th December 2024 the Floating Storage and Regasification Unit (hereinafter – the FSRU) Independence has been transferred to the ownership of the Company and registered in the Lithuanian Seagoing Register.

KN conducted one of the largest currency hedging transactions in the Lithuanian currency market when purchasing the FSRU Independence, fixing the exchange rate. This decision enabled the Company to save EUR 8.05 million compared to the exchange rate on the transaction day. Considering the current USD to EUR exchange rate, the FSRU vessel would have cost over EUR 146 million, while the Company actually paid EUR 138.04 million.

AFTER THE END OF THE REPORTING PERIOD

01

1st January 2025. KN has signed a new agreement with AB ORLEN Lietuva, part of the Polish capital group ORLEN, for loading at the Klaipėda liquid energy products terminal for three years period, with a possibility to extend it.

INFORMATION ABOUT PUBLIC ANNOUNCEMENTS

Following the requirements of the Law of the Republic of Lithuania, all main events concerning the Company and information about the time and venue of the General Meeting of Shareholders are published on the website of the Company www.kn.lt and in AB NASDAQ Vilnius (www.nasdaqomxbaltic.com) Stock Exchange.

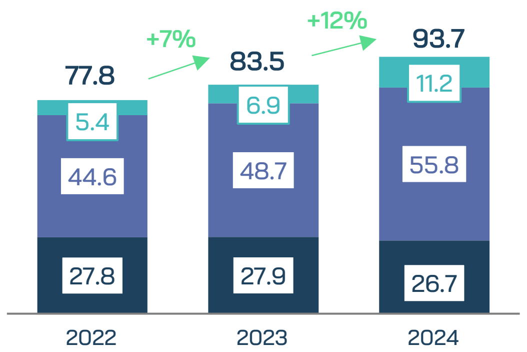
New long-term **contract** for Klaipėda LNG reloading station with Orlen S.A.

Independence has been transferred to the **ownership** of the Company

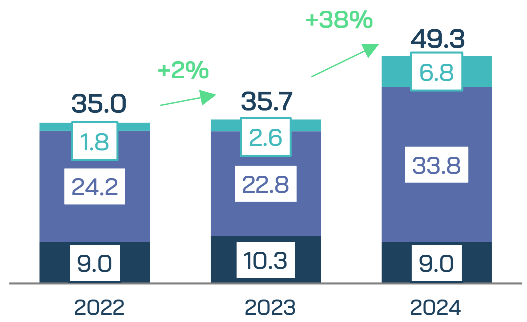
New transshipment **agreement** with ORLEN Lietuva

FINANCIAL HIGHLIGHTS

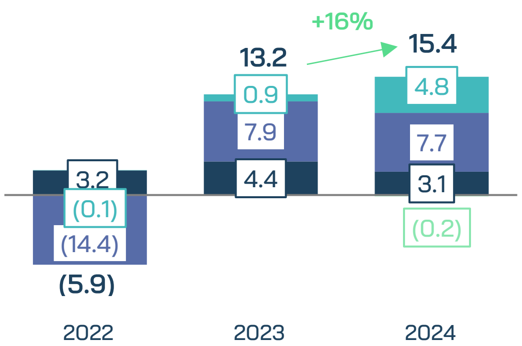
REVENUE, MEUR



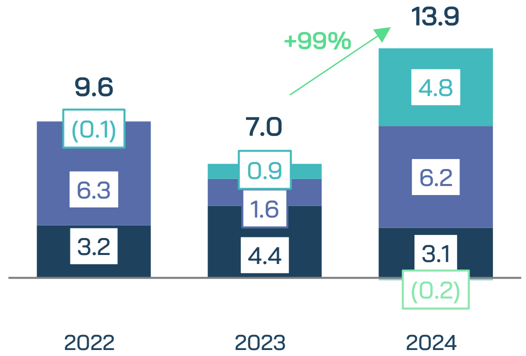
EBITDA, MEUR



NET PROFIT (LOSS) , MEUR



ADJUSTED NET PROFIT (LOSS)* , MEUR



Liquid energy terminals
Regulated LNG activities (LNGT)
Commercial LNG activities (comLNG)
New Energies

Company saved
EUR 8.05 million
through conducting hedging transaction

ROE
9.7%

ROCE
5.3%

More information about results provided in: Financial results.

*Adj. – 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.

INVESTOR INFORMATION

THE MAIN DATA ABOUT SHARES OF THE COMPANY:	
ISIN code	LT0000111650
Abbreviation	KNE1L
Share emission	380,396,585

As at 31 December 2024 all the shares of the Company were owned by 5,147 shareholders (on 31 December 2023 – 5,327). All shares of the Company are of one class ordinary registered shares granting their owners (shareholders) equal rights. One ordinary registered share of the Company grants one vote in the General meeting of Shareholders.

The Company's shares are traded on the regulated market; they are listed in the Baltic Main List of the Stock Exchange of AB NASDAQ Vilnius.

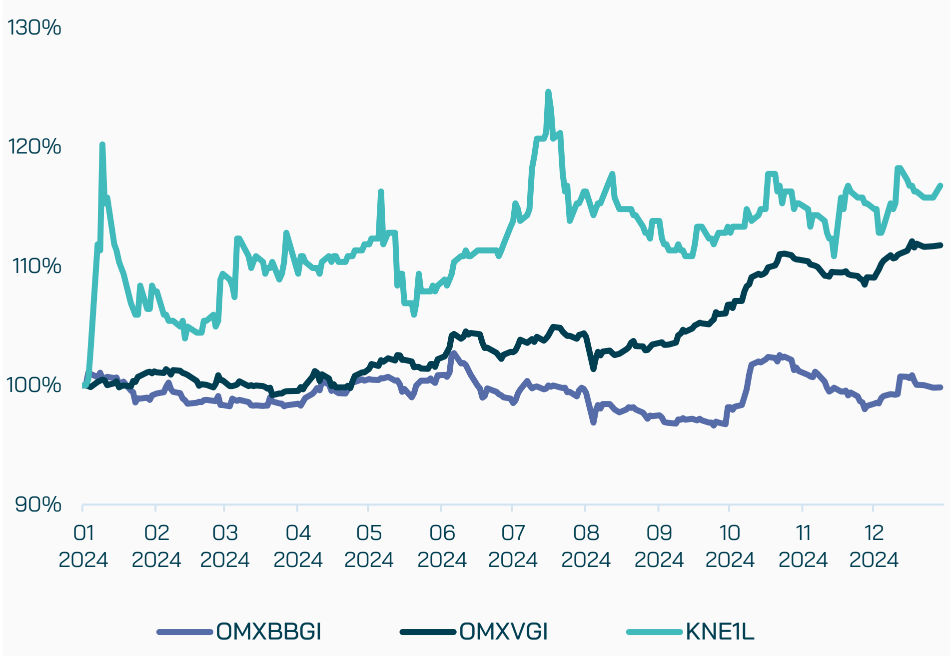
SHARE CAPITAL

The Company's authorized share capital did not change during 2024 and amounted to EUR 110,315 thousand as at 31 December 2024. All the shares of the Company are fully paid. The authorized capital is divided into 380,396,585 ordinary shares with a nominal value of 0.29 Eur. During 2024 the Company did not acquire any of its own shares.

DIVIDENDS

The General Meeting of the Shareholders held on 30 April 2024 approved allocation of profit (loss) for the year 2023 with EUR 5,000 thousand dividends.

KNE1L share price comparison with OMX VILNIUS and OMX BALTIC benchmark GI:



5.8%
Dividend yield

+17.3%
Share price

Historical information about dividends paid in the period for the prior financial year:

	2024	2023	2022	2021	2020
Dividends paid in EUR thousand	5,000	-	-	7,538	7,947
Dividends per one share in EUR	0.0131	-	-	0.0198	0.0209
Net profit (loss) per 1 share in EUR	0.02	(0.02)	(0.17)	0.03	0.02
Dividends for net profit (of previous FY),%	82%	-	-	66%	100%
Dividend yield, %	5.8%	-	-	6.2%	5.7%

Click here for Further investor related information

ESG HIGHLIGHTS

LONG TERM APRROACH: CLIMATE-NEUTRALITY BY 2050

Our overarching environmental commitment is to improve energy and operational efficiency, reducing GHG emissions, and transitioning towards low-carbon product portfolio to achieve climate neutrality.

Roadmap to climate neutrality

>30% REDUCTION BY 2030	~70% REDUCTION BY 2040	CLIMATE NEUTRAL BY 2050

2022 2030 2040 2050

IN 2024:

- We commenced preparations for the implementation of CSRD (EU) 2022/2464 requirements to report Sustainability performance according to European Sustainability Reporting Standards (ESRS).
- KN is obliged to start reporting in 2026. However, KN has already voluntarily partially applied the main ESRS principles for the 2024 report.
- KN obtained the "ESG Transparency partner" badge from Nasdaq and received a score of 9.8 in the Sustainability index from Verslo žinios and Rekvizitai.lt platform.
- KN 2025-2027 strategy was awarded the highest score by the Governance Coordination Center (GCC). The overall governance score was A+.

Click here for Detailed Sustainability Report

eNPS **18%**
vs 2023 – 13%

TRCF **0.3**
vs 2023 – 0.61

GHG emissions
1.9% decrease
vs 2022
Scope 1, Scope 2, Scope 3

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.

THE CORPORATE STRATEGY

In June 2023, the Supervisory Council of AB KN Energies approved a strategy centred around efficiency, energy transformation, and transitioning to new energy fields. The key goals include achieving complete climate neutrality by 2050, with emission reductions of over 30% by 2030 and approximately 70% by 2040. KN aims to contribute significantly to the future energy supply, enhance profitability, and ensure energy security. The strategy outlines three phases:

- **2023-2030:** Increase profitability in existing activities and secure financing for sustainable energy investments.
- **2031-2040:** Focus on LNG business development and diversify liquid energy transshipment.
- **2041-2050:** Expand into new energy markets, including synthetic fuels, hydrogen, alternative energy carriers, and CCS.

KN envisions a cleaner, safer future where sustainable energy solutions empower industries and communities.

The new strategy sets a long-term target for a return on capital employed (ROCE) of approximately 8% (compared to 4.4% in 2022). It also aims to achieve an average revenue of EUR 172 million for the KN group of companies from 2041 to 2050, with revenue increasing by 122% in 2050 compared to 2022. The target for the KN group of companies is to achieve an average EBITDA of EUR 85 million from 2041 to 2050.

OPERATIONAL TARGETS IN KEY SEGMENTS:

- **Liquid Energy Terminals:** Diversify the product and customer portfolio, expand biofuel handling, and enter the chemical storage market (e.g., methanol). Focus on operational excellence and customer value.
- **LNG:** Continue value creation in the regional and global LNG market. Focus is on global LNG business development services and investment.
- **New Energies:** Develop opportunities in hydrogen carrier handling and CO2 capture and storage value chain. Pilot battery projects and explore alternative energy sources for a greener economy by 2030.

AB KN Energies allocates over 45% of capital investments to develop infrastructure and competences for handling and storing new energies. The strategy aligns with the Ministry of Energy's letter of expectations, emphasizing energy independence, transformation, and international development.

For more detailed information about the KN strategy, please refer to the strategy summary following this link: KN Strategy 2050.

AIM TO INCREASE REVENUES >50% BY 2030

LAY FOUNDATIONS FOR NEW ENERGY BUSINESSES

BY 2030 IN LIQUID ENERGY TERMINALS*:

+44 %

EBITDA in 2030

BY 2030 IN LNG:

+58 %

EBITDA in 2030

BY 2030 IN NEW ENERGIES:

+4 MEUR

EBITDA in 2030

*Figures in comparison with 2022

STRATEGIC GOALS

Based on its 2050 vision, KN's 2030 strategy aims to improve operations and lay the foundation for new energy businesses.

The view of the management and evaluation of possibilities to achieve strategic goals based on assumptions as at 31 December 2024:

STRATEGIC GOALS BY 2030	STATUS
LIQUID ENERGY TERMINALS	
Increase biofuels transshipment and enter market for chemicals storage and transshipment.	☑ In line with expectations
Ensure vertical diversification of liquid energy and chemicals transshipment business.	☑ In line with expectations
Enhance customer value proposition and operational excellence.	☑ In line with expectations
LNG	
Review Klaipėda LNG terminal regasification capacity based on market demand.	☑ On hold*
Offer additional services and enhance value proposition of Klaipėda LNG hub.	☑ In line with expectations
Assess ssLNG terminal strategy.	☑ In line with expectations
Expand floating LNG footprint in growth markets.	☑ In line with expectations
NEW ENERGIES	
Develop business cases to enter transshipment and storage market of hydrogen carriers.	☑ In line with expectations
Build a CO2 storage and transshipment business to manage and reduce carbon emissions.	☑ In line with expectations
Establish a battery pilot project in the region and develop a sustainable business model for KN to enter the energy storage/ balancing market.	☑ In line with expectations
ESG	
Improve energy and operational efficiency, reducing GHG emissions, and transitioning towards low-carbon product portfolio to achieve climate neutrality.	☑ In line with expectations

*After assessing the low interest in long-term capacity after 2033 and the potential growth of LNG supply in the region and other risks, KN decided to postpone the terminal capacity development project for the future and will offer LNG terminal capacity to the market at a later stage.

KN ENERGIES

BUSINESS & SOCIAL EXCELLENCE

Reduce emissions while setting the right platform to accelerate growth in new energy businesses

GHG REDUCTION

>30%

until 2030

CLIMATE NEUTRAL

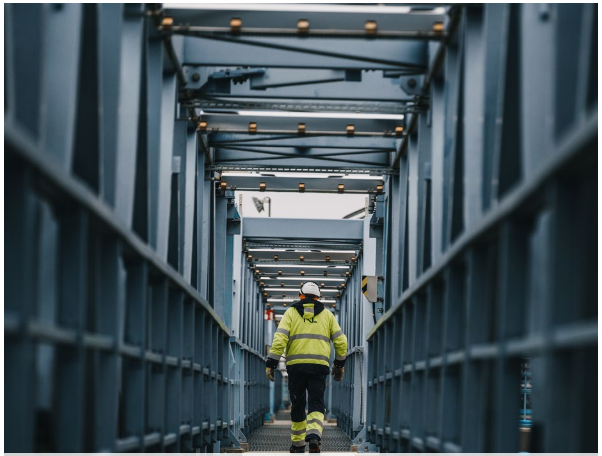
by 2050

BUSINESS SEGMENTS

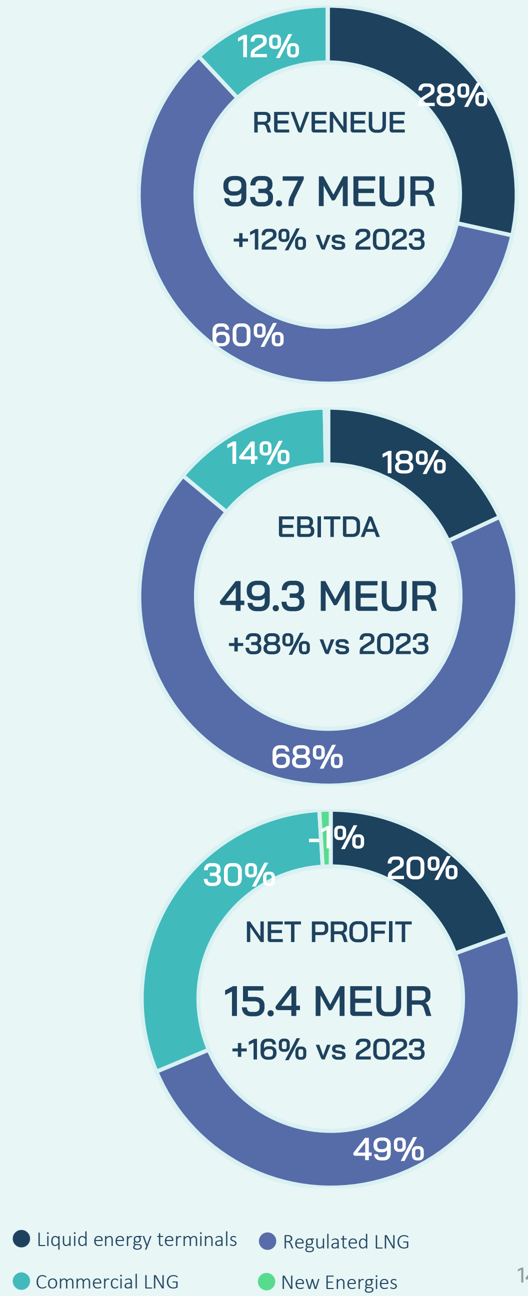
LIQUID ENERGY
terminals

REGULATED LNG
Klaipėda LNG terminal

COMMERCIAL LNG
business



NEW ENERGIES
transformation



LIQUID ENERGY TERMINALS

Liquid energy terminals segment includes activities of Liquid energy Terminal in Klaipėda, Liquid energy Terminal in Subačius and terminal in Marijampole which are providing services of liquid energy products transshipment, long-term storage, and other services related to liquid energy products transshipment.

KLAIPĖDA LIQUID ENERGY TERMINAL

The terminal is one of the largest liquid energy transshipment terminals in the Baltic States, focusing on transhipping and storing liquid energy products. It handles Light Oil Products, Heavy Oil Products, Biofuels, and other chemical industry products. The process includes loading to/from rail tanks, temporary storage in shore tanks, and loading to/from tankers. A truck loading station is used to supply clients with imported products delivered to Klaipėda seaport and to export biofuels and other chemical industry products.

SUBAČIUS LIQUID ENERGY TERMINAL

After the approval of the share emission agreement with the Republic of Lithuania on 11 June 2012, the Company has started to manage Subačius liquid energy terminal. After the takeover of Subačius liquid energy terminal infrastructure the Company's activity and services have been diversified and expanded including services of long-term liquid energy product storage. It is capable to handle Light Oil Products to/from rail tanks and trucks.

TRANSSHIPMENT 3,406 thousand t

(-17% vs 4,119 thousand t in 2023)

REVENUES 26.7 MEUR

(-5% vs 27.9 MEUR in 2023)

EBITDA 9.0 MEUR

(-13% vs 10.3 MEUR in 2023)

LIQUID ENERGY TERMINALS' BUSINESS ENVIRONMENT AND MARKET

Main KN Liquid energy business clients are – crude oil refineries, traders, and producers operating in the regional and global oil, petroleum product and biofuels markets. The strategic oil refinery (hereinafter – Refinery) in the region, part of which oil products are transshipped through Company's liquid energy terminals, is located in the southeast direction – it is Mažeikiai plant in Lithuania (managed by AB ORLEN Lietuva).

The main competitors of the Company are oil terminals operating along the eastern coast of the Baltic Sea.

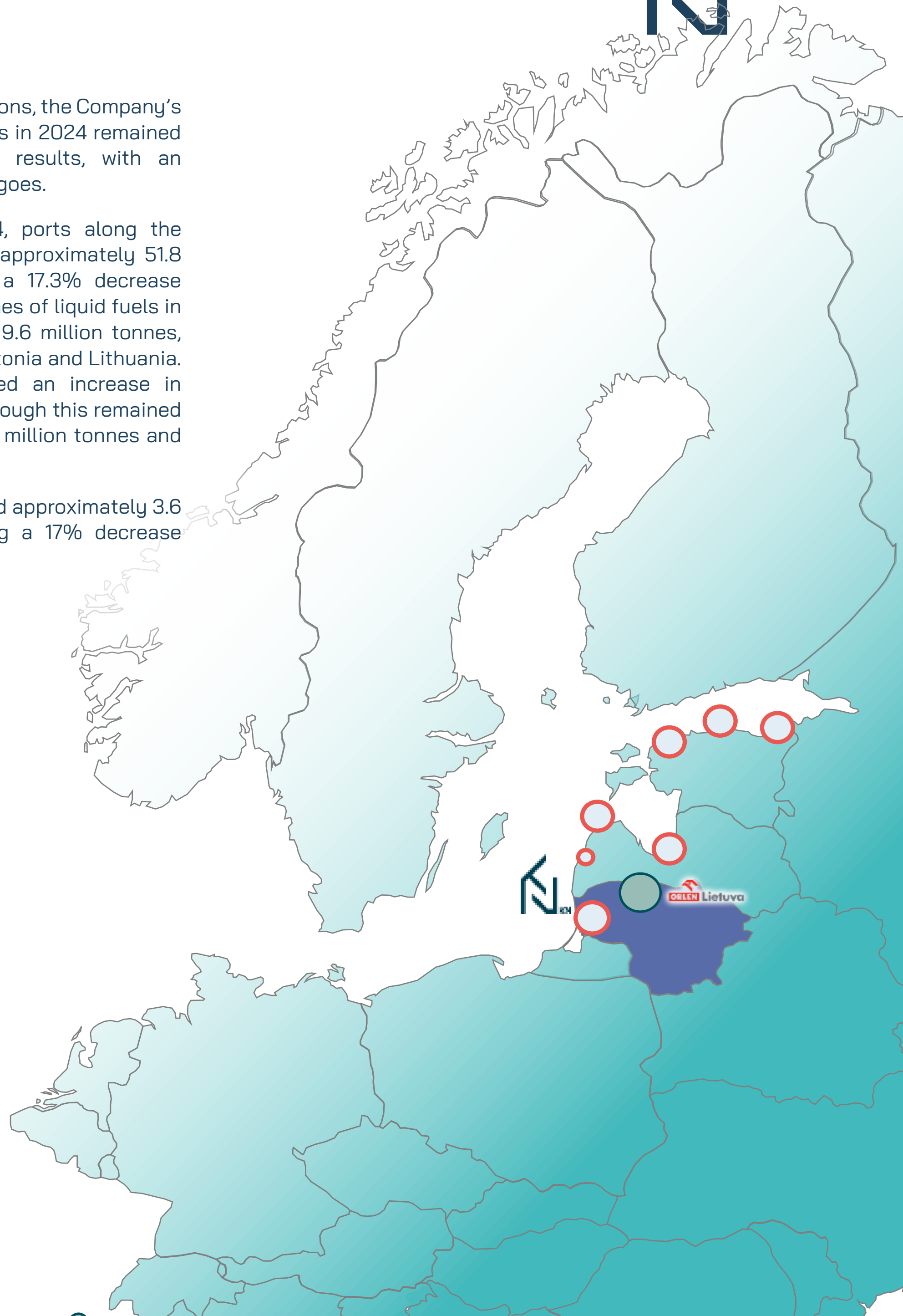
The activity of the Company's Liquid Energy terminals in 2024 was mainly affected by global and European liquid fuels market demand/supply imbalances and mixed geopolitical factors. European refineries experienced pressure on crude runs, product output and refining margins due to:

- The escalation of hostilities in the Red Sea threatened tanker movement and raised concerns about possible shortages of diesel in the EU, and after banning imports of Russian oil products, a substantial part of diesel and gasoil entering the EU and UK passed through the Suez Canal. However, due to the low economic activity of Europe's largest economies, European diesel demand remained below pre-Covid levels, with the region receiving cargoes from Turkey, US, India and Saudi Arabia
- Meanwhile, US gasoline demand continued to lag behind 2023 levels, and the region's refineries were operating at high utilisation rates, leading to an ample supply of gasoline on the US Gulf Coast. This reduced the demand for gasoline produced in European refineries.
- The global refining sector is experiencing overcapacity due to the commissioning of new refineries in Africa, Latin America and China, which is in turn leading to declining demand growth.

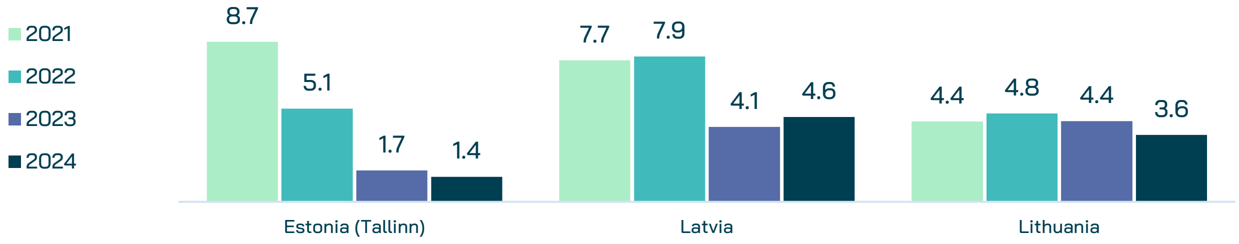
Despite these challenging market conditions, the Company's Liquid energy terminal segment revenues in 2024 remained stable and comparable to the 2023 results, with an increasing diversification of serviced cargoes.

According to statistical data, in 2024, ports along the eastern Baltic Sea coast transshipped approximately 51.8 million tons of oil products, marking a 17.3% decrease compared to 2023. Transshipment volumes of liquid fuels in the Baltic states declined from 10.2 to 9.6 million tonnes, primarily due to decreases in ports in Estonia and Lithuania. Conversely, Latvian ports demonstrated an increase in volumes from 4.1 to 4.6 million tonnes, though this remained significantly below the 2022 level of 7.9 million tonnes and previous years'.

During 2024, the port of Klaipėda handled approximately 3.6 million tonnes of oil products, marking a 17% decrease compared to the previous year.

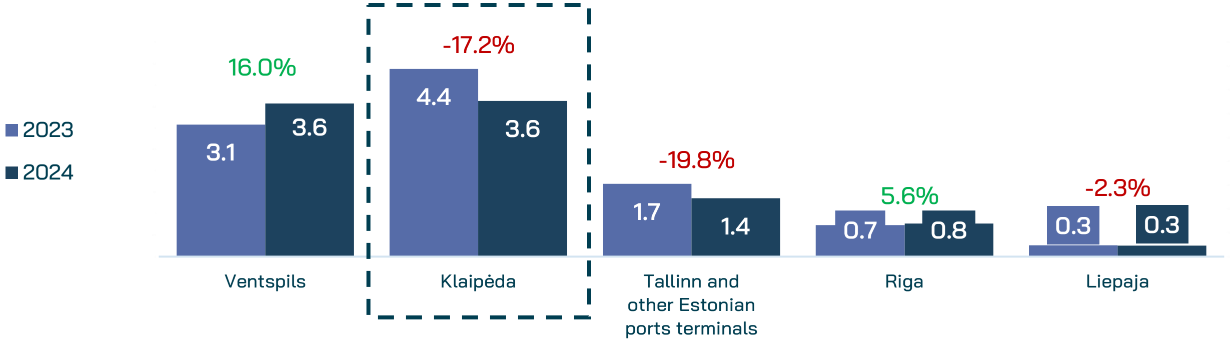


Dynamics of oil products transshipment in the ports of the eastern coast of the Baltic Sea (Millions of tons)



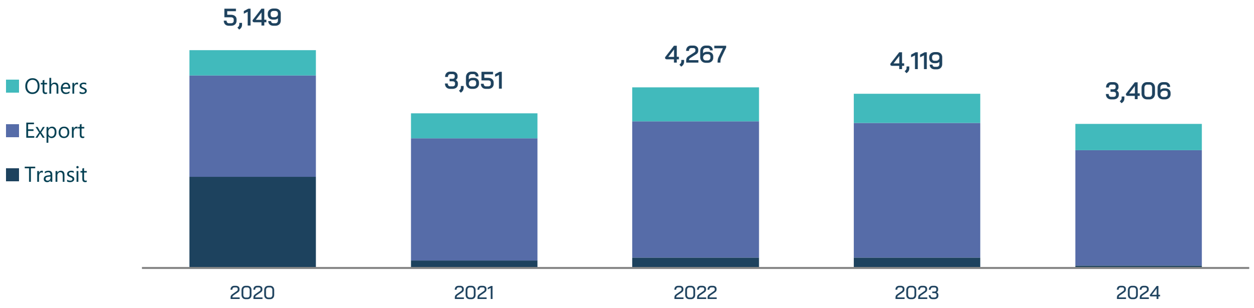
* Figures are based on Klaipėda Port Authority and Tallinn port Authority data

Dynamics of oil product transshipment in the ports of the eastern coast of the Baltic Sea (Millions of tons)



* Figures are based on Klaipėda Port Authority and Tallinn port Authority data

Transshipment in Company's liquid energy terminals (thousand tones)



* Figures based on KN data

TRANSSHIPMENT OF LIQUID ENERGY PRODUCTS

In 2024, the Company's Liquid energy terminals transshipped 3,406 kt of liquid energy products, compared to 4,119 kt in 2023, representing a 17% decrease. This decline can be attributed to global and European liquid fuels market demand/supply imbalances and mixed geopolitical factors.

Notably, bitumen transshipment remained a key growth area for KLET, with volumes of loaded cargo increasing by approximately 1.7 times compared to 2023. In response to the growing bitumen transshipment market in the eastern coast of the Baltic Sea, KN is upgrading the equipment and infrastructure specifically allocated for the product transshipment to attract higher volumes of such cargo in 2025.

In 2024, biofuels transshipment in Klaipėda and Subačius Liquid energy terminals remained stable, increasing by ~5.4 % in comparison to 2023. In 2024. The Company focused on expanding the range of new energy products loaded in the terminals and increasing volumes of alternative oil products serviced. In preparation for the 2025 launch of services for SAF (Sustainable Aviation Fuel) and methanol, the company expanded the potential of biofuels transshipment by introducing a new type of cargo, UCO (Used Cooking Oil).

To increase the scope of activities and diversify the product portfolio in Klaipėda and Subačius Liquid energy terminals, the Company is developing business relationships with international and regional market players.

KN Energies recently prolonged its cooperation with a long-term partner, AB Orlen Lietuva, signing a three-year contract for several products' transshipment and storage for 2025-2027 with the possibility to extend the agreement afterwards.

The collaboration between the two companies has also been in place in Marijampolė since 2023, with KN renting a terminal, where Orlen is the primary user for loading diesel to tank trucks.

REGULATED LNG TERMINAL (KLAIPĖDA LNG TERMINAL)

KLAIPĖDA LNG TERMINAL WITH FSRU "INDEPENDENCE"

On December 6, 2024, the ownership of FSRU Independence was transferred to KN and officially registered in Lithuanian seagoing vessel register, marking a significant milestone. Since then, the vessel has been flying the Lithuanian flag, aligning with national policies and regulations. Hoegh LNG Klaipėda UAB was appointed to be a technical manager of FSRU Independence for upcoming 5 years with a possibility to extend the contract for an additional five years.

DELIVERIES TO KLAIPĖDA LNG TERMINAL

In 2024, six users from Lithuania, Latvia, Estonia, Poland and Norway utilized Klaipėda's LNGT services. 83 LNG carriers have arrived for loading and reloading activities. 23.85 TWh of LNG was regasified. Meanwhile Lithuania's natural gas consumption was about 17 TWh. The average utilization of Klaipėda's LNGT was 54%, compared to the European average of approximately 43%. Lower utilization resulted due to terminal unavailability performing planned dry-dock maintenance in May 2024. The LNGT enhances diversification of Lithuania's natural gas supply infrastructure, allows to cut Russian imports, ensures security of supply, and assures the EU Directive N-1 Infrastructure Standard.

REGASIFICATION & RELOADING
27.7 TWh
(-18% vs 33.7 TWh in 2023)

REVENUES 55.8 MEUR
(+14% vs 48.7 MEUR in 2023)

EBITDA 33.7 MEUR
(+48% vs 22.8 MEUR in 2023)

LNG TERMINALS' BUSINESS ENVIRONMENT AND MARKET

OVERVIEW OF KLAIPĖDA LNG TERMINAL OPERATING ENVIRONMENT

During 2024 NERC adopted the following resolutions related to the operating environment of Klaipėda LNGT:

- On 21 May 2024, decree No. O3E-713 NERC determined LNG regasification revenue cap for new regulatory period of 5 years starting from 1st of January 2025. Revenue cap of 59,6 MEUR for Y2025 is approved;
- On 31 May 2024, decree No. O3E-792 NERC approved variable component of the LNG regasification price (LNG regasification tariff) for the Y2025. LNG regasification tariff is set at 1.84 EUR/MWh;
- On 31 May 2024, decree No. O3E-791 NERC approved KN investments for Y2023-2026. Total value of investments reaches 2,117 MEUR;
- On 26 June 2024, decree No. O3E-911 NERC approved evaluation of financial capabilities of companies acting in natural gas sector, including KN Energies as sufficient to perform regulated activities.
- On 15 November 2024, decree No. O3E-1449 NERC approved LNG reloading service price for the Y2025. LNG reload tariff is set at <15.000 m3 0,82 EUR/MWh, 15.000 – 50,000 m3 0,64 EUR/MWh and >50.000 m3 0,46 EUR/MWh;
- On 22 November 2024, decree No. O3E-1469 NERC approved Security supplement fee for Y2025 equal to -25,55 Eur/(MWh/day/year).
- On 22 November 2024, decree No. O3E-1470 NERC approved AB "KN Energies" investment project for electrification of Klaipėda LNG Terminal (electricity cable connection from the grid to FSRU).
- On 11 December 2024, decree No. O3E-1600 NERC approved amendments to AB "KN Energies" Regulations for use of Klaipėda liquefied natural gas terminal, which came into force on 11th of January 2025.

In 2022 and 2023 KN has successfully allocated long-term capacity to the terminal users from Lithuania, Latvia, Estonia, Poland and Norway:

- Long-term capacity of 24 TWh (in 4 packages of 6 TWh) for the period starting from 2023 up until end of 2032;
- Long-term capacity of 9 TWh (in 3 packages of 3 TWh) for the period starting from 2025 up until end of 2032;
- Long-term capacity of 4 TWh (1 package of 4 TWh) for the period starting from 2033 up until end of 2044.

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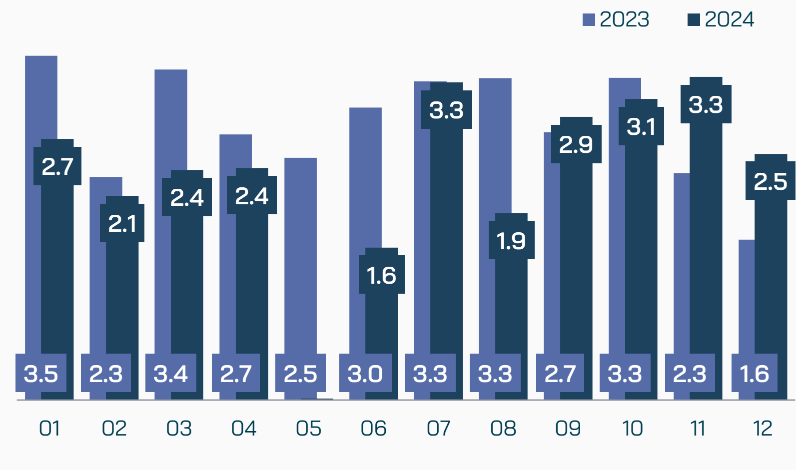
Starting from Y2025, the Company does not expect to organize Annual capacity allocation. The Company plans to allocate LNG regasification capacity for Spot cargoes during the Terminal Gas Year or in case of unused LNG regasification capacity, there might be available capacity on the Secondary market.

LNGT capacity allocated for the Terminal Gas Year 2024:

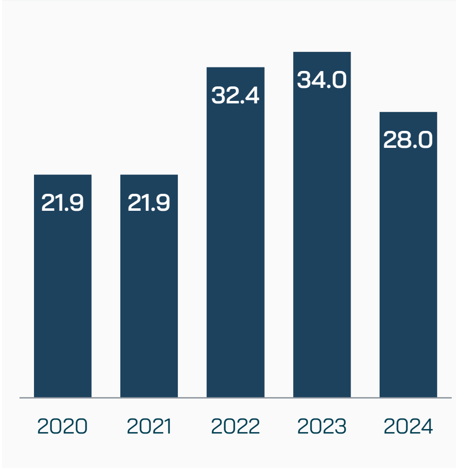
ALLOCATED CAPACITY	AMOUNT OF ALLOCATED CAPACITY, GWh*	PERIOD
LNG regasification capacity**	30,000	1 January 2024 – 31 December 2024
	373	27 January 2024 – 26 February 2024
	300	1 April 2024 – 30 April 2024
	95	1 April 2024 – 30 April 2024
	61	17 April 2024 – 30 April 2024
LNG reloading capacity (summed up in total)	3,524	4 January 2024 - 31 December 2024

* Combustion / measurement temperature 25/0 °C, pressure 1.01325 bar, natural gas gross calorific value 11.35 kWh/nm3, expansion factor 1: 578 m3 LNG / nm3 of gas).
**During Gas Year LNG regasification capacity may be changed to LNG reloading capacity.

LNG regassification and reloading (TWh)*

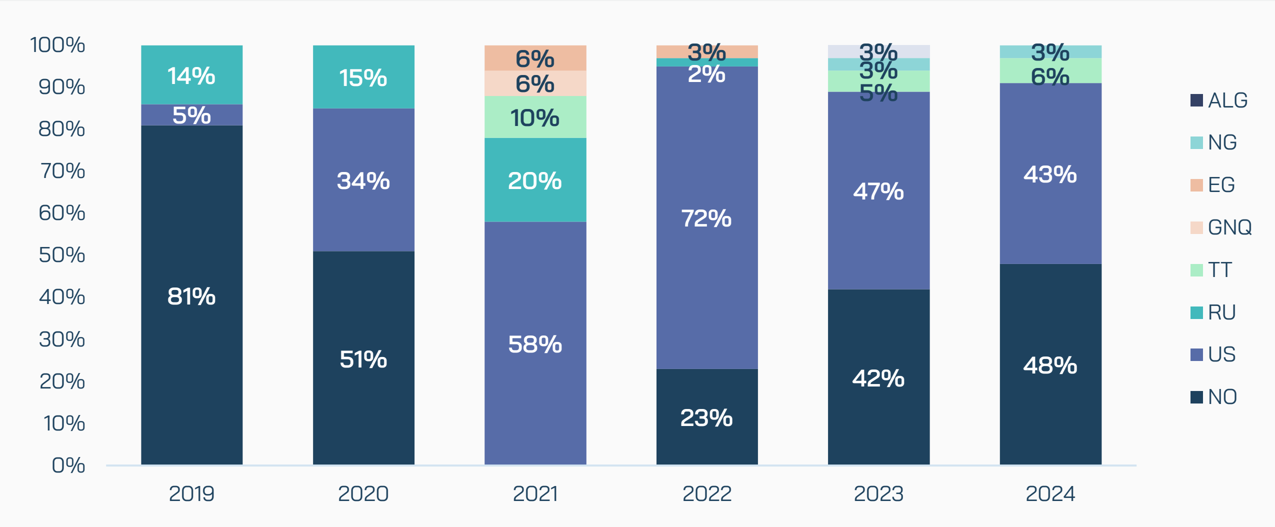


Total LNG regassification and reloading (TWh)*



* Figures include regasification and reloading of Klaipėda LNG terminal and Klaipėda small scale LNG terminal.

LNG cargoes by origin



During 2024 the Klaipėda LNGT:

- Performed 83 ship-to-ship operations (67 ship-to-ship operations in 2023).
- 1,803 thousand tonnes of LNG were received (2,243 thousand tonnes in 2023).
- 2.056 billion nm3 of natural gas were regasified and supplied to the natural gas transmission system (2.752 billion nm3 in 2023).
- 250,478 tonnes LNG were reloaded into small scale LNG carriers (116,432 tonnes were reloaded in 2023).
- Accepted LNG origin was 48% from Norway, 43% from USA, 6% from Trinidad & Tobago and 3% from Nigeria.

The demand for LNG terminal capacity depends on several key criteria:

- Joint gas demand of Lithuania and other neighbouring countries.
- Pricing offered by competing natural gas supply sources (gas supplied by interconnected countries via pipelines or other LNG terminals in the region) and quantity of gas supplied.
- Limitations of the Lithuanian natural gas infrastructure (transmission system capacity) and interconnections.
- Supply of LNG in the global market.
- LNG prices in the region and worldwide.
- Duration and terms of gas supply contracts.
- Availability and freight costs of LNG carrier

COMMERCIAL LNG

The Commercial LNG business segment (also referred to as comLNG) includes the activities of commercial LNG activities at the Klaipėda small-scale LNG terminal (reloading station) and global LNG projects.

KLAIPĖDA SMALL SCALE LNG TERMINAL (RELOADING STATION)

AB KN Energies has opened an onshore LNG reloading station in the autumn of 2017. The purpose of the LNG reloading station project is to develop small scale LNG infrastructure in the Baltic States and Poland, which not only increases energy security for areas that are further away from the gas pipeline but also provides the benefits of alternative and clean energy to a significant number of consumers. This infrastructure also contributes to ensuring the availability of LNG as a clean fuel for shipping and heavy road transport.

On April 1st, 2020, Orlen S.A. commenced commercial operations at KN-operated LNG reloading station. The capacities of the LNG reloading station are allocated to Orlen S.A. for a five-year period until March 31, 2025. On 4th September 2024 the Company extended the contract for a five-year period with current Klaipėda LNG reloading station capacity holder Orlen S. A. which strengthens Companies Long-term partnership with Orlen S.A. The duration of the agreement is from 1st April 2025 to 31st March 2030.

DELIVERIES TO KLAIPĖDA SMALL SCALE LNG TERMINAL

In 2024, 20 cargoes were delivered to Klaipėda small scale LNG. The LNG was loaded to LNG Trucks and distributed to consumers in Lithuania, Poland, Latvia and Estonia. In total 1,397 LNG trucks were loaded at the LNG reloading station in 2024.

small-scale LNG RELOADING
380.8 GWh
(+33% vs 286.0 GWh in 2023)

REVENUES 11.2 MEUR*
(+63% vs 6.9 MEUR in 2023)

EBITDA 6.8 MEUR*
(+159% vs 2.6 MEUR in 2023)

* Figures on the activities of the Klaipėda small-scale LNG project and the global LNG projects

GLOBAL LNG PROJECTS

In 2024, KN has further broadened its involvement in international LNG projects, reinforcing its position as one of the leading operators of floating LNG import terminals worldwide. KN has further enhanced its operational footprint in Germany, where it has been active since October 2022, by securing two additional contracts with Deutsche Energy Terminal GmbH (DET), the German state-owned company that operates state-controlled LNG import facilities. As a result, KN has been contracted to provide both commercial management services of four LNG terminals and technical operation and maintenance services of Wilhelmshaven-2. LNG terminal. Current scope of global operations includes four LNG terminals in Germany and one in Açu Port, Brazil since 2020.

COMMERCIAL OPERATIONS SERVICES FOR DET LNG TERMINALS IN GERMANY

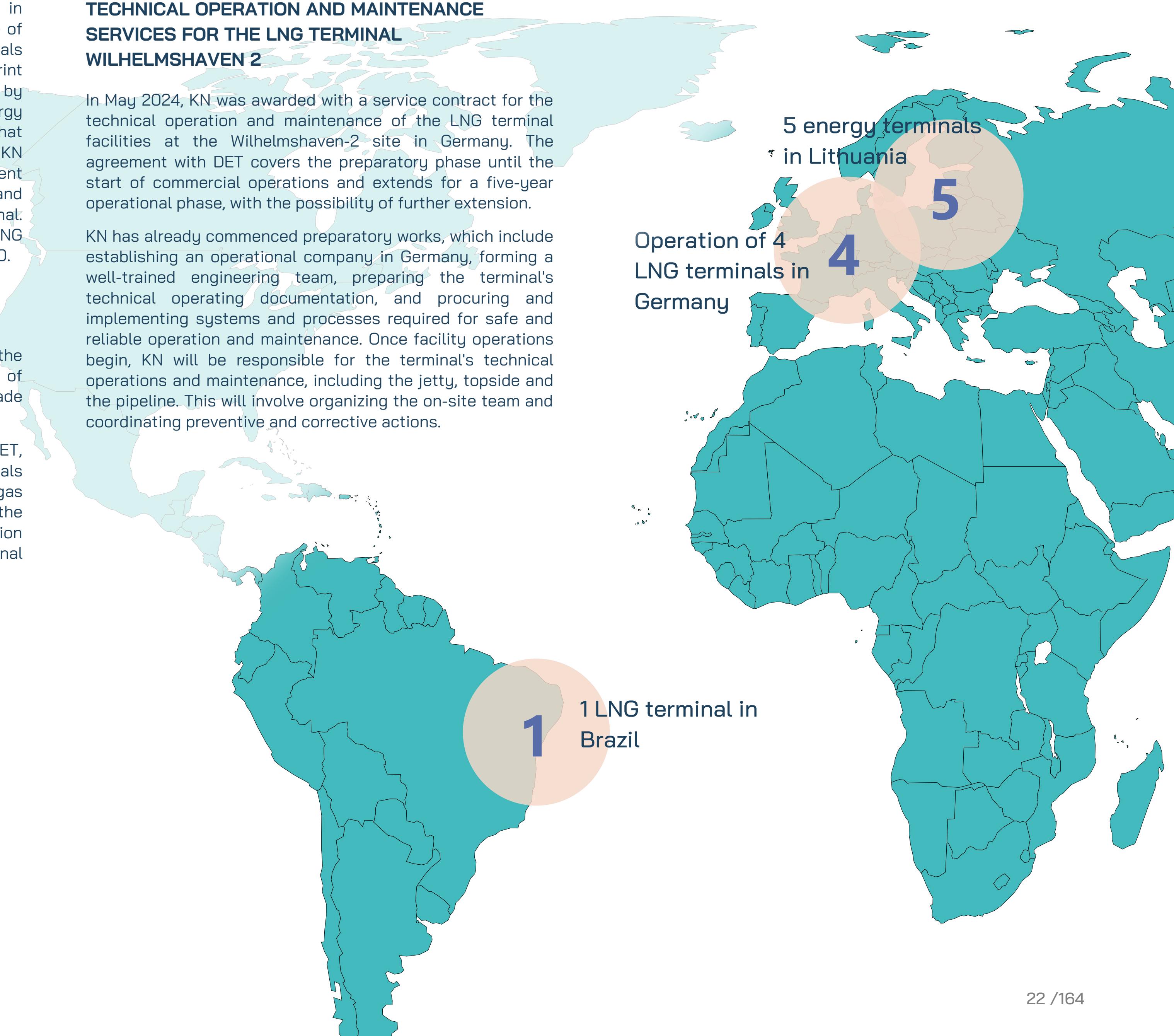
In January 2024 KN executed a contract with DET on the provision of commercial management services of Wilhelmshaven 1, Brunsbüttel, Wilhelmshaven 2, and Stade LNG terminals on the North Sea coast.

According to the agreement signed between KN and DET, commercial management services for all four LNG terminals include managing commercial and logistics operations, gas dispatching processes, accounting and reporting of the commercial activities to the DET, development and provision of IT systems and tools and other terminal operational services adapted to the customer's needs.

TECHNICAL OPERATION AND MAINTENANCE SERVICES FOR THE LNG TERMINAL WILHELMSHAVEN 2

In May 2024, KN was awarded with a service contract for the technical operation and maintenance of the LNG terminal facilities at the Wilhelmshaven-2 site in Germany. The agreement with DET covers the preparatory phase until the start of commercial operations and extends for a five-year operational phase, with the possibility of further extension.

KN has already commenced preparatory works, which include establishing an operational company in Germany, forming a well-trained engineering team, preparing the terminal's technical operating documentation, and procuring and implementing systems and processes required for safe and reliable operation and maintenance. Once facility operations begin, KN will be responsible for the terminal's technical operations and maintenance, including the jetty, topside and the pipeline. This will involve organizing the on-site team and coordinating preventive and corrective actions.



NEW ENERGIES

HYDROGEN CARRIERS

In June 2024, the updated National Energy Independence Strategy was approved, with the aim of implementing fundamental changes in the energy sector. The Strategy is intended to ensure that Lithuania produces as much energy as it consumes, and that the energy sector becomes completely climate-neutral by 2050. The strategy anticipates the installation of 1.3 GW of electrolysis equipment by 2030, with a projected increase to 8.5 GW by 2050.

The strategy also aims to encourage the production of new clean energy products, including green hydrogen, methanol, ammonia, synthetic methane, and others. The aim is to leverage cheaper electricity in the region and create value-added products that will enhance the competitiveness of Lithuania's economy and contribute to the export of energy sources, amounting to at least 9 TWh of various energy products per year. KN will continue to monitor market development, thoroughly analyse opportunities to expand its capabilities in hydrogen carriers and implement required midstream storage and transhipment infrastructure to enable trading and export. In 2024, KN initiated a comprehensive study with the goal of evaluating health and safety, environmental, and legislative requirements necessary for the development of infrastructure capable of temporarily storing and handling new products. This study aims to ensure that any planned infrastructure aligns with the highest industry standards, adheres to regulatory requirements, and facilitates the safe and efficient management of these emerging products.

This includes not only pure hydrogen but also ammonia, methanol and various other liquid organic hydrogen carriers (LOHC). This proactive approach will enable the company to innovate and develop necessary solutions in hydrogen and LOHC storage and transhipment, thereby contributing to the broader goal of sustainable energy development.

CCS (CARBON CAPTURE AND STORAGE)

The approved National Energy Independence Strategy recognises the vital part that Carbon Capture and Storage/Utilisation (CCS/CCUS) will play in the nation's decarbonisation efforts, including CCS Baltic infrastructure. KN is proactively pursuing this value chain in the Baltic region.

Since 2022, KN and partners have been working together on the CCS Baltic Consortium project, with the aim of establishing a CO2 capture, transportation and storage value chain in the Baltics. The objective is to capture 1.6 Mt of CO2 annually from "Akmenės cementas" and "SCHWENK Latvija", transport it to KN's Klaipėda terminal, and ship it to European storage sites. The open-access design allows other regional emitters to use the infrastructure, potentially increasing CO2 capture and transport. In 2024, the CCS Baltic Consortium was approved as a Project of Common Interest (PCI) by the European Parliament and Council, and is listed as the 14th European project on CO2 networks in the 6th PCI list.

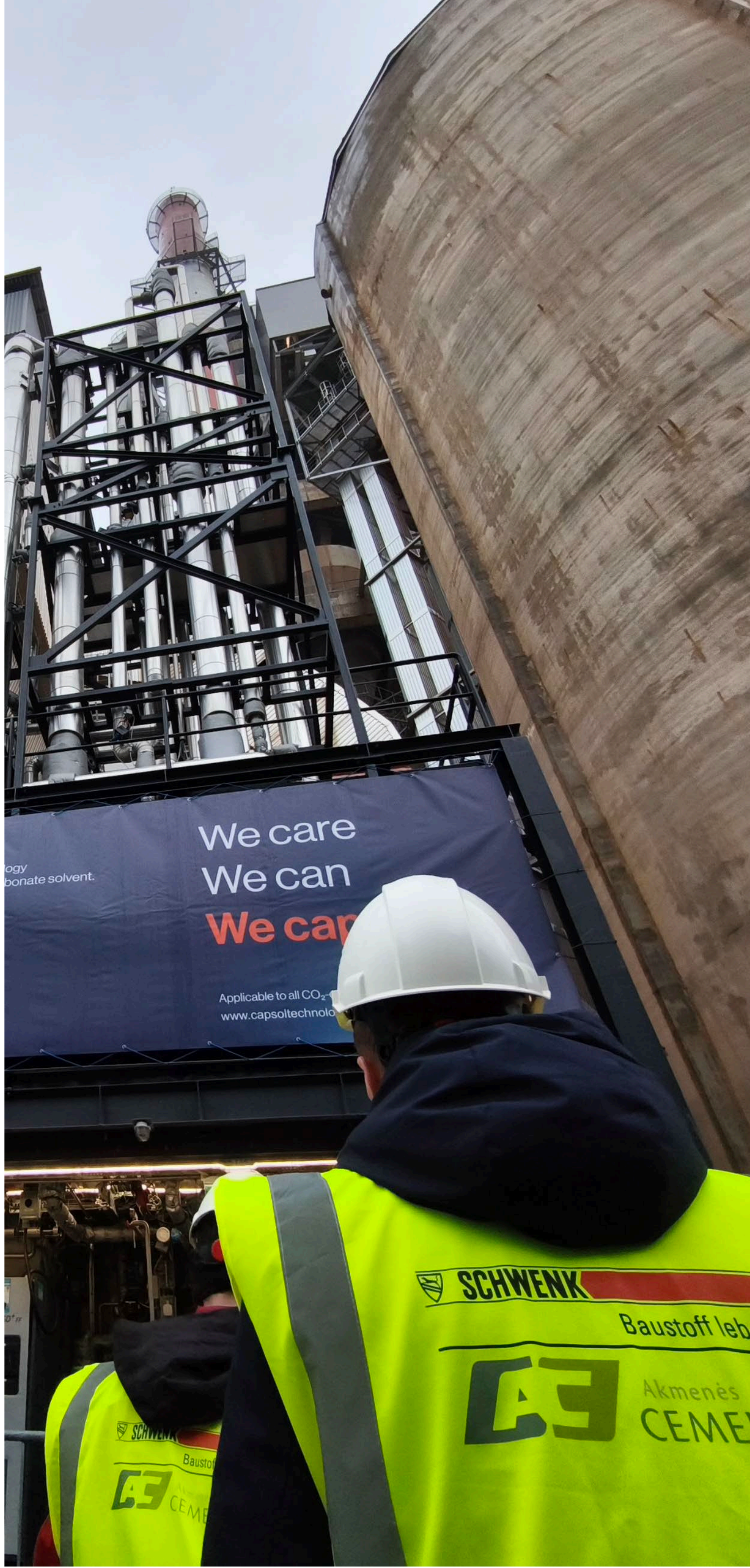
The project is currently focusing on enhancing maturity through detailed technical and commercial studies. Partners aim to refine the cost model for the value chain, ensuring economic viability and efficiency. Collaboration with Lithuanian and Latvian gas network TSOs is evaluating a CO2 pipeline in the region. Studies are underway to assess advanced technologies for CO2 capture, transport, and storage, and to identify opportunities for optimizing the value chain. Inclusion on the PCI list has attracted interest from CO2 storage operators, leading to a Memorandum of Understanding with North Sea CO2 sequestration developers.

The project is attracting regional industry attention as CCS is a key decarbonisation tool for hard-to-abate industries under the European Authorities' Net Zero Industry Act (NZIA).

ENERGY STORAGE (FLOW BATTERIES)

The global network battery storage market is emerging and expanding with the rise of renewable energy. Energy storage, particularly expandable battery storage, is needed for effective use of renewables. KN prioritizes flow batteries due to infrastructure similarities but remains open to other technologies. Flow batteries offer a promising future solution and leverage KN's liquid product storage advantage.

KN joined Flow Batteries Europe Association to enhance its understanding of energy storage technologies, and the regulatory framework needed to develop this sector.



INVESTMENTS

Major investment projects in 2024:

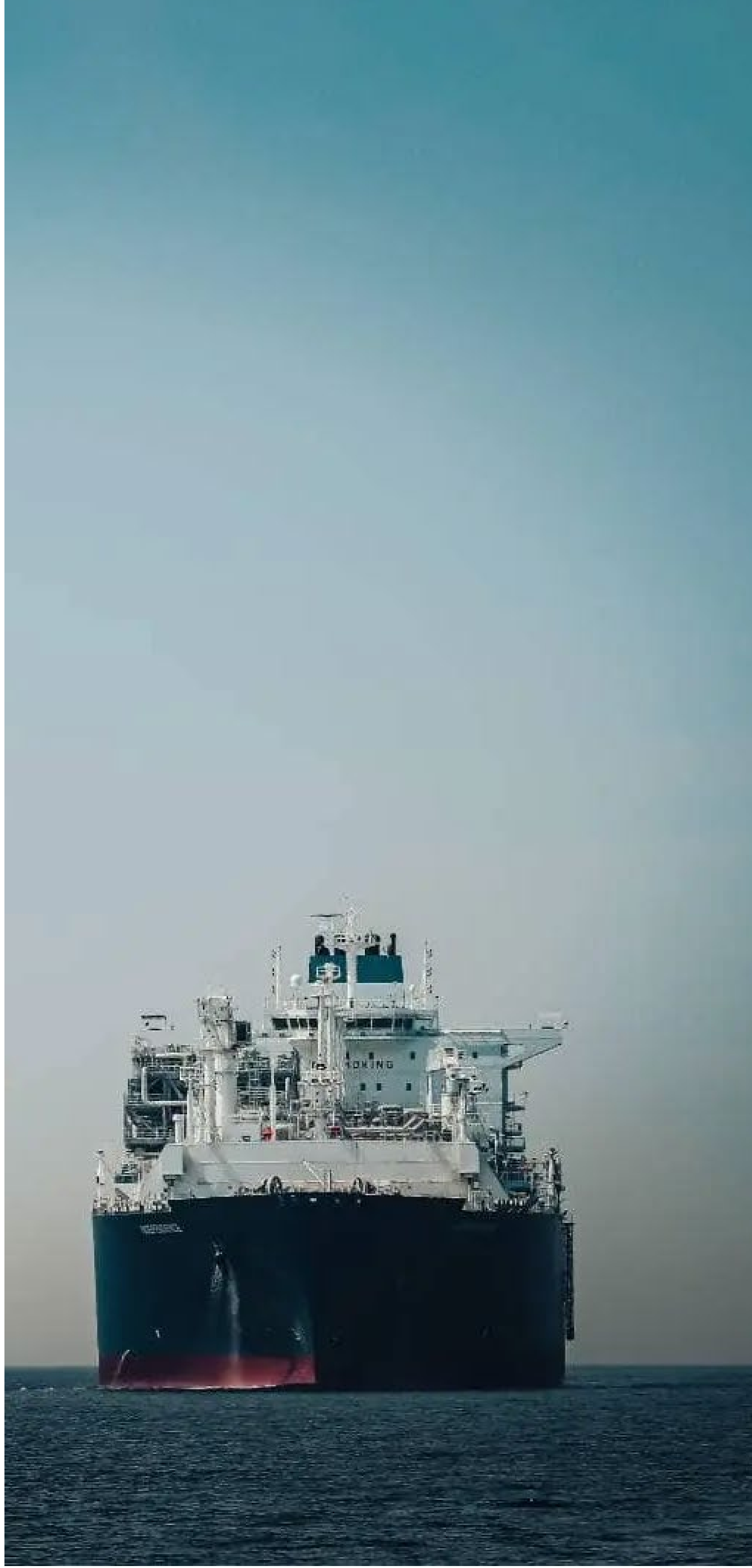
NO.	PROJECT	AMOUNT OF INVESTMENT	DESCRIPTION
1.	Purchase of FSRU "Independence"	138.1 MEUR	
2.	Safety and maintenance investments in FSRU	9.9 MEUR	Technical measures were deployed for the protection of the underwater part of the FSRU, and backup heat exchangers were integrated. The FSRU Dry-Dock has also been successfully implemented.
3.	Investments in LET infrastructure	2.6 MEUR	Investments have been made to ensure safety and expand infrastructure for loading.
4.	IT investments	1.0 MEUR	Upgrading IT equipment and software.
5.	Investments in safety and compliance	0.5 MEUR	Investment in fire-fighting systems and measures to ensure the safety of personnel
6.	Other investments	2,3 MEUR	Other investments related to maintenance, business continuity, compliance, cyber-security, and workplace safety.
	Total	**154.4 MEUR**	

ACTIVITY PLANS AND FORECASTS

The long-term corporate strategy of KN is centred on three key lines of action: liquid energy products, LNG terminals, and the development of new energy sources, including synthetic fuels, hydrogen and its compounds, alternative energy carriers, carbon capture and storage, among others.

By 2030, KN aims to lay a solid foundation for the future business of new energies. The company will pursue this objective through a phased approach, encompassing the diversification of its activities and the construction of new infrastructure, in addition to the adaptation of existing infrastructure. By 2030, the company aims to develop at least three business opportunities: to enter the hydrogen carrier handling and storage market; to create a CO2 storage and handling business to help control and reduce carbon emissions; and to create a pilot battery project in the region and a sustainable business model for the company to become a part of the energy storage/balancing market. The company's strategic utilisation of emerging energy sources will progressively position it to transition towards a green economy.

In the face of future changes, the company will continue to focus on its current activities, which will help it to secure the steady income needed to invest in new forms of energy. The development of liquid energy terminals is expected to further diversify the product and customer portfolio. There are plans to increase the handling of biofuels and to enter the storage and handling market for chemical products (methanol, etc.). The LNG business will strive to expand the business development activities of the floating LNG terminals in growth markets. Additionally, KN will continue to focus on operational excellence, commercial and operational efficiency, and creating more value for customers.



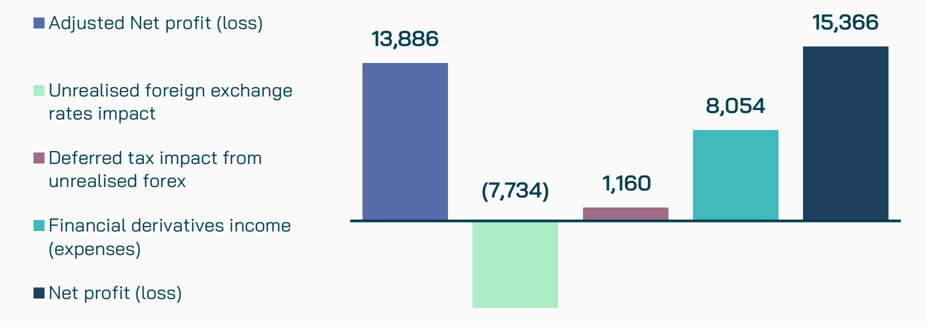
2. FINANCIAL RESULTS

FINANCIAL RESULTS

NET PROFIT

KN uses alternative performance measures (APM) to provide better understanding of the Group and the Company business operations. Currently, net profit (loss) of the Group and the Company is affected by material non-cash items. Therefore, the adjusted financial indicators 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.

Impact of IFRS 16 on Group's Net profit (loss) in 2024 (EUR thousand)



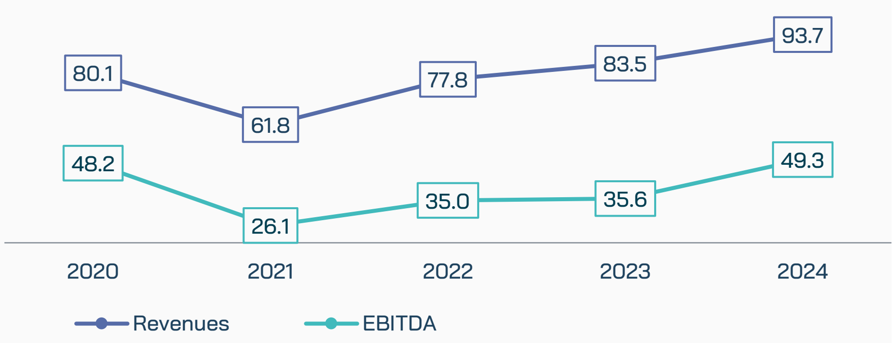
AB KN Energies has experienced fluctuating financial performance over the past five years, with notable improvements in recent years. The company has demonstrated resilience and strategic focus on international expansion and operational efficiency, which has driven its financial recovery and enabled effective navigation of challenging market conditions.

Market conditions and demand fluctuations have been a key influence on the company's financial results. The energy sector's volatility, particularly in the liquid energy and LNG markets, has had a significant impact on revenue. In 2021, the company experienced a decline in revenue due to reduced cargo volumes and increased competition from other terminals in the Baltic region. However, in response to these challenges, AB KN Energies made strategic investments to enhance operational efficiency.

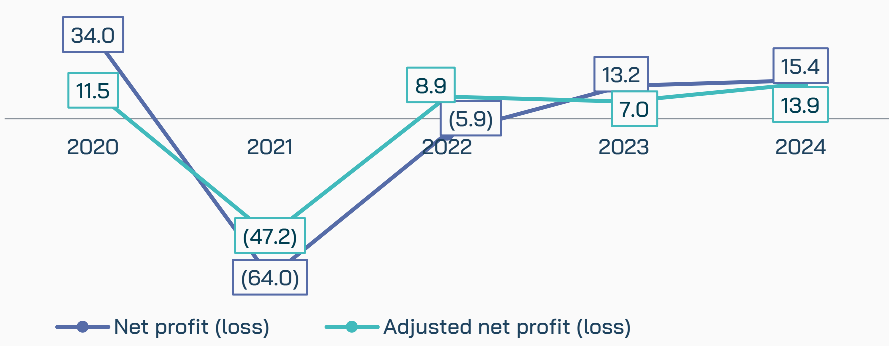
The company's strategic diversification has been instrumental in enhancing its financial performance, with efforts to improve operational efficiency and cost control further contributing to profitability. Investments in biofuels and expanded storage capabilities have led to a reduction in operational costs and emissions, contributing to a recovery in net profit. Additionally, international LNG projects have played a significant role in revenue diversification. The company has provided operational services for floating LNG terminals in Germany and supported the Piombino LNG terminal project in Italy, reinforcing its global presence and financial stability.

Looking ahead, AB KN Energies plans to continue expanding into new energy markets, including hydrogen and CO2 storage solutions, with the aim of supporting long-term financial growth and sustainability objectives. By diversifying its service portfolio, maintaining operational efficiency, and engaging in strategic international projects, the company is well-positioned to adapt to evolving energy market dynamics and regulatory developments.

Revenue and EBITDA (EUR million)



Net profit (loss) (EUR million)



Result of Liquid energy terminals:

In 2024, the Company's net profit from its Klaipėda, Subačius and Marijampolė Liquid Energy Terminals amounted to EUR 3,048 thousand, marking a decline of EUR 1,359 thousand from 2023.

This was driven by a 17% decrease in transshipment volumes, which totalled 3,406 thousand tonnes compared to 4,119 kt in 2023. The decline in volumes, primarily caused by global market imbalances and geopolitical factors, led to a EUR 1,259 thousand, or 4.5%, drop in segment revenue.

Despite these challenges, the Company's revenue from product storage services and its strategic growth areas, such as bitumen and biofuels, helped stabilize its financial position and set the stage for further expansion.

Variable costs were effectively controlled, with a 34% reduction compared to the previous year, largely due to lower gas and electricity prices, along with internal efficiency initiatives focused on optimizing energy consumption.

Result of regulated LNG activities:

During May 2024 an inspection and repair of the FSRU was successfully executed in the dry dock in Denmark. During the inspection of Independence in the dry dock, anti-corrosion coating of the Independence hull was renewed, periodic maintenance works were performed. Due to planned periodic dry dock, FSRU Independence had not performed regasification until mid-June which has led to slightly lower regasification revenues. During this period, Lithuania had been supplied with natural gas through the Inkoo and GIPL gas interconnection between Lithuania and Poland and from the Inčukalns natural gas storage in Latvia.

Despite lower regasification, total revenues from Regulated LNG segment are approximately 14% higher than in 2023 and amount to EUR 55.8 million in 2024. The increase in revenues is mainly driven by revenues from reserved unused terminal capacity. The segment also has around 7% lower costs in 2024, mainly due to significantly lower costs for emission allowances (EA). The decrease is due to lower allowance prices and lower permit volumes.

The segment's adjusted net profit is EUR 6,235 thousand, more than three times higher than in 2023 (EUR 1,639 thousand). This substantial growth can be attributed to the impact of IFRS16, which is reflected in here.

Result of commercial LNG activities:

Net profit from commercial LNG activities amounted to EUR 4,755 thousand, representing more than fivefold growth compared to 2023. This significant growth can be attributed to revenue increase in Brazil, from small scale LNG services in Klaipėda and the success of KN's international tenders. In January 2024, KN executed a contract with DET on the provision of commercial management services of Wilhelmshaven 1, Brunsbüttel, Wilhelmshaven 2, and Stade LNG terminals on the North Sea coast, in May 2024, KN was awarded with a service contract for the technical operation and maintenance of the LNG terminal facilities at the Wilhelmshaven-2 site in Germany.

Result of New energies segment:

The Company had a loss of EUR 151 thousand from New energies segment, because the Company devotes resources to exploring new opportunities and analysing the market.

In 2024, KN actively participated in several industry events and conferences, fostering collaboration and keeping abreast of key developments. In particular, KN participated in the CO2 Baltic Carbon Forum in Latvia and the CCUS Forum in Denmark, gaining insights into innovations in Carbon Capture, Utilisation and Storage (CCUS). The company also provided resources to the CCS Baltic Consortium to advance carbon capture initiatives in the region by securing financial support and conducting preparatory technical and commercial studies.

Beyond CCUS, KN is exploring its role in the hydrogen value chain, assessing infrastructure needs and sector development requirements. To further its energy initiatives, KN collaborated with Kaunas Technological University on a study of flow battery technology, gaining valuable insights into its potential applications and efficiencies. These efforts reflect KN's commitment to sustainability and innovation in energy storage and carbon reduction technologies.

SALES REVENUE

The Group's sales revenue in 2024 (EUR 93,655 thousand) has increased by 12.1% or EUR 10,129 thousand compared to the 2023 figure (EUR 83,526 thousand). Sales revenue from Liquid Energy Terminals decreased by 4.5% or EUR 1,259 thousand, while revenue from commercial LNG activities increased by 63% or EUR 4,325 thousand and revenue from regulated LNG activities increased by 14.5% or EUR 7,063 thousand. The activity of LNG terminal is regulated and has a price cap, thus activity does not depend on regasification volume. For more information, concerning regulated activities, please refer to the Company's website in Klaipėda LNG terminal - KN.

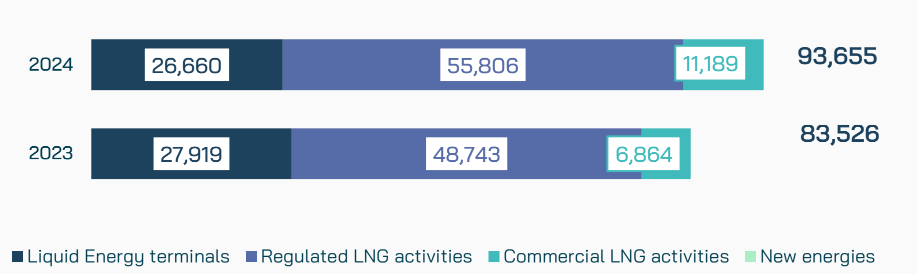
The Company's sales revenue in 2024 (EUR 89,407 thousand) has increased by 11.3% or EUR 9,051 thousand compared to 2023 figure (EUR 80,356 thousand).

EXPENSES

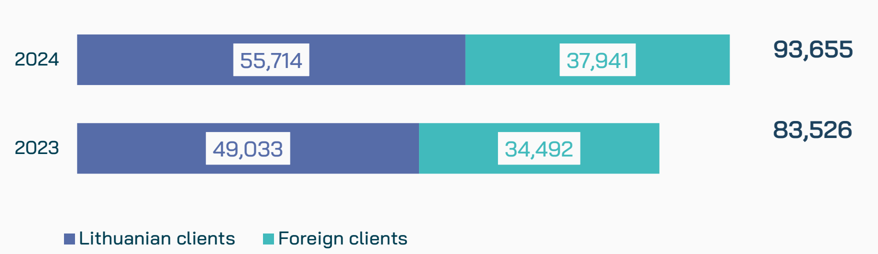
The total expenses of the Group in 2024 amounted to EUR 69,283 thousand, representing a decrease of 2.4% or EUR 1,704 thousand compared to the 2023 figures (EUR 70,987 thousand). A detailed breakdown of expenses by segment is provided on the following page.

The total expenses of the Company in 2024 amount to EUR 67,309 thousand, representing a decrease of 2.5% or EUR 1,697 thousand compared to the 2023 figures (EUR 69,006 thousand).

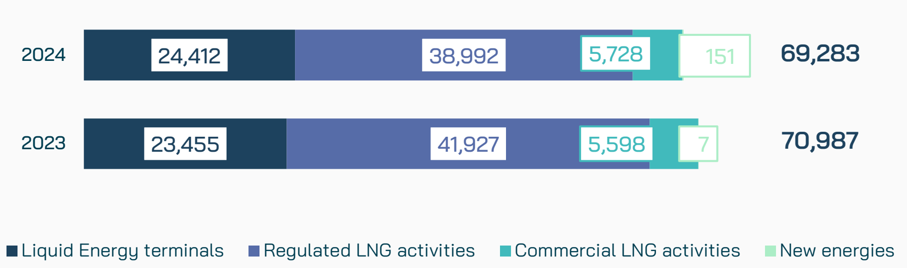
THE GROUP'S SALES REVENUE BY SEGMENTS (EUR thousand)



THE GROUP'S SALES REVENUE BY GEOGRAPHY (EUR thousand)



THE GROUP'S COSTS BY SEGMENTS (EUR thousand)



The listing of the Group's major expenses is presented below:

	2024					2023					Change	
	LET	LNG		New energies	TOTAL 2024	LET	LNG		New energies	TOTAL 2023	2024vs2023	
		LNGT	comLNG				LNGT	comLNG			+/-	%
Wages, salaries and social security	9,703	4,311	2,634	108	16,756	8,627	3,657	2,332	-	14,616	2,140	14.6%
Depreciation of right-of-use asset	538	13,708	179	-	14,425	481	13,762	147	-	14,390	35	0.2%
Depreciation and amortization	5,552	3,213	1,118	-	9,883	5,262	2,190	1,199	-	8,651	1,232	14.2%
Expenses related to FSRU rent (OPEX element, management, crew cost)	-	7,824	-	-	7,824	-	8,605	-	-	8,605	(781)	(9.1%)
Emission allowances and tax on environmental pollution	252	3,937	-	-	4,189	281	7,166	-	-	7,447	(3,258)	(43.7%)
Variable costs (natural gas, electricity, railway services)	2,902	13	36	-	2,951	4,089	18	30	-	4,137	(1,186)	(28.7%)
Repair and exploitation expenses	1,236	253	283	-	1,772	928	338	192	-	1,458	314	21.5%
Port charges	-	1,578	-	-	1,578	1	1,532	-	-	1,533	45	2.9%
Consulting and legal costs	383	556	111	35	1,085	447	690	266	6	1,409	(324)	(23.0%)
Insurance expenses	297	702	13	-	1,012	270	905	12	-	1,187	(175)	(14.7%)
Contribution for National Energy Regulatory Council (NERC)	-	668	-	-	668	-	611	-	-	611	57	9.3%
Tax on real estate	406	73	11	-	490	420	73	11	-	504	(14)	(2.8%)
Work safety costs	183	60	8	-	251	206	15	30	-	251	-	-
Claims received from customers	39	4	-	-	43	86	935	-	-	1,021	(978)	(95.8%)
Cost of oil products sold	-	-	-	-	-	355	-	-	-	355	(355)	(100.0%)
Other cost of sales and operating expenses	2,921	2,092	1,335	8	6,356	2,002	1,430	1,379	1	4,812	(1,544)	32.1%
Total costs	**24,412**	**38,992**	**5,728**	**151**	**69,283**	**23,455**	**41,927**	**5,598**	**7**	**70,987**	**(1,704)**	**(2.4%)**

FIVE-YEAR SUMMARY OF FINANCIAL RATIOS

THE KEY FINANCIAL RATIOS OF THE GROUP (IN EUR THOUSAND, IF NOT INDICATED OTHERWISE)

THE GROUP	2024	2023	2022	2021	2020
Transshipment of liquid energy products, thousand t	3,406	4,119	4,267	3,651	5,149
LNG regasification and reloading, GWh	28,046	33,958	32,446	16,569	21,987
Investments of non-current assets	8,459	4,547	4,559	9,080	7,163
FINANCIAL FIGURES					
Sales	93,655	83,525	77,818	61,811	80,114
EBITDA (APM)	49,337	35,638	34,987	26,108	48,168
EBIT (APM)	25,029	12,597	12,322	461	21,612
Net profit (loss)	15,366	13,226	(5,904)	(64,011)	33,958
Adj. Net profit (loss)	13,886	6,963	8,869	(47,178)	11,454
PROFITABILITY					
Return on assets (ROA) (APM)	2.8%	2.3%	(1.0%)	(10.5%)	5.2%
Adj. Return on assets (ROA) (APM)	2.5%	1.2%	1.5%	(7.7%)	1.7%
Return on equity (ROE) (APM)	9.8%	9.0%	(4.2%)	(35.5%)	16.7%
Adj. Return on equity (ROE) (APM)	9.7%	4.4%	6.0%	(27.5%)	5.8%
Return on Capital Employed (ROCE) (APM)	5.3%	4.0%	4.4%	0.2%	6.9%
Adj. Return on Capital Employed (ROCE) (APM)	5.3%	3.9%	4.2%	0.2%	7.3%
EBITDA margin (APM)	52.7%	42.7%	45.0%	42.2%	60.1%
EBIT margin (APM)	26.7%	15.1%	15.8%	0.7%	27.0%
Net profit margin (APM)	16.4%	15.8%	(7.6%)	(103.6%)	42.4%
Adj. Net profit margin (APM)	14.8%	8.3%	11.4%	(76.3%)	14.3%
FINANCIAL STRUCTURE					
Debt ratio (D/E) (APM)	228%	265%	313%	295%	201%
Adj. Debt ratio (D/E) (APM)	219%	249%	284%	296%	219%
Debt ratio (D/E) - excluding IFRS 16 liabilities (APM)	212%	124%	121%	97%	60%
Adj. Debt ratio (D/E) - excluding IFRS 16 liabilities (APM)	204%	118%	110%	97%	65%
Debt to EBITDA (APM)	8	11	12	16	9
Debt (excluding IFRS 16) to EBITDA (APM)	7	5	5	5	3
Net Debt/EBITDA (APM)	6	8	10	13	7
Net Debt (excluding IFRS 16) to EBITDA (APM)	5	2	2	2	0
Debt service coverage ratio (DSCR) (APM)	2	3	4	4	8
Gross liquidity ratio (APM)	2.2	0.5	1.3	1.3	1.5
MARKET VALUE RATIOS					
Price-Earnings Ratio (P/E)	5.8	5.8	(15.4)	(1.8)	3.6
Adj. Price-Earnings Ratio (P/E)	6.5	11.0	10.3	(2.5)	10.7
Earnings per share (EPS)	0.040	0.035	(0.016)	(0.168)	0.089
Adj. Earnings per share (EPS)	0.037	0.018	0.023	(0.124)	0.030

*Adj. – 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.

THE KEY FINANCIAL RATIOS OF THE COMPANY (IN EUR THOUSAND, IF NOT INDICATED OTHERWISE)

THE COMPANY	2024	2023	2022	2021	2020
Transshipment of liquid energy products, thousand t	3,406	4,119	4,267	3,651	5,149
LNG regasification and reloading, GWh	28,046	33,958	32,446	16,569	21,987
Investments of non-current assets	8,459	4,547	4,559	9,080	7,163
FINANCIAL FIGURES					
Sales	89,407	80,356	74,722	58,633	77,474
EBITDA (APM)	46,935	34,346	33,696	24,582	47,291
EBIT (APM)	22,739	11,409	11,129	(984)	20,765
Net profit (loss)	13,797	12,370	(6,732)	(64,917)	33,495
Adj. Net profit (loss)	12,317	6,107	8,041	(48,084)	10,991
PROFITABILITY					
Return on assets (ROA) (APM)	2.6%	2.2%	(1.2%)	(10.6%)	5.1%
Adj. Return on assets (ROA) (APM)	2.3%	1.1%	1.4%	(7.9%)	1.7%
Return on equity (ROE) (APM)	8.9%	8.6%	(4.8%)	(36.0%)	16.4%
Adj. Return on equity (ROE) (APM)	7.6%	3.9%	5.5%	(28.1%)	5.6%
Return on Capital Employed (ROCE) (APM)	4.9%	3.6%	4.0%	(0.4%)	6.6%
Adj. Return on Capital Employed (ROCE) (APM)	4.8%	3.5%	3.8%	(0.4%)	7.0%
EBITDA margin (APM)	52.5%	42.7%	45.1%	41.9%	61.0%
EBIT margin (APM)	25.4%	14.2%	14.9%	(1.7%)	26.8%
Net profit margin (APM)	15.4%	15.4%	(9.0%)	(110.7%)	43.2%
Adj. Net profit margin (APM)	13.8%	7.6%	10.8%	(82.0%)	14.2%
FINANCIAL STRUCTURE					
Debt ratio (D/E) (APM)	233%	266%	316%	297%	201%
Adj. Debt ratio (D/E) (APM)	224%	253%	287%	298%	218%
Debt ratio (D/E) - excluding IFRS 16 liabilities (APM)	217%	126%	123%	97%	60%
Adj. Debt ratio (D/E) - excluding IFRS 16 liabilities (APM)	209%	120%	111%	98%	65%
Debt to EBITDA (APM)	8	12	13	17	9
Debt (excluding IFRS 16) to EBITDA (APM)	7	6	5	6	3
Net Debt/EBITDA (APM)	6	9	10	14	7
Net Debt (excluding IFRS 16) to EBITDA (APM)	6	3	2	3	1
Debt service coverage ratio (DSCR) (APM)	2	3	4	4	8
Gross liquidity ratio (APM)	2.0	0.4	1.2	1.2	1.4
MARKET VALUE RATIOS					
Price-Earnings Ratio (P/E) (APM)	6.5	6.2	(13.5)	(1.8)	3.6
Adj. Price-Earnings Ratio (P/E)	7.3	12.6	11.3	(2.4)	11.1
Earnings per share (EPS) (APM)	0.036	0.033	(0.018)	(0.171)	0.088
Adj. Earnings per share (EPS)	0.032	0.016	0.021	(0.126)	0.029

*Adj. – 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.

ALTERNATIVE PERFORMANCE MEASURES (APM)

In addition to financial performance measures prepared according to International Financial Accountability Standards (IFAS), KN Energies also provides alternative financial performance measures in its financial statements that are not indicated in IFAS. The company provides the calculation methodology of alternative performance measures, which may differ from methodologies used by other companies.

MEASURE	CALCULATION
Debt ratio (D/E)	total current and non-current liabilities at the end of the period / total equity at the end of the period
Debt ratio (D/E) – excluding IFRS 16 liabilities	(total current and non-current liabilities at the end of the period – total current and non-current IFRS 16 lease liabilities) / total equity at the end of the period
Debt ratio (D/E) – excluding IFRS 16 liabilities (adjusted)	(total current and non-current liabilities at the end of the period – total current and non-current IFRS 16 lease liabilities) / total adjusted equity at the end of the period
Debt ratio (D/E) (ajusted)	(total current and non-current liabilities) / total adjusted equity at the end of the period
Debt service coverage ratio (DSCR)	EBITDA of the period / (total current loan obligations at the end of the period + interest expenses of the period)
Debt service coverage ratio (for the last twelve months) (DSCR)	EBITDA of the last twelve months / (total current loan obligations at the end of the period + interest expenses of the period)
Debt to EBITDA	total current and non-current liabilities at the end of the period / EBITDA of the period
Debt to EBITDA – excluding IFRS 16	(total current and non-current liabilities at the end of the period – current and non-current IFRS lease liabilities) / EBITDA of the period
Earnings per share (EPS)	net profit (loss) for the period/ total number of shares at the end of the period
EBIT	earnings before taxes – financial activity income + financial activity expenses
EBIT margin	EBIT / revenue
EBITDA	earnings before taxes – financial activity income + financial activity expenses + depreciation and amortization expenses + impairment expenses and reversals
EBITDA (for the last twelve months)	earnings before taxes – financial activity income + financial activity expenses + depreciation and amortization expenses + impairment expenses and reversals (calculated using result for the last twelve months)
EBITDA margin	EBITDA / revenue

MEASURE	CALCULATION
Gross liquidity ratio (current ratio)	total current assets at the end of the period / total current liabilities at the end of the period.
Net Debt/ EBITDA – excluding IFRS 16	(cash and cash equivalents – short-term deposits – long-term and short-term loans and lease liabilities – current and non-current IFRS lease liabilities) / EBITDA for the period
Net Debt/EBITDA	cash and cash equivalents – short-term deposits – long-term and short-term loans and lease liabilities/ EBITDA for the period
Net Debt/EBITDA (for the last twelve months)	total current and non-current liabilities at the end of the period - cash and cash equivalents/ EBITDA of the last twelve months
Net Debt/EBITDA (for the last twelve months) – excluding IFRS 16	(total current and non-current liabilities at the end of the period - cash and cash equivalents – current and non-current IFRS lease liabilities) / EBITDA of the last twelve months
Net profit margin	net profit (loss) for the period / revenue
Net profit margin (adjusted)	adjusted net profit (loss) for the period / revenue
Price-Earnings Ratio (P/E)	average share price for the period / (net profit (loss) of the last twelve months/ total number of shares at the end of the period)
Return on assets (ROA)	net profit (loss) of the last twelve months / (assets at the end of the period + assets at the beginning of the period) / 2
Return on assets (ROA) (adjusted)	adjusted net profit (loss) of the last twelve months / (assets at the end of the period + assets at the beginning of the period) / 2
Return on Capital Employed (ROCE)	EBIT / (total equity + total long-term loans and deferred government grants at the end of the period)
Return on Capital Employed (ROCE) (adjusted)	EBIT / (total adjusted equity + total long-term loans and deferred government grants at the end of the period)
Return on equity (ROE)	net profit (loss) of the last twelve months / (equity at the end of the period + equity at the beginning of the period) / 2
Return on equity (ROE) (adjusted)	adjusted net profit (loss) of the last twelve months / (adjusted equity at the end of the period + adjusted equity at the beginning of the period) / 2

3. GOVERNANCE REPORT

GOVERNANCE REPORT INFORMATION

AB KN Energies aims to make its corporate management and internal processes in a way to ensure transparent, effective, and profitable activities and its activities retain the trust of our stakeholders. The internal control processes and management practices implemented within the Company are in line with the best management practice principles. This report provides main information and principles regarding management and related processes.

The Company's management structure is described in detail in the paragraph "Management of the Company". This paragraph also contains information regarding corporate management and organizational scheme and provides a short description of the functions of each corporate body of the Company.

In order for the corporate bodies of the Company to have clear agreement on the targets, directions, and objectives the corporate strategy is being prepared with purpose to foresee long term strategic goals and tasks. AB KN Energies strategic goals are described in the paragraph "The Corporate Strategy". For more detailed information about the KN strategy, please refer to the strategy summary following this link: KN Strategy 2050.

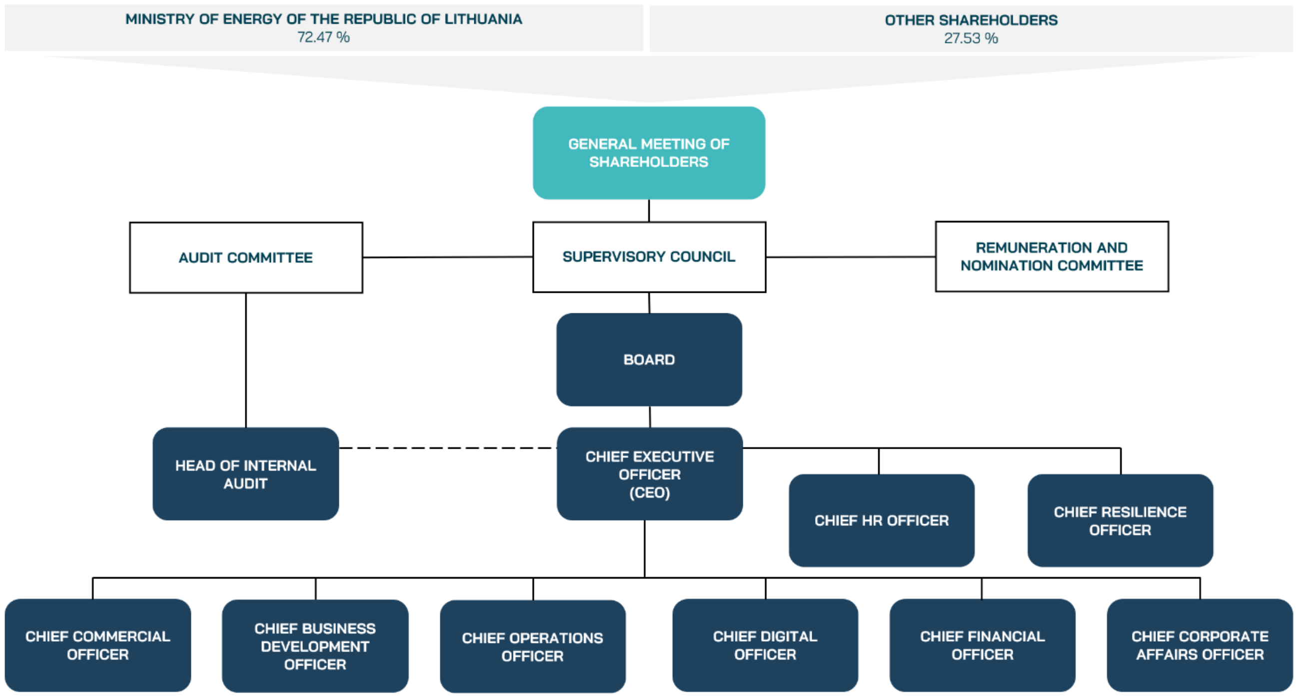
MANAGEMENT OF THE COMPANY

MANAGEMENT STRUCTURE

The Company operates in compliance with the Law on Companies, the Law on Securities, Articles of Association of the Company, and other legal acts of the Republic of Lithuania.

The Company's Articles of Association are registered in the Register of Legal Entities of Lithuania and specify the following management bodies:

- The General Meeting of Shareholders
- The Supervisory Council
- The Board
- Chief Executive Officer (CEO)



MEMBERS OF THE NON-EXECUTIVE MANAGEMENT AS OF 31 DECEMBER 2024

Robertas Vyšniauskas (independent member)

Chairperson of the Supervisory Council. Elected to the Supervisory Council on the 20th October 2022 by the Extraordinary General Meeting of Shareholders for a four-year term.

Member of Audit Committee. Elected by decision of the Supervisory Council (and approval by the General Meeting of Shareholders) from 24 November 2022 until the end of the term of office of the Company's current Supervisory Council.

Member of the Remuneration and Nomination Committee. Elected by decision of the Supervisory Council from 24 November 2022 until the end of the term of office of the Company's current Supervisory Council.

Robertas Vyšniauskas does not hold shares of AB KN Energies. Robertas Vyšniauskas' declaration of private interests can be found on PINREG.

Education:

- Mykolas Romeris University, Faculty of Law, Master of Law (2010)
- Mykolas Romeris University, Faculty of Law, Bachelor of Law (2004)

Work experience and participation in activities of other companies and organisations:

- Since 2020, Independent Member and Chairperson of the Board and Member of the Audit Committee of UAB Vilniaus vystymo kompanija
- Since 2019, Independent Member and Chairperson of the Board and Member of Remuneration and Nomination Committee (till 2024 served as a Member of the Audit Committee) of UAB EPSO-G
- Since 2019, Partnership associate professor (till 2024 Lecturer) at VšĮ Vilniaus universitetas
- Since 2014, Corporate Governance, M&A Consultant (private practice)
- From 2020 to 2024, Independent Member of the Board of Directors (until 09.11.2020) and General manager of UAB Valstybės investicinis kapitalas
- 2019, Independent Member of the Board of SE Infostruktūra
- From 2008 to 2014, member of the management bodies of companies related to or controlling UAB Vilniaus prekyba - member of the board and/or director and/or lawyer
- From 2003 to 2008, private legal practice

Dovilė Kavaliauskienė (member)

Member of the Supervisory Council. Elected to the Supervisory Council on the 20th October 2022 by the Extraordinary General Meeting of Shareholders for a four-year term.

Member of the Remuneration and Nomination Committee. Elected by decision of the Supervisory Council from 24 November 2022 until the end of the term of office of the Company's current Supervisory Council.

Dovilė Kavaliauskienė does not hold shares of AB KN Energies. Dovilė Kavaliauskienė' declaration of private interests can be found in PINREG.

Education:

- Baltic Institute of Corporate Governance, Corporate Governance Training for Public Sector (2022)
- Vilnius University, Faculty of Law, Master of Law (2016)

Work experience and participation in activities of other companies and organisations:

- Since 2021, Adviser to the Law and Personnel Group of the Ministry of Energy of the Republic of Lithuania
- From 2020 to 2021, Adviser to the Law and Personnel Division of the Ministry of Energy
- From 2018 to 2020, Adviser to the Law Division of the Ministry of Energy
- 2018, Deputy Head of the Law Division of the Ministry of Energy
- From 2016 to 2018 Chief specialist, Electricity Energy Division, Ministry of Energy
- 2014, Legal Consultant, VšĮ Vilniaus universiteto teisės klinika

Mantas Šukevičius (independent member)

Member of the Supervisory Council. Elected to the Supervisory Council on the 20th October 2022 by the Extraordinary General Meeting of Shareholders for a four-year term.

Member of the Audit Committee. Elected by decision of the Supervisory Council from 24 November 2022 until the end of the term of office of the Company's current Supervisory Council.

Mantas Šukevičius does not hold shares of AB KN Energies. Mantas Šukevičius' declaration of private interests can be found in PINREG.

Education:

- Vilnius University, Institute of International Relations and Political Science, Master of European Union Studies (2000)
- Vilnius University, Institute of International Relations and Political Science, Bachelor of Political Science (1998)
- Vilnius University, Faculty of Economics, Bachelor of Economics (Banking) (1997)

Work experience and participation in activities of other companies and organisations:

- Since 2022, independent member of the board of VĮ Oro navigacija
- Since 2022, independent member of the supervisory board of JSCB Biznesni Rivojlantirish Banki
- Since 2021, member of the board of UAB Demus Asset Management
- Since 2020, director of MB Buteo Invest
- From 2020 to 2022, CEO of UAB Demus Asset Management
- Since 2018, chairman of the management board of AB Detonas
- More information: Management - KN

MEMBERS OF THE NON-EXECUTIVE MANAGEMENT AS OF 31 DECEMBER 2024

Šarūnas Radavičius (independent member)

Chairperson of the Audit Committee. Elected by decision of the Supervisory Council from 22nd February 2023 until the end of the term of office of the Company's current Supervisory Council. In the Audit Committee meeting held on 20 April 2023, elected as a Chairperson of the Audit Committee.

Šarūnas Radavičius does not hold shares of AB KN Energies. Šarūnas Radavičius' declaration of private interests can be found on PINREG.

Education:

- Vilnius University, Faculty of Economics, Accounting and Auditing (1993)

Work experience and participation in activities of other companies and organisations:

- Since 2023, Lithuanian Chamber of Auditors, member of the Presidium
- Since 2021, UAB Akropolis Group, Chairperson of the Audit Committee
- Since 2021, AB Utenos trikotažas, Chairman of the Audit Committee
- Since 2019, owner of MB Saluma
- From 2019 to 2021, Chairman of the Audit Committee, AB Lietuvos radijo ir televizijos centras
- From 2018 to 2021, Member of the Audit Committee of AB Ignitis grupė

Živilė Valeišienė (independent member)

Chairperson of the Remuneration and Nomination Committee. Elected to Committee by decision of the Supervisory Council from 22nd February 2023 until the end of the term of office of the Company's current Supervisory Council.

Živilė Valeišienė does not hold shares of AB KN Energies. Živilė Valeišienė' declaration of private interests can be found in PINREG.

Education:

- Baltic Institute of Corporate Governance (BICG), Training for Board Members (2021)
- Baltic Management Institute (BMI), Executive Master's Degree (EMBA) (2013)
- Kaunas University of Technology, Master of Applied Mathematics (1999)

Work experience and participation in activities of other companies and organisations:

- Since 2022, Independent member of the Board at AB Kelių priežiūra
- Since 2022, Member of the Remuneration Committee Sub-Committee of Western Union
- From 2014 to 2022 HR Director, Global HR Business Partner at Western Union Processing Lietuva
- From 2009 to 2014, Head of HR at UAB Omnitel
- From 2003 to 2009, UAB Philip Morris Baltic/UAB Philip Morris Lithuania, career progression from specialist to HR Business Partner for Baltics

Edvinas Katilius (independent member)

Chairperson of the Board (until 31st October 2024). Appointed to the Board by the Supervisory Council as of 25 April 2022. Resigned from the position of Board member of KN. December 31, 2024, was Edvinas Katilius last day in office as an independent Board member.

Edvinas Katilius does not hold shares of AB KN Energies. Edvinas Katilius' declaration of private interests can be found in PINREG.

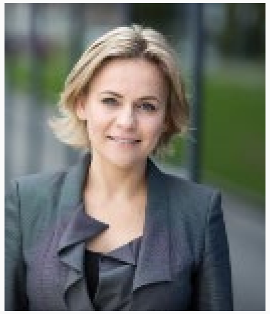
Education:

- IMD Business School, Switzerland, MBA (2002)
- Aalborg University, Denmark, International business MBA course (1994)
- Vilnius University, Lithuania, diploma in Econometrics (1993)

Work experience and participation in activities of other companies and organisations:

- Since 2017, PMI (Philip Morris International), VP PMI Global Duty Free
- From 2013 to 2017, PMI Poland & Baltics, Managing Director
- From 2009 to 2013, PMI Russia. VP Area, then VP Commercial strategy Russia
- From 2007 to 2008, PMI EU Region. Director Commercial strategy EU
- From 2004 to 2006, PMI Baltic States, Managing Director
- From 2003 to 2004, PMI Planning and business development manager
- From 1999 to 2001, PMI National Sales Manager Lithuania
- From 1995 to 1999, Pepsi - Cola Company, Franchise manager (Vilnius), then Franchise manager South Ukraine and General Manager Ukraine (Kiev)

MEMBERS OF THE NON-EXECUTIVE MANAGEMENT AS OF 31 DECEMBER 2024



Jūratė Lingienė (independent member)

Member of the Board of the Company, Chairperson of the Board since 1st November 2024. Appointed by the Supervisory Council as a member of the Board with effect from 25 April 2022. Elected by decision of the Board as Chairperson of the Board with effect from 1 November 2024.

Jūratė Lingienė does not hold shares of AB KN Energies. Jūratė Lingienė' declaration of private interests can be found in PINREG.

Education:

- Oxford University, Diploma in Financial Strategy (2024)
- ACCA (The Association of Chartered Certified Accountants) (2004), UK ACCA Member - Certified Accountant (FCCA)
- Vilnius University, Master degree in Finance (1999)
- Vilnius University, Bachelor degree in Audit and Accounting (1997)

Work experience and participation in activities of other companies and organisations:

- Since 2015, SEB (Sweden) CFO for Technology and Staff functions
- From 2014 to 2015, SEB (Lithuania and Latvia) Head of Vilnius and Riga Shared Service Centers
- From 2010 to 2014, SEB Latvia CFO, Member of the Board
- From 2008 to 2010, SEB Lithuania Head of Finance
- From 2006 to 2008, SEB Lithuania Head of Planning
- 2006, SEB Lithuania Head of Financial systems group

Alfonso Morriello (independent member)

Member of the Board of the Company. Appointed to the Board by the Supervisory Council as of 25 April 2022.

Alfonso Morriello does not hold shares of AB KN Energies. Alfonso Morriello' declaration of private interests can be found in PINREG.

Education:

- INSEAD, MBA (2001)
- University La Sapienza, Rome, MSc Electronics Engineering (1996)

Work experience and participation in activities of other companies and organisations:

- Since 2020, AXEGAZ Trading & Technologies S.A.S. Chief Executive Officer
- From 2019 to 2020, MAXCOM PETROLI S.p.A., Board Member & LNG Managing Director
- From 2011 to 2019, AXEGAZ, Chief Executive Officer and Chairman of the Board
- From 2007 to 2010, SHELL GAS HUNGARY, General Manager
- From 2002 to 2007, SHELL GAS, Global Head of Portfolio
- From 1998 to 2002, SHELL INFORMATION TECHNOLOGY INTERNATIONAL Ltd, Senior Consultant

Karolis Švaikauskas (member)

Member of the Board of the Company. Appointed to the Board by the Supervisory Council as of 12 May 2022.

Karolis Švaikauskas does not hold shares of AB KN Energies. Karolis Švaikauskas' declaration of private interests can be found in PINREG.

Education:

- Vytautas Magnus University, Faculty of Political Science and Diplomacy, Master's Degree in Political Science, Baltic Region Studies (2011)
- Humboldt University of Berlin (Germany), Scandinavian and Northern European Studies (2010)
- Vytautas Magnus University, Faculty of Humanities, Bachelor's degree in Historical Sciences (2009)

Work experience and participation in activities of other companies and organisations:

- Since 2022, Member of the Board of AB „Amber Grid"
- From 2020 to 2022, Member of the Supervisory Board of Klaipėdos Nafta, AB
- Since 2019, Head of the Energy Competitiveness Policy Group of the Ministry of Energy of the Republic of Lithuania
- From 2019 to 2023, Member of the Labor Council of the Ministry of Energy (representation of employees' interests)
- From 2014 to 2019, Chief Specialist, Deputy Head and Adviser of the Oil and Gas Division of the Ministry of Energy of the Republic of Lithuania.
- More information: Management - KN

MEMBERS OF THE NON-EXECUTIVE MANAGEMENT AS OF 31 DECEMBER 2024

Guy Mason (independent member)

Member of the Board of the Company. Appointed to the Board by the Supervisory Council as of 25 April 2022.

Guy Mason does not hold shares of AB KN Energies. Guy Mason' declaration of private interests can be found in PINREG.

Education:

- Engineering science and technology, Loughborough University (1986)
- Chartered Engineer, Fellow of Institution of Mechanical Engineers

Work experience and participation in activities of other companies and organisations:

- Since 2022, Trustee and Chairperson of the Board, International Foundation for Aids to Navigation
- From 2021 to 2025, Non-Executive Director, Chairperson of Remuneration Committee Windward Limited
- From 2018 to 2020, Non-Executive Director and Advisory Committee member, International Tanker Owners Pollution Federation (ITOPF)
- From 2016 to 2020, Appointments leading to SVP Global Head of Shipping, BP
- From 1986 to 2016, Multiple management positions in various BP businesses including petrochemicals, gas power and renewables, and alternative energy
- More information: Management - KN

THE ACTIVITY OF THE GENERAL MEETING OF SHAREHOLDERS IN 2024

The General Meeting of Shareholders is the supreme management body of the Company. Competences of the General Meeting of Shareholders of the Company, Shareholders' rights, their implementation are identified in the Law on Companies of the Republic of Lithuania and in the Article of Association of the Company.

The Company's CEO or the authorized head of any other department always participates in the Shareholders' Meetings, while the chairpersons of the Supervisory Council, Board, and the CFO participate depending on the items being addressed.

There were 3 meetings of General Meeting of Shareholders in 2024. The following decisions have been adopted: to approve the audited Financial Statements of the Company for the year 2023; to allocate profit of the Company; to approve the Report on remuneration of the Company; to approve Regulations of Audit Committee activities of the Company; to approve the amended Remuneration Policy of the Company; to elect PricewaterhouseCoopers, UAB as the audit firm to audit the Company.

THE SUPERVISORY COUNCIL AND ITS ACTIVITIES IN 2024

The current Supervisory Council of the new term of office has been elected and started its activities on 20 October 2022.

Supervisory Council is a collegial supervisory body which consists of 3 (three) members (Robertas Vyšniauskas, Mantas Šukevičius, Dovilė Kavaliauskienė), elected for the period of 4 (four) years in the General Meeting of Shareholders according to the procedure established by the Law on Companies. Functions, rights, and duties of the Supervisory Council are detailed in the Law on Companies, Articles of Associations and Corporate Governance Policy of the Company, Decision Making Matrix of the Company and Rules of Procedure of the Supervisory Council.

During the year 2024, 11 (eleven) Supervisory Council meetings have been arranged where all Supervisory Council members have participated. Throughout the period, Supervisory Council as a top priority outlined: (i) the supervision of the activities of the Board and the CEO of the Company and implementation of annual internal audit plan; (ii) the supervision on the preparation and approval of the Company's strategy for 2025-2027 for the Governance Coordination Centre; (iii) the appointment of the new Head of Internal Audit and the review of all documents related to the activities of internal audit; (iv) monitoring the areas of cybersecurity and physical security; (v) initiation of the independent Board member selection process, after the resignation of the independent Board member Edvinas Katilius.

The activities of the Audit Committee, as well as the Remuneration and Nomination Committee, including the approval of annual reports and annual plans, were among the areas of focus of the Supervisory Council. The regulations of both committees were reviewed and updated. In addition to its regular tasks, the Supervisory Council in 2024 was also actively involved in the discussions about the internal control system functioning as well as risk management improvement.

Overall, the Supervisory Council performed its functions in accordance with its' annual plan and covered all planned items during the year.

THE AUDIT COMMITTEE AND ITS ACTIVITIES IN 2024

The current Audit Committee for the new term of office was elected by decision of the Supervisory Council of the Company and approval by the General Meeting of Shareholders and it began its activities on 24th November 2022.

Audit Committee consists of 3 (three) members elected for the office term of the Supervisory Council of which 1 (one) is independent (Šarūnas Radavičius) and 2 (two) are delegated members of the Supervisory Council (Mantas Šukevičius and Robertas Vyšniauskas). Šarūnas Radavičius also acts as a Chairperson of the Audit Committee.

The Regulation of the Audit Committee of the Company regulates the functions, rights, and duties of the Audit Committee. The key responsibilities of the Audit Committee include assisting the Supervisory Council in fulfilling its oversight responsibilities regarding financial reporting, the effectiveness of the risk management and internal control systems, monitoring the independence of both internal and external auditors, and assessing their performance and effectiveness. The Company's Head of Internal Audit is functionally subordinate to the Audit Committee and administratively subordinated to the CEO.

During the year 2024, 14 (fourteen) Audit Committee meetings have been arranged where all Audit Committee members have participated. Throughout the period, the Audit Committee closely: (i) monitored the financial reporting process and audit of consolidated financial statements of the Group; (ii) assessed the effectiveness of the financial statement audit process; (iii) monitored internal control and risk management system, reviewed and assessed the effectiveness of the Group's risk assessment and management system, discussed significant changes in the internal control system; (iv) reviewed topics related to conflict of interest governance and whistleblowing.

The Audit Committee also considered the external and internal audit plans for 2024, their results, and the assessments of the Group's internal control, including the control of financial statements. Additionally, the Audit Committee monitored the independence of the auditors.

One of the most important topics for the Audit Committee was the selection of the Head Internal Auditor and the audit firm responsible for auditing the Group's consolidated financial statements, and these processes were successfully completed.

The Audit Committee's annual plan for the year 2024 was fully executed.

THE REMUNERATION AND NOMINATION COMMITTEE AND ITS ACTIVITIES IN 2024

The current Remuneration and Nomination Committee for the new term of office was elected by decision of the Supervisory Council of the Company and it began its activities on 24th November 2022.

Remuneration and Nomination Committee consists of 3 (three) members elected for the office term of the Supervisory Council of which 1 (one) is independent (Živilė Valeišienė) and 2 (two) are delegated members of the Supervisory Council (Dovilė Kavaliauskienė and Robertas Vyšniauskas). Živilė Valeišienė also acts as a Chairperson of the Remuneration and Nomination Committee.

The Regulation of the Remuneration and Committee of the Company regulates the functions, rights, and duties of the Remuneration and Nomination Committee. The Remuneration and Nomination Committee acts as an advisory body to the Company's Supervisory Council, making recommendations on the Company's remuneration policy, proposing to the Company the criteria for assessing the performance of its executives, and making other recommendations relating to remuneration. The Remuneration and Nomination Committee, among other functions, provides opinions on the selection procedure of collegial bodies (excluding the Supervisory Council), provides recommendations regarding candidates for vacant positions in the management bodies, pays attention to the Company's continuity planning.

During the year 2024, 18 (eighteen) Remuneration and Nomination Committee meetings were arranged, with all members participating. Throughout the period the Remuneration and Nomination Committee closely: (i) reviewed and provided an opinion on the compliance of the Employee Remuneration Policy and the Procedure for Paying Bonuses to Top Management Employees; (ii) conducted an evaluation of the CEO's compensation level and structure, and provided recommendation to the Board; (iii) provided a recommendation on the proposed amendments of the Remuneration policy of the Company; (iv) by the Board's request provided recommendations regarding the CEO's performance evaluation form (How part) for the year 2023; (v) analysed the performance evaluation results of the Company's collegial bodies.

One of the most important topics for the Remuneration and Nomination Committee was the selection of the CEO of the Company, which was initiated by the decision of the Board. During the selection process: (i) the procedure for organizing the recruitment of collegial, supervisory, and management bodies, as well as the chief executive officer of the company; the CEO Competency Matrix, Selection Description, and Selection/Job Announcement were reviewed and approved; (ii) shortlisted candidates were interviewed; and (iii) a recommendation was provided to the Board to consider, evaluate, and decide on one of the proposed candidates for the position of CEO.

In the last quarter of the year, the selection of the independent Board member of the Company was initiated by the decision of the Supervisory Council. As part of its responsibilities, the Remuneration and Nomination Committee reviewed and approved the independent Board member Competency Matrix and Selection Description. The selection is expected to be completed by the end of the first quarter of 2025.

The Remuneration and Nomination Committee's annual plan for the year 2024 was fully executed.

THE BOARD AND ITS ACTIVITIES IN 2024

The current Board for the 4 (four) year term of office was elected by decision of the Supervisory Council of the Company and it began its activities on 25th April 2022.

The Board is a collegial management body of the Company consisting of 5 (five) members (Guy Mason, Jūratė Lingienė, Edvinas Katilius, Alfonso Morriello, Karolis Švaikauskas) of which 4 (four) are independent.

Functions, rights, and duties of the Board are detailed in the Law on Companies of the Republic of Lithuania, Articles of Association and Corporate Governance Policy of the Company, Decision Making Matrix of the Company and Rules of Procedure of the Board.

The Board held 18 (eighteen) meetings in 2024, 7 (seven) of which were held in writing. Throughout the period, the Board, including but not limited, adopted the following decisions: (i) agreed on Corporate Strategy 2024-2026 for the Governance Coordination Centre; (ii) approved the annual consolidated financial statements, Sustainability report, Annual report of the Company for the year 2023; (iii) convoked 3 (three) General Meeting of Shareholders.

The Board reviewed the strategic, operational, financial, and safety issues throughout the year on a regular basis. In addition, The Board monitored the Company's financial and strategic goals against the annual plan for 2024 quarterly and approved the yearly plan for 2025 after taking into account management's assumptions.

The Board closely (on every Board meeting) monitored the acquisition process of the FSRU INDEPENDENCE. Strategic projects such as CO2 capture and storage, global LNG projects, jetty reconstruction were discussed.

One of the most important topics for the Board was the election of the Chief Executive Officer of the Company. A list of strong candidates was interviewed, and the election process was concluded on 11th October 2024, with the Board deciding to elect Darius Šilenskis as the Chief Executive Officer.

On 25th October 2024 the Board decided as of 1st November 2024, to elect Jūratė Lingienė, an independent Board member of the Company' as the new Chairperson of the Board, replacing the current Chairperson Edvinas Katilius. By the end of November, the independent Board member Edvinas Katilius informed the Supervisory Council and the Company of his resignation from the position of Board member. For this reason, on 13th December 2024, the selection of a candidate for the independent Board member of the Company was announced. The selection is expected to be completed by the end of the first quarter of 2025.

The Chief Executive Officer (CEO) is a single person managing body of the Company. The CEO is the main person managing and representing the Company. The duties and competence of the CEO have been determined by the Law on Companies and the Articles of Association of the Company, the Corporate Governance Policy of the Company, Decision-Making Matrix of the Company.

The Board members attended the meetings in 2024:

DATE OF THE MEETING	JŪRATĖ LINGIENĖ	GUY MASON	ALFONSO MORRIELLO	KAROLIS ŠVAIKAUSKAS	EDVINAS KATILIUS
1. January 9	✓	✓	✓	✓	✓
2. February 15 (in writing)	✓	✓	✓	✓	✓
3. March 4	✓	✓	✓	✓	✓
4. March 6 (in writing)	✓	✓	✓	✓	✓
5. March 27	✓	✓	✓	✓	✓
6. April 4 (in writing)	✓	✓	✓	✓	✓
7. April 22	✓	✓	✓	✓	✓
8. June 4	✓	✓	✓	✓	✓
9. July 30	✓	✓	✓	✓	✓
10. September 3	✓	✓	✓	✓	✓
11. September 30 (in writing)	✓	✓	✓	✓	✓
12. October 11 (in writing)	✓	✓	✓	✓	✓
13. October 16	✓	✓	✓	✓	✓
14. October 25 (in writing)	✓	✓	✓	✓	✓
15. November 4 (in writing)	✓	✓	✓	✓	✓
16. November 25	✓	✓	✓	✓	✓
17. December 13	✓	✓	✓	✓	✓
18. December 27 (in writing)	✓	✓	✓	✓	✓

✓ Attended ✗ Not attended

MANAGEMENT OF THE COMPANY AS AT 31 DECEMBER 2024

Darius Šilenskis

Chief Executive Officer (CEO). Appointed as CEO from 11 November 2019. Re-elected from 12 November 2024.

Information on the number of shares held by Darius Šilenskis in AB KN Energies or other companies where the number of shares held exceeds 5%:

The share of AB KN Energies held by Darius Šilenskis is less than 0.05%

MB Afinta – 33 %

Education:
- Baltic institute of Corporate Governance, Chair education (2024)
- INSEAD, LEAP programme (2023)
- Baltic Management Institute (BMI), Executive Master in International Business Administration (EMBA) (2013)
- Vytautas Magnus University, Master of Business Administration (2013)
- Mykolas Romeris University, Master of Laws, Degree Program in International Maritime Law (2006)
- Mykolas Romeris University, Bachelor of Laws, Law and Management (2004)

Work experience and participation in activities of other companies and organisations:
- Since 2024, Independent Member of the Board of AB Vilniaus šilumos tinklai
- Since 2024, Member of the Council of the National Lithuanian Energy Association (NLEA)
- Since 2023, Member of the Board of Directors of the Association of Lithuanian Stevedoring Companies
- From 2014 to 2015, Commercial director of JSC Kroviniu Terminalas
- From 2012 to 2013, PO Director of Seaborne Wholesale of PKN ORLEN S.A.

Linas Kilda

Chief Business Development Officer (CBDO). Appointed to the position from 3 August 2020.

The share of AB KN Energies held by Linas Kilda is less than 0.05%.

Education:
- Baltic Management Institute (BMI), Executive Master's in Business Administration (EMBA) (2023);
- Institute of Geology and Geography, PhD (Physical Sciences) (2002)
- University of Aberdeen, Master of Petroleum Geology (1998)
- Vilnius University, Engineering geologist and hydrogeologist (1995)

Work experience and participation in activities of other companies and organisations:
- Since 2024, Member of the Supervisory Board of KN Energies Deutschland GmbH
- Since 2022, Member of the Supervisory Board of KN Acu
- Since 2021, General Manager of UAB KN Global Terminals (formerly UAB SGD Logistika)
- From 2014 to 2016, Preconstruction Manager of UAB VAE SPB

Mindaugas Navikas

Chief Commercial Officer (CCO). Appointed to the position from 8 September 2020.

The share of the AB KN Energies held by Mindaugas Navikas is less than 0.05%.

Education:
- Stockholm School of Economics in Riga (SSE), Master of Business Management (EMBA) (2018)
- Vilnius University, International Business School, Master of International Business Management (2006)
- Vilnius University, Bachelor of Business Management (2002)

Work experience and participation in activities of other companies and organisations:
- Since 2024, Member of the Board of the operator of the Lithuanian energy exchange Baltpool
- From 2013 to 2018, Director of Inland Wholesale of Public Company Orlen Lietuva
- From 2008 to 2013, Business Controller of Public Company Orlen Lietuva
- From 2017 to 2018, Member of the Board of Directors of UAB Mažeikių Naftos prekybos namai

MANAGEMENT OF THE COMPANY AS AT 31 DECEMBER 2024

Dainius Čiuta

Chief Operations Officer (COO). Appointed to the position from 5 November 2020.

Dainius Čiuta does not own shares in AB KN Energies or other companies when the number of shares held exceeds 5% of all shares in the company.

Education:

- Baltic Management Institute (BMI), International Executive Master of Business Administration (EMBA) (2013)
- Kaunas University of Technology, Master of Chemical Technology Engineering (1999)
- Klaipeda University, Bachelor of Chemical Technology (1997)

Work experience and participation in activities of other companies and organisations:

- Since 2018, Member of the Energy Committee of Lithuanian Confederation of Industrialists.
- From 2018 to 2020, Deputy General Director for Operations of Public Company Orlen Lietuva
- From 2014 to 2018, Director of Production of Public Company Orlen Lietuva
- From 2011 to 2014, Deputy Head of Operations of Public Company Orlen Lietuva

Tomas Tumėnas

Chief Financial Officer (CFO). Appointed to the position from 15 January 2024.

Tomas Tumėnas does not own shares in AB KN Energies or other companies when the number of shares held exceeds 5% of all shares in the company.

Education:

- The University of Manchester MBA in Finance (2011)
- Aalborg University, 4th semester in Msc. in International Business Economics (1995)
- Vilnius University, Master in Economics (1995)

Work experience and participation in activities of other companies and organisations:

- Since 2022, Chairman of the Supervisory Board at the Akola group
- Since 2022, Independent Board and investment committee member at Lithuanian State Investment Agency (VIVA)
- From 2005 to 2020, Chief Financial Officer at Linas Agro Group
- Since 2020, Board member at JSC Turing College
- Since 2019, CEO and Board member at JSC "Darius Zubas holding"
- Since 1996, Director of JSC "Baltic Fund Investments"
- Director of Akola ApS (Denmark)

Martynas Žiedas

Chief Digital Officer (CDO). Appointed to the position from 15 March 2024.

Martynas Žiedas does not own shares in AB KN Energies or other companies when the number of shares held exceeds 5% of all shares in the company.

Education:

- Governance of Enterprise IT (CGEIT) Training, BKA - Baltijos kompiuterių akademija (2017)
- Vytautas Magnus University, Bachelor of Informatics (1997)

Work experience and participation in activities of other companies and organisations:

- Since 2023, Public Entity Lithuanian National Radio and Television (LRT), part time employee in IT department
- From 2021 to 2022, Senior Business Analyst of Public Entity Lithuanian National Radio and Television (LRT)
- From 2014 to 2021, IT Service Development and Support Manager of Public Company Orlen Lietuva
- From 2012 to 2014, IT Business Support Manager of Public Company Orlen Lietuva
- From 2009 to 2011, Senior Service Level Manager of Public Company Orlen Lietuva
- From 2002 to 2008, IT Manager of UAB Mokesčių srautas

MANAGEMENT OF THE COMPANY AS AT 31 DECEMBER 2024	
 **Jurgita Šilinskaitė – Venslovienė** **Chief Corporate Affairs Officer (CCAO).** Appointed to the position from 29th August 2024. Information on the number of shares held by Jurgita Šilinskaitė-Venslovienė in AB KN Energies or other companies where the number of shares held exceeds 5%: The share of AB KN Energies held by Jurgita Šilinskaitė-Venslovienė is less than 0.05% UAB Jūrinis brizas – 100 % (entity activity suspended)	**Education:** ▪ Baltic Institute of Corporate Governance (BICG), Board Member Certificate (2024) ▪ Baltic Management Institute (BMI), Executive Master of Business Administration (EMBA) (2021) ▪ Vytautas Magnus University, Master of Business Administration (2021) ▪ Mykolas Romeris University, Master of Public Administration (2008) ▪ Klaipėda University, Bachelor of Social Work (2003) ▪ Agder University (Norway), NORSEC certificate (2000) **Work experience and participation in activities of other companies and organisations:** ▪ Since 2024, AB "Vidaus vandens kelių direkcija", Chair of the Board ▪ Since 2023, Honorary Consul of the Kingdom of the Netherlands in Klaipėda ▪ From 2013 to 2020, Member of University Council of Klaipeda University ▪ From 2007 to 2016, CEO, expert of Sustainable Development Projects ▪ From 2011 to 2016, Project Manager of Education Development Center at the Ministry of Science and Education ▪ From 2010 to 2011, Expert of Ignalina Nuclear Power Plant
 **Simona Kutelienė** **Chief HR Officer (CHRO).** Appointed to the position from 2nd January 2017. Simona Kutelienė does not own shares in AB KN Energies or other companies when the number of shares held exceeds 5% of all shares in the company.	**Education:** ▪ Baltic Management Institute (BMI), Executive Master of Business Administration (EMBA) (2023) ▪ Vytauto Didžiojo University, Master of Management (2023) ▪ Liverpool John Moores University, MSc, International Banking and Finance (2011) ▪ LCC International University, Business Administration (2006) **Work experience and participation in activities of other companies and organisations:** ▪ From 2010 to 2016, Associate, Team Manager of Deutsche Bank ▪ From 2006 to 2016, Associate of Deutsche Bank

No members of the Company's management have been convicted of crimes against property, business or finances. Information about managers' salary for the year 2024 is stated in chapter "Information about the employees" in the Management Report.

OTHER GOVERNANCE INFORMATION

INFORMATION ON DIVERSITY OF MANAGEMENT

The formation of the administrative, management and supervisory bodies of the KN takes into account the objective of diversity and information on the composition of the bodies in terms of gender and independent members is provided below:

Administrative, management or supervisory body	Share of women, %	Share of men, %	Share of independent members, %
Supervisory Council	33	67	67
Audit Committee	0	100	100
Remuneration and Nomination Committee	67	33	67
The Board	25	75	80
Heads of administration	25	75	-

More information about diversity in KN provided in Sustainability report: Diversity metrics and Role of administrative, management and supervisory bodies.

INFORMATION ON MAJOR SHARE PACKAGES CONTROLLED EITHER DIRECTLY OR INDIRECTLY

Details of the shares are provided in chapter "Further investor related information" in the Management Report.

INFORMATION ON TRANSACTIONS WITH RELATED PARTIES

Details of the related party transactions provided in chapter “Related party transactions” in the Consolidated and Separate Financial Statements.

INFORMATION ON SHAREHOLDERS HAVING SPECIAL CONTROL RIGHTS

All shares of the Company are of one class ordinary registered shares granting their owners (shareholders) equal rights. Details of the shares are provided in chapter "Further investor related information" in the Management Report.

INFORMATION OF AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION

On 30th November 2023, the Articles of Association (Articles of Association - KN) of the Company were amended by the decision of the General Meeting of Shareholders and were registered in the Register of Legal Entities on 10th January 2024.

INFORMATION ON ALL AGREEMENTS BETWEEN SHAREHOLDERS

The Company does not have any information on agreements between shareholders.

INFORMATION ON THE VARIED POLICY APPLICABLE TO THE ELECTION OF THE COMPANY'S CHIEF EXECUTIVE OFFICER, THE MEMBERS OF MANAGEMENT AND SUPERVISORY BODIES

The Company does not have the variety policy applicable to the election of the chief executive officer and the members of governing and supervisory bodies. There is Procedure for organizing the recruitment of collegial supervisory and management bodies, chief executive officer of the company and during the selection of candidates to the Company's chief executive officers, management and supervisory bodies, the candidates shall be subject to requirements that do not discriminate a candidate on the grounds of age, sex, education, or professional experience. During the selection of a candidate, the Company does not set any restrictions for nomination of a candidate on grounds of sex or age.

Considering the specificity of the Company's business activity and the status of a state-owned company, unbiased requirements which are only related to the functions and competences of the members of a management or supervisory bodies and the professional experience and education proportionate to these functions and competences are set.

General and independence requirements to candidates to the Company's Supervisory Council are set by the Description of Selection of Candidates to the Boards of State or Municipal Companies and Candidates to the Collegial Supervisory or Governing Body of a Company That is under Control of a State or Municipal Company Elected by the General Meeting as adopted by Decision No 631 of 17 June 2015 of the Government of the Republic of Lithuania.

RISK FACTORS AND RISK MANAGEMENT

The Company's Board has approved Risk Management Policy that regulates risk management, defines risk management principles and responsibilities, functions and responsibilities of the Chief Resilience Officer as well as sets risk appetite and tolerance limits. The risk management system is developed in accordance with the ISO 31000 guidelines. The list of principal risks and the risk management plan are provided to and approved by the Company's Board each quarter. The Board actively participates in the principal risk management process by continuously monitoring the risk level changes and the risk management measures' action plans. The Company's high-level management is responsible for shaping the personnel's attitude towards risk management, setting the risk management goals in the managed area, implementation of the control measures, implementation and monitoring the efficiency of the risk management measures. The medium level managers are responsible for implementation of the risk management process and provision of the results, as well as for reliability, correctness, and impartiality of information.

The Audit Committee reviews financial reporting process as well as audit execution process and oversees internal control environment, risk management and internal audit framework.

Risk impact:

Low – risk could have impact to operations without impact to yearly plans.

Medium – risk could have impact to company's short-term plans implementation.

High – risk could have major impact to company's strategy implementation.

Risk probability:

Low – there should be several unrelated events for risk to materialize.

Medium – there is 50% chance of risk to materialize.

High – almost certain that risk can materialize in 3-year period.

Risk level:

Low – risk managed if cost of management does not outweigh possible impact.

Medium – in most cases risk managed or monitored, but there could be decision to monitor risk.

High – risk actively managed with possible exception made by the Board (In some cases strategy review process could be initiated to reduce level of risk).

RISK MATRIX

Impact			
	Medium	High	High
	Low	Medium	High
	Low	Low	Medium
	Probability		

RISK HEAT MAP

Impact			
		R1, R2, R3, R4	
	R5	R6	
	Probability		

COMMENTS ON THE RISK CATEGORIES OF THE GROUP AND THE COMPANY ARE PROVIDED BELOW:

Risk No 1. Business risk – client concentration risk

Risk impact:	Risk probability:	Risk level:
High	Medium	High

The Company continuously looks for new potential clients, flows of shipments and alternative activities. Also, the Company reviews existing expenses and constantly searches for costs optimization possibilities.

The company mitigates risks by diversifying income, expanding services, and engaging with clients interested in petrochemical storage and transshipment. The Company also operates an LNG terminal, consults and participates in global LNG projects, and provides small scale LNG services.

During 2020 political risk materialized, and one of the largest clients BNK (UK) Limited, announced a temporary suspension of transshipment. Moreover, starting from 24th June 2021, sanctions on Belarus were introduced by Council Regulation (EU) 2021/1030 – no more transit of oil product flows from Belarus are possible and are not expected in the future. Due to these external operational risks, KN has to implement long-term strategic decisions to adapt to new geopolitical circumstances. Consequently, a long-term 2050 corporate strategy has been prepared.

Risk No 2. Operational risk – major incidents causing environmental and infrastructure damage

Risk impact:	Risk probability:	Risk level:
High	Medium	High

To manage the internal operational risk, the Company implemented required organizational measures and procedures and information systems to support business processes that ensure the proper functioning of the internal control system and duly cooperation with the third parties concerned. The Company applies the following means of internal control: separation of decision-making and controlling functions, management of transactions and accountancy, limitation of decision-making powers and authority of their execution, collegial decision-making in crucial issues, and other.

Internal operational risk management is significantly influenced by the standards implemented and maintained in the Company – Quality ISO 9001:2015, Environmental Protection ISO 14001:2015, Occupational Health and Safety ISO 45001:2018. These standards impose requirements for the control of processes according to the most significant risks and management system audits, which ensure that the described rules and procedures operate in practice.

Risk No 3. Physical security risk

Risk impact:	Risk probability:	Risk level:
High	Medium	High

Considering increased level of espionage activities in Lithuania and other Baltic countries there could be increased activities to obtain information or organize sabotage activities regarding strategic Lithuanian objects using contractors, civilians, and existing employees. Physical entrance barriers are important in order to prevent hybrid threats - cyber-attacks by accessing critical infrastructure. Company constantly is investing into physical security measures to increase resilience against increasing sabotage activities probability in European countries including physical barriers (project implemented last year installing underwater LNG terminal surveillance equipment and anti-drone equipment) and personnel resilience.

Risk No 4. Cyber risk

Risk impact:	Risk probability:	Risk level:
High	Medium	High

Cyber risk refers to the potential for unauthorized access, use, disclosure, disruption, modification, or destruction of information and systems by cybercriminals or malicious actors. Due to the geopolitical situation company initiated additional measures to strengthen detection and recovery capabilities. In addition, KN actively participate in National and regional level exercises.

The company's regular activities include increased capabilities in cyber incidents detection and recovery, vulnerability management, conducting regular security assessments and penetration testing, and providing employee training on the best practices of cybersecurity.

Risk No 5. Fraud prevention and sanctions controls

Risk impact:	Risk probability:	Risk level:
Medium	Low	Low

The Company pays substantial attention to minimizing corruption risk and implements relevant internal processes. Taking into account the geopolitical context, in 2024 the company continued to strengthen controls related to the verification of suppliers, customers and contractors. One of the instruments for the prevention of infringements is the Whistleblowing channel, which is open to all natural persons and legal entities: both existing and former KN employees, former and potential KN clients, contractors, suppliers, and the community. It provides a possibility to inform the collegial managing bodies of KN directly.

Risk No 6. Financial and liquidity risks

Risk impact:	Risk probability:	Risk level:
Medium	Low	Medium

Financial and liquidity risks includes: foreign exchange rate risks, credit risks, interest risks and liquidity risks.

Due to the specifics of the business, the Group and the Company was exposed to the risk of EUR/USD foreign exchange rate fluctuations due to FSRU lease payments (until December 2024) in US dollars and to the risk of EUR/BRL foreign exchange rate due to activity of subsidiary KN Açu in Brazil.

Possible credit risk of the Group's and the Company's customers is managed by continuous monitoring of outstanding balances. The Group's and the Company's procedures are in force to ensure on a permanent basis that services are provided to reliable customers and do not exceed an acceptable credit exposure limit. The Company trades only with reputable third parties, collateral is not required.

The Group and the Company are constantly assessing its possibilities to hedge interest rate risks on its loans. Thus, the loans related to long-term LNG terminal solution with high probability in future are expected to be with partially or fully fixed interests.

The Group's and the Company's excess liquidity in the forms of money and time deposits are distributed across the accounts of principal commercial banks in Lithuania, which are granted with Standard Poor's or equivalent long-term term borrowing BBB- or better external rating according to the foreign rating agencies. Partner bank's rating is assessed either on a stand-alone or applying a bank group logic into which exposure is present. Also, the Group and the Company is monitoring the recommendation of the Central Bank of Lithuania

The Company's and the Group's policy is to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of committed credit facilities to meet its commitments at a given date in accordance with its strategic plans.

4. REPORT ON REMUNERATION

KN ENERGIES

REMUNERATION

Remuneration principles of the Company's governing and supervisory bodies are determined by the Remuneration policy approved in Extraordinary General shareholders meeting in November 2023. Full remuneration policy can be found on Company's website: Remuneration Policy - KN.

Remuneration for activities in the collegial bodies of the Company may be paid to the members of the collegial body of the Company who are independent or not.

The personal data of the members of the Company's governing and supervisory bodies is included in the report on remuneration for the following purposes:

- to increase the transparency of the Company;
- to improve the accountability of the members of the governing bodies;
- to supervise the remuneration of the governing bodies.

Members of collegial governing and supervisory bodies of the Company are only eligible for receiving fixed monthly compensation.

The remuneration to be paid must:

- promote the creation of long-term and sustainable value of the Company, to be fair and understandable;
- comply with the workload of the individual organs of the Company and their members;
- be competitive with the salary levels in the labour market of the respective field;
- ensure the indemnification of the liability assumed by the individual members of the Company bodies;
- promote the attraction of high-level professionals in their field to the management of the Company.

REMUNERATION OF THE SUPERVISORY COUNCIL

TITLE	AVERAGE MONTHLY SALARY FOR 2024, EUR	TOTAL FOR 2024, EUR	AVERAGE MONTHLY SALARY FOR 2023, EUR	TOTAL FOR 2023, EUR
Robertas Vyšniauskas	3,942.50	47,354.90	3,516.00	42,192.00
Dovilė Kavaliauskienė	2,365.50	35,517.68	2,110.00	25,320.00
Mantas Šukevičius	2,957.00	28,412.90	2,637.00	31,644.00
Total	-	**111,285.48**	-	**99,156.00**

Members of the Supervisory Council were not granted with any loans, guarantees, assets, premiums, bonuses, shares or salary for service at any other company of the Group for the year 2024. They are not eligible for any variable part of remuneration or for recovery of it.

REMUNERATION OF THE BOARD OF THE COMPANY

TITLE	AVERAGE MONTHLY SALARY FOR 2024, EUR	TOTAL FOR 2024, EUR	AVERAGE MONTHLY SALARY FOR 2023, EUR	TOTAL FOR 2023, EUR
Guy Mason	2,957.00	35,517.68	2,637.00	31,644.00
Edvinas Katilius	3,720.67	45,170.90	3,516.00	42,192.00
Alfonso Morriello	2,957.00	35,517.68	2,637.00	31,644.00
Jūratė Lingienė	2,957.00	34,719.79	2,637.00	31,644.00
Karolis Švaikauskas	2,365.50	28,412.90	2,110.00	25,320.00
Total	-	**198,807.13**	-	**162,444.00**

In 2024 members of the Board were not granted any shares, did not receive any loans, guarantees, assets, premiums, bonuses or any other benefits for work as members of the Bord or salary for service at any other company of the Group. They are not eligible for any variable part of remuneration or for recovery of it.

REMUNERATION OF THE AUDIT COMMITTEE

TITLE	MONTHLY SALARY FOR 2024, EUR	TOTAL FOR 2024, EUR	MONTHLY SALARY FOR 2023, EUR	TOTAL FOR 2023, EUR
Šarūnas Radavičius	1,971.00	23,674.42	1,676.95	17,210.84
Robertas Vyšniauskas	1,478.50	17,758.79	1,319.00	15,825.00
Mantas Šukevičius	1,478.50	17,758.79	1,319.00	15,825.00
Total	-	**59,192.00**	-	**48,866.84**

In 2024 members of the Audit Committee have not received any loans, guarantees or assets, unpaid bonuses and other benefits or salary for service at any other company of the Group, were not granted any shares of the Company. They are not eligible for any variable part of remuneration or for recovery of it.

REMUNERATION OF THE REMUNERATION AND NOMINATION COMMITTEE

TITLE	AVERAGE MONTHLY SALARY FOR 2024, EUR	TOTAL FOR 2024, EUR	AVERAGE MONTHLY SALARY FOR 2023, EUR	TOTAL FOR 2023, EUR
Robertas Vyšniauskas	739.50	8,882.37	660.00	7,920.00
Dovilė Kavaliauskienė	-	-	-	-
Živilė Valeišienė	1,971.00	23,674.42	1,598.98	16,410.57
Total	**-**	**32,556.79**	**-**	**24,330.57**

In 2024 members of the Remuneration and Nomination Committee have not received any loans, guarantees or assets, unpaid bonuses and other benefits or salary for service at any other company of the Group, were not granted any shares of the Company. They are not eligible for any variable part of remuneration or for recovery of it.

REMUNERATION OF THE CEO OF THE COMPANY

The CEO of the Company is rewarded according to provisions set in the Remuneration policy approved by the Board of the Company and the Company's Procedure for rewarding bonuses to AB KN Energies top management employees.

The monthly salary of the CEO of the Company since November of 2024 is EUR 12,000 (until May of 2024 was set to EUR 10,300, until April of 2024 was set to EUR 9,600). Following the Remuneration policy, the CEO is also eligible for receiving annual bonus depending on the results of the Company and achievement of the annual goals. The maximum bonus in case all goals are achieved consists of 4 monthly salaries. In 2024 variable pay for the CEO, was EUR 3,040 (monthly equivalent of yearly bonus) (2023 – EUR 2,960 (monthly equivalent of yearly bonus).

CHANGES IN THE COMPANY RESULTS AND AVERAGE MONTHLY SALARY OF ALL EMPLOYEES

	2024	2023	2022	2021	2020
Sales revenue	89,407	80,356	74,722	58,633	77,474
Net profit (loss)	13,797	12,370	(6,732)	(64,917)	33,495
Adj. net profit (loss)**	12,317	6,107	8,041	(48,084)	10,991
Average monthly salary (gross), EUR***	3,463	3,114	2,765	2,609	2,600

* Remuneration of Members of governing and supervisory bodies are not included.

** adj. – 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.

***The average monthly salary is calculated according to the average monthly wage calculation procedure as stated in the State companies' employees' average monthly salary calculation procedure approved by the Government of Lithuania on 23 August 2002, resolution No. 1341 and its subsequent changes. On-call payments included.

INFORMATION ABOUT THE EMPLOYEES

PERSONNEL

The Company's main asset is its employees who are the most important link to the achievement of Company's goals. Company's personnel policy is focused on the development of teamwork, constant progress in professional development and process efficiency, the optimal use of work resources, training of qualified staff, and development of the Company's culture that empowers personal growth, cooperation, succession planning, and creates additional value for the company and its stakeholders.

Number of the Group employees as of 31 December 2024:

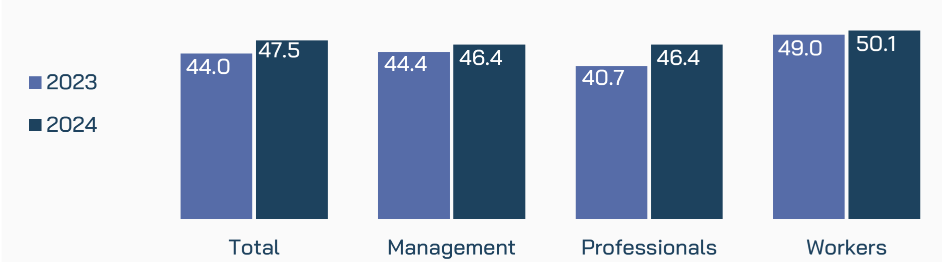
	31-12-2024	31-12-2023	CHANGE,%
AB KN Energies	356	338	5.3%
UAB KN New Energy Solutions	2	2	-
UAB KN Global Terminals	2	2	-
UAB SGD SPB	2	2	-
KN Energies Deutschland GmbH	5	-	-
KN Açu Serviços de Terminal de GNL LTDA	28	27	3.7%
Total	**395**	**371**	**6.5%**

The number of employees does not include employees on maternity/paternity leave.

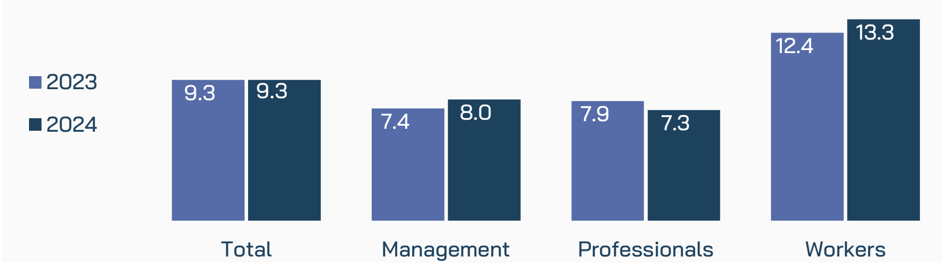
The breakdown of the number of the Group and the Company employees by gender as of 31 December 2024:

	WOMEN	%	MEN	%
AB KN Energies	95	26.7%	261	73.3%
UAB KN New Energy Solutions	1	50.0%	1	50.0%
UAB KN Global Terminals	1	50.0%	1	50.0%
UAB SGD SPB	1	50.0%	1	50.0%
KN Energies Deutschland GmbH	1	20.0%	4	80.0%
KN Açu Serviços de Terminal de GNL LTDA	4	14.3%	24	85.7%
Total	**103**	**26.1%**	**292**	**73.9%**

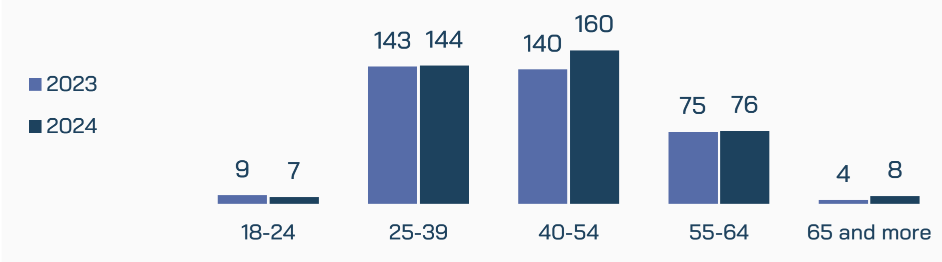
AVERAGE AGE OF THE EMPLOYEES OF THE GROUP



DISTRIBUTION OF GROUP'S EMPLOYEES BY WORK EXPERIENCE, (YEARS)



NUMBER OF THE GROUP'S EMPLOYEES BY AGE GROUPS



Education of the Group's employees by categories:

EMPLOYEE CATEGORY	EMPLOYEES ON 31-12-2024	UNIVERSITY	VOCATIONAL	SECONDARY AND OTHER	EMPLOYEES ON 31-12-2023	UNIVERSITY	VOCATIONAL	SECONDARY AND OTHER
Management	60	58	2	-	49	47	2	-
Professionals	211	180	26	5	189	172	18	8
Workers	124	10	50	64	124	10	54	60
Total	**395**	**248**	**78**	**69**	**371**	**229**	**74**	**68**

* The management of the Company include Chief Executive Officer (CEO), Top managers, Middle managers (C-2) and Functional managers.

PAYROLL SYSTEM AND REMUNERATION POLICY

The Company seeks to create motivating, efficient, fair, transparent, and easy to understand compensation system which aims to attract, retain, and motivate employees whose skills and work results help the Company to successfully develop and implement its mission and achieve strategic business objectives. The Company is constantly reviewing remuneration competitiveness and motivational system. As a result, in the beginning of January 2024 the Employee Remuneration Policy and the Procedure of Remuneration System Formation have been updated for motivational system to work even more effectively. The Company introduced quarterly short-term incentives system to C-2 level and lower positions in the organization. Accordingly, employee's bonus structure currently includes annual bonuses for all employees that focus on consistent alignment of the team towards the mutual annual objectives and also acknowledges short-term performance results on a monthly or quarterly basis.

The Employee Remuneration Policy defines the principles of determination and payment of remuneration as well as the incentives of employees. The Remuneration policy applies to all employees of the Company.

The goals of the Remuneration Policy are to:

- Establish clearly understandable, fair, and transparent procedures for the determination and payment of remuneration as well as the incentives of employees, aiming to ensure the Company's competitiveness in the labour market;
- Encourage the employees to achieve the objectives set in the corporate strategy, to create value added and increase the returns to shareholders while fostering the values of the Company.

The remuneration of the employee may consist of the following components: a fixed component, i. e. a monthly salary (or a wage) and a variable component payable for either short-term performance results or the annual results of the Company's/the employee's performance.

The Company's remuneration system is based on job structure framework, created using the Hay Methodology by determining the weight of each position (to ensure fair remuneration for work within the Company). The amount of the monthly remuneration for the position is determined by assessing the level of knowledge and work experience required to perform the functions of each position, the complexity of the functions, the degree of responsibility and management level, the impact / risk on the Company's performance, working conditions. In order to ensure the competitiveness of the remuneration of the Company's employees and to promote the achievement of results, the remuneration (fixed and variable remuneration components) focuses on the range of the 50th and 75th per centiles of the remuneration market of all companies operating in Lithuania.

Employees in the same position can receive different monthly pay depending on qualifications, experience, capabilities, and functions and responsibilities assigned to the employee. The variable component is set according to the procedure laid down in the Remuneration Policy.

Employee's base salaries are usually reviewed once a year taking into account: Lithuanian labour market trends; the Company's performance results; The results of the evaluation of the Company's employees; demand – supply situation for jobs important to the company in the labour market.

The breakdown of employee related expenses (EUR thousand) of the Group:

	2024	2023	CHANGE,%
AB KN Energies	15,838	13,985	13.2%
UAB KN New Energy Solutions	5	4	25.0%
UAB KN Global Terminals	6	4	50.0%
UAB SGD SPB	5	4	25.0%
KN Energies Deutschland GmbH	75	-	-
KN Açu Serviços de Terminal de GNL LTDA	827	619	33.6%
Total:	**16,756**	**14,616**	**14.6%**

Employees according to categories:

EMPLOYEE CATEGORY	AVERAGE NUMBER OF EMPLOYEES					
	2024 GROUP	2023 GROUP	CHANGE,%	2024 COMPANY	2023 COMPANY	CHANGE,%
Executives	5	5	-	1	1	-
Top Management	6	5	20.0%	6	5	20.0%
Middle Management	50	52	(3.8%)	45	47	(4.3%)
Professionals	195	178	9.6%	170	158	7.6%
Workers	122	118	3.4%	122	118	3.4%
Total:	**378**	**358**	**5.6%**	**344**	**329**	**4.6%**

The Company's 2024 average monthly salary of all employees is 11.7% higher compared to 2023 (2024 – 3,584 EUR/month, 2023 – 3,209 EUR/month):

EMPLOYEE CATEGORY	AVERAGE MONTHLY SALARY (GROSS), EUR					
	2024 GROUP	2023 GROUP	CHANGE,%	2024 COMPANY	2023 COMPANY	CHANGE,%
Executives	8,699	8,814	(1.3%)	11,742	12,738	7.9%
Top Management	10,512	11,023	(4.6%)	10,512	11,023	(4.6%)
Middle Management	6,067	5,782	4.9%	6,321	5,964	6.0%
Professionals	3,366	2,938	14.6%	3,604	3,098	16.3%
Workers	2,255	2,020	11.6%	2,255	2,020	11.6%
Total:	**3,463**	**3,114**	**11.2%**	**3,584**	**3,209**	**11.7%**

* The average monthly salary is calculated according to the average monthly wage calculation procedure as stated in the State companies' employees' average monthly salary calculation procedure approved by the Government of Lithuania on 23 August 2002, resolution No. 1341 and its subsequent changes. On-call payments included.

** On 1 January 2024, a new remuneration system was introduced in the Company: a part of the variable pay component previously paid once a year was added to a monthly remuneration. In 2024 this change does not apply to the company CEO, to Top managers, to Middle managers (C-2) and Functional managers.

*** The following sums were calculated for the remuneration to the Group's Top managers (CEO and Directors) in 2024: EUR 1,250 thousand, in that amount taxes paid by the employer included EUR 27 thousand (when in 2023 were EUR 1,070 thousand from which EUR 47 thousand of taxes paid by the employer). The average annual salary of manager of the Group amounted to EUR 114 thousand in 2024 (in 2023 – EUR 107 thousand).

The Company's and Group's structure of average monthly salary in 2024 and 2023, EUR:

EMPLOYEE CATEGORY		STUCTURE OF AVERAGE MONTHLY SALARY (GROSS), EUR					
		2024 GROUP	2023 GROUP	CHANGE,%	2024 COMPANY	2023 COMPANY	CHANGE,%
Executives	AMS without annual bonus	7,327	7,544	(2.9%)	10,702	10,048	6.5%
	Annual bonus	1,372	1,270	8.0%	3,040	2,690	13.0%
	Executives total:	**8,699**	**8,814**	**(1.3%)**	**13,742**	**12,738**	**7.9%**
Top Management	AMS without annual bonus	8,408	8,642	(2.7%)	8,408	8,642	(2.7%)
	Annual bonus	2,104	2,381	(11.6%)	2,104	2,381	(11.6%)
	Top Managers total:	**10,512**	**11,023**	**(4.6%)**	**10,512**	**11,023**	**(4.6%)**
Middle Management	AMS without annual bonus	5,301	5,052	4.9%	5,516	5,196	6.2%
	Annual bonus	766	730	4.9%	805	768	4.8%
	Middle Managers total:	**6,067**	**5,782**	**4.9%**	**6,321**	**5,964**	**6.0%**
Professionals	AMS without annual bonus	3,045	2,646	15.1%	3,255	2,768	17.6%
	Annual bonus	321	292	9.9%	349	330	5.8%
	Professionals total:	**3,366**	**2,938**	**14.6%**	**3,604**	**3,098**	**16.3%**
Workers	AMS without annual bonus	2,157	1,927	11.9%	2,157	1,927	11.9%
	Annual bonus	98	93	5.4%	98	93	5.4%
	Workers total:	**2,255**	**2,020**	**11.6%**	**2,255**	**2,020**	**11.6%**
Total	AMS without annual bonus	3,130	2,802	11.7%	3,237	2,875	12.6%
	Annual bonus	333	312	6.7%	347	334	3.9%
	Total:	**3,463**	**3,114**	**11.2%**	**3,584**	**3,209**	**11.7%**

Average monthly salary (gross) of employees by gender, EUR:

EMPLOYEE CATEGORY	2024 GROUP			2024 COMPANY		
	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE
Executives	8,699	8,699	-	13,742	13,742	-
Top and Middle Management	6,552	6,709	6,223	6,820	7,050	6,357
Professionals	3,366	3,536	3,077	3,604	3,892	3,168
Workers	2,255	2,283	1,604	2,255	2,283	1,604
Total	**3,463**	**3,421**	**3,590**	**3,584**	**3,554**	**3,675**

* The average monthly salary is calculated according to the average monthly wage calculation procedure as stated in the State companies' employees' average monthly salary calculation procedure approved by the Government of Lithuania on 23 August 2002, resolution No. 1341 and its subsequent changes. On-call payments included.

** AMS – average monthly salary.

*** On 1 January 2024, a new remuneration system was introduced in the Company: a part of the variable pay component previously paid once a year was added to a monthly remuneration. In 2024 this change does not apply to the Company CEO, to Top managers, to Middle managers (C-2) and Functional managers.

EMPLOYEE PERFORMANCE EVALUATION AND ANNUAL BONUS ALLOCATION

The Company has completed a research and updated the procedures for annual employee performance evaluation and bonus allocation on a monthly, quarterly, and annual basis. These bonuses depend on the achievement of the goals set directly for the person, his/ her service director or for the Company. Monthly, quarterly and annual employee performance reviews brought more frequent one to one meetings throughout the year between manager and subordinates and have served to be one of the most effective management and leadership techniques that increase employee engagement, aligns resources, improves planning and thus help to achieve the organizational goals in a more efficient manner. Such practice creates collaborative and positive relationships between managers and their subordinates that enables employees to proactively plan their careers, increases their motivation, and promotes continuous improvement in their professional field.

Employees of all categories – workers, specialists, and managers – are assessed and rewarded annual bonus for achieving pre-set annual goals (WHAT) and evaluation on their compliance to Company's values (HOW). Workers, specialists and 1st level managers are assessed on a monthly or quarterly basis additionally enabling them to adapt KPIS faster if needed and plan more responsibly. In 2020 implementation of Asaichi methodology being one of the three LEAN tools initiated in the Company strengthened performance management further when KPIs have been reviewed and actioned with personal accountability daily. Monthly, quarterly and annual performance review meetings, on the other hand, allow to reflect on the entire month, quarter or year through the lens of competence development, process safety, continuous learning opportunities, career-advancement, and aspirations.

EMPLOYEE SELECTION AND RECRUITMENT

The Teamtailor platform (Applicant tracking system) was implemented to ensure a more efficient recruitment of employees as well as more convenient tool for hirings managers. Since January 2022 the Company updated Employee Selection and Recruitment procedure whose purpose is to standardize the employee selection process and ensure efficient and effective procedures for organizing the selection of KN personnel (employees and trainees) in order to successfully achieve the objectives of KN – to select employees who recognize the values of KN and have the greatest potential to achieve the objectives set for them.

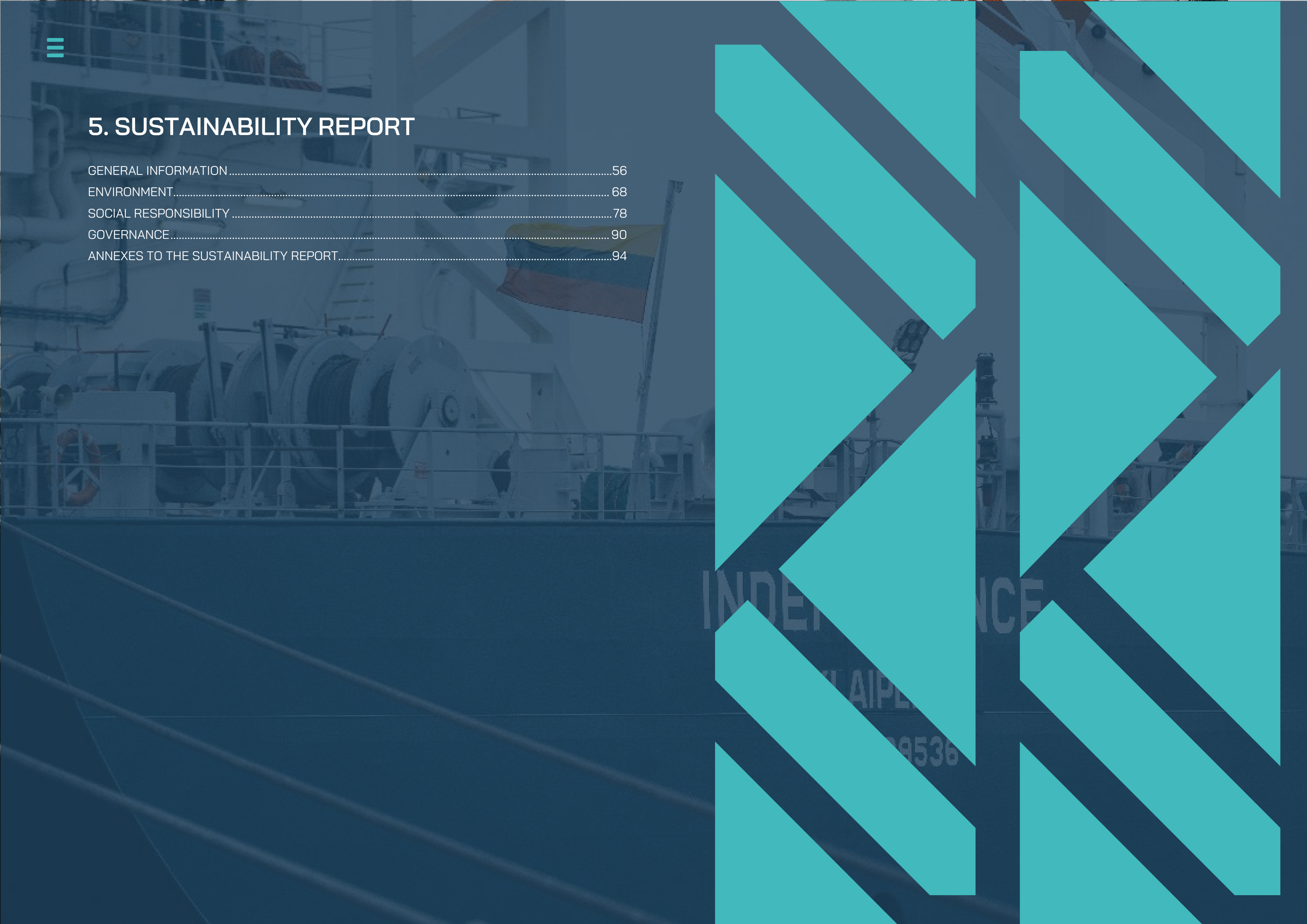
In order to ensure that the objectives set out in KN's strategy are met, an assessment and planning of staffing needs is carried out. Each year management of the Company draws up a staffing plan for the upcoming year. The plan takes into account the workload of staff, the need for new positions (due to organizational changes or legal requirements), staff mobility (transition from one staff position to another) and natural change (retirement, parental leave, etc). The main steps of the recruitment process include the evaluation of need for employee, determination of required competencies, search and attraction of potential candidates, job interviews, final decision, and preparation of the offer.

PRINCIPLES OF EMPLOYEE COMPETENCE DEVELOPMENT

KN education system is designed to promote the development of employees both independently and through the learning processes of strategically important knowledge and skills that are part of the curricula. All employees are given the opportunity to participate in the programs. The implementation of KN education system is based on 6 principles: link with business strategy, cooperation between departments, identification of needs based on assessment of employees' competencies, measurement of learning effectiveness, integration of education with other processes and selection of appropriate educational tools.

Each year up to 15% of the annual learning and development budget was allocated to fund employees with various formal studies at different universities.

In 2024, KN further developed its leadership competencies by expanding the talent pool and continuing its long-term leadership program. This program consists of 9 months of structured learning sessions and extends beyond that through the implementation of personalized career plans. Also, in 2024 the Company continued investments into development skills of negotiation, project management competencies, client centricity, Emotional Intelligence (EQ) and employee resilience.



5. SUSTAINABILITY REPORT

GENERAL INFORMATION

BP-1, BP-2 BASIS FOR PREPARING THE SUSTAINABILITY REPORT

The Company has prepared the 2024 Sustainability Report on a voluntary basis in partial accordance with the principles of the general disclosures of the European Sustainability Reporting Standards (ESRS) and partially the standards' topic disclosures.

The scope of consolidation of the Company's Sustainability Report is the same as that applied to the financial statements: given the structure of the KN Group, this report presents the main data of the Company and its subsidiaries.

In Lithuania, the Company operates two liquid energy product terminals in Klaipėda and Subačius and an LNG terminal and LNG distribution station in Klaipėda. KN is also the commercial operator of the Marijampolė oil products terminal (through a lease agreement). KN provides commercial operation services for four German LNG terminals. Through its subsidiary KN Açu Serviços de Terminal de GNL Ltda, KN provides technical operation and maintenance services for the LNG terminal at the port of Açu in Brazil. In mid-2024, KN was also awarded the tender for the provision of O&M services for the second Wilhelmshaven LNG terminal.

Information related to the Company's activities concerning LNG terminals for which commercial operation services are provided is within the scope of this report, while information related to infrastructure is outside the scope of this report, as it is accounted for and reported by the infrastructure owners.

The data in the report covers the activities in Lithuania and, where relevant and possible, additional data for the activities of KN Açu Serviços de Terminal de GNL Ltda in Brazil are also provided, with an indication to that effect. The company providing O&M services for the second Wilhelmshaven LNG terminal in Germany only started operations at the end of 2024 and is therefore not reflected in the 2024 report.

For the double materiality assessment in the first half of 2024, the available information on the activities of all the KN companies was assessed, with the most information available on the activities in Lithuania. An additional double materiality assessment of the Brazilian and German subsidiaries is planned for 2025.

In its preliminary assessment of its material impacts, risks and opportunities, the KN has not found that the material impacts, risks and opportunities identified by the Company differ materially and substantially between the different countries of operation (Lithuania, Brazil and Germany). In terms of asset materiality, the Company's largest assets are in Lithuania and therefore the analysis of impacts, risks and opportunities has been carried out in the context of KN's operations in Lithuania.

The information on impacts, risks and opportunities in the value chain presented in the report is based on known and publicly available information on the value chain. Given the complexity of data collection, resource requirements and potential benefits and accuracy, the data is based on internal KN information, information obtained from stakeholders during the cooperation, expert information from KN specialists, publicly available data (e.g. official databases in the calculation of Scope 3 GHG emissions). Data for measured indicators currently collected from value chain actors is used for the following indicators:

- Data for calculating Scope 2 GHG emissions;
- Data for the calculation of Scope 3 GHG emissions in individual categories;
- Data related to waste management;
- Community concerns;
- Customer survey, customer satisfaction and loyalty (NPS) data;
- KYC assessment of customers and business partners.

The Company has implemented and applies international standards for individual sustainability topics: quality ISO 9001:2015, environmental ISO 14001:2015, occupational safety and health ISO 45001:2018. These standards set out requirements for process control, taking into account key risk factors, and management system audits.

Sustainability information in previous reports has been prepared in accordance with the GRI (Global Reporting Initiative) standard, while for 2024 the information has been prepared on a voluntary basis, partially applying the ESRS principles. The Sustainability Report did not receive external assurance.

Given that the application of ESRS to the 2024 sustainability disclosures is not mandatory and the Company therefore does not apply the standards in their entirety, the Company does not further detail the use of exemptions for general disclosures foreseen in the ESRS.

The report includes information that can be made public, does not infringe intellectual property, is not confidential or classified. GHG emission factors used in GHG footprint calculations are subject to a high level of measurement uncertainty. The Company has not identified other quantitative disclosures and monetary amounts that are subject to a high level of measurement uncertainty.

GOV-1, GOV-2 ROLE OF ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

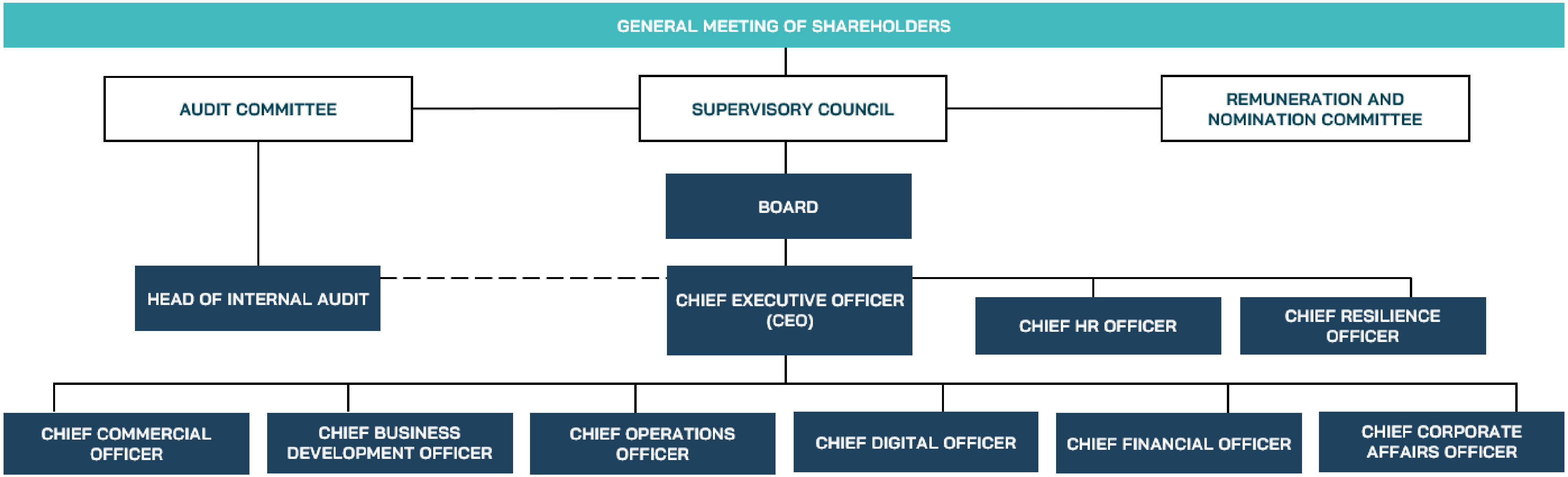
Detailed information on the composition and diversity of the members of KN's administrative, management and supervisory bodies, as well as their roles and responsibilities, their experience in the Company's industries, products and geographical locations, the activities in 2024, the Company's governance and organisational structure and the interdependencies between the responsible parties is set out in the section of the Management Report on the "Governance Report"

The formation of the administrative, management and supervisory bodies of the KN takes into account the objective of diversity and information on the composition of the bodies in terms of gender and independent members is provided below:

Administrative, management or supervisory body	Share of women, %	Share of men, %	Share of independent members, %
Supervisory Council	33	67	67
Audit Committee	0	100	100
Remuneration and Nomination Committee	67	33	67
The Board	25	75	80
Heads of administration	25	75	-

Table 1. Composition of administrative, management and supervisory bodies on 31 December 2024

Management structure



The responsibility for overseeing the Company's impacts, risks and opportunities identified by the Company's strategy and the 2024 Double Materiality Assessment lies with the Chief Executive Officer of the KN, who is the Company's sole governing body. The CEO is the principal person who manages and represents the Company. The duties and responsibilities of the CEO are set out in the Law on Companies of the Republic of Lithuania, the Company's Articles of Association, the Corporate Governance Policy and the decision-making matrix.

The Supervisory Council, the Committees and the Management Board of the Company carry out this oversight as part of the implementation of the KN strategy and the evaluation of its performance, within their respective competences. The competences and functions of the Supervisory Council and the Board and their powers are defined in the Law on Companies, the Company's Articles of Association, the Corporate Governance Policy, the Decision-Making Matrix. These oversight functions are within the scope of the general functions of the respective governing bodies. No specific members of these bodies are foreseen with oversight responsibilities for impacts, risks and opportunities.

The company has a Sustainability Manager, reporting to the Chief Corporate Affairs Officer, to analyse, coordinate and monitor sustainability issues across the organisation. Sustainability is integrated into all areas of the Company's activities, so that implementation is ensured by all departments.

The Company shall ensure that it has management processes, monitoring, controls and procedures in place to monitor, manage and oversee its impacts, risks and opportunities. This is done by implementing the Company's strategic and operational management through all levels of the organisation:

Operational level	Management actions	Responsible (involved) bodies/employees
Implementation of the long-term KN strategy *Long term to 2050*	The Strategy sets out the Company's sustainability ambition of climate neutrality by 2050, with strategic objectives aligned to this ambition and a transformation of activities. Approved by the Company's Supervisory Council on 14 June 2023. The Strategy, its assumptions and its objectives shall be reviewed annually and, where necessary, adjusted and/or updated.	CEO Heads of administration The Board Supervisory Council
Preparation and submission of the strategy to the Governance Coordination Center (GCC) *Average - 3 years.*	The Company's long-term strategy is being transformed into shorter timeframes, with the strategic objectives for the relevant period being revised and set accordingly. The Strategy, its assumptions and the objectives and targets it sets are reviewed annually and, if necessary, adjusted and/or updated. The implementation of the Strategy shall be evaluated by the GCC.	CEO Heads of administration The Board Supervisory Council
Setting and cascading annual targets within the Company Short term - 1 year	The company's strategic objectives are translated into annual goals and targets for the KN's CEO and senior management. The objectives and targets of the CEO are cascaded down to the heads of administration (Directors) and further down to employees throughout the organisation (at specialist level, targets may be set on a quarterly basis). The annual goals and objectives shall be reviewed at least once a year and, if necessary, adjusted and/or updated, monitored through performance indicators.	CEO Heads of administration Managers Employees
Monitoring of performance indicators by Lean framework Operational level - monthly/weekly/daily	Operational indicators are formulated for the annual targets set, assigned to the responsible persons and monitored and evaluated according to the Lean methodology and tools at an agreed periodicity - monthly, weekly or daily. If necessary, performance indicators may be reviewed, adjusted and (or) updated.	CEO Heads of administration Managers Employees
Periodic review of indicators on relevant topics at all levels Operational level - as required	The targets and indicators for the material topics identified in the double materiality assessment are aligned with the Company's strategic and operational documents. They are continuously monitored by the Sustainability Manager and are to be reviewed and (if necessary) updated in their entirety at least once a year, as well as updating the strategic KN documents as and when required and changed.	CEO Heads of administration Managers Employees

Table 2. Monitoring and control of management processes

The Company's management and supervisory bodies, including their respective committees, are informed periodically of the Company's material impacts, risks and opportunities:

- During the review and updating of strategic documents - once a year / Management Board and Supervisory Council;
- Setting and approving annual targets – once a year / Board;
- Monitoring changes in the level of risks and the status of action plans for risk management measures in accordance with risk management procedures - 4 times a year / Board;
- When dealing with specific sustainability topics, decisions on the Company's investments, significant transactions, etc. - with relevant items on the agenda / Management Board and Supervisory Council as appropriate;

The management and supervisory bodies shall be informed by the Chief Executive Officer of the KN, by the heads of administration (Directors) in the areas of the Company's activities they represent, or by other managers, depending on the subject matter under discussion.

A review of the 2024 Double Materiality Assessment process and its results (stakeholders, identified significant themes, impacts, risks and opportunities in the full scope (SBM-3, IRO-1) was discussed during 2024:

- 30 July at the KN Board meeting during the extended sustainability session;
- 11 April during the Supervisory Council meeting;
- 22 August at a meeting of the Supervisory Council (together with members of the Audit Committee).

The company's CEO, as well as the heads of administration (Directors), participated in the stakeholder identification process and the double materiality assessment. These topics were also addressed in detail in the review of the Company's long-term strategy during the extended session on 10 July 2024. The Company's CEO and directors monitor and assess the Company's material impacts, risks and opportunities in relation to the annual targets and performance monitoring during the weekly KN Directors' meetings

GOV-3 INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

The incentive schemes for members of the administrative, management and supervisory bodies of KN are linked to sustainability issues. The Company's Remuneration Policy, approved by the General Meeting of Shareholders, governs the principles for determining and dispensing remuneration to members of the Company's management and supervisory bodies.

The Policy provides that remuneration should take into account the fact that the Company's bodies deal with complex issues related to the strategic objectives, undertake activities that are significant for society as a whole and manage high value infrastructure and assets. The remuneration paid must:

- promote the creation of long-term and sustainable value for the Company, and to be fair and comprehensible;
- correspond to the workload of the individual organs of the Company and their members;
- be competitive with salary levels offered in the relevant labour market;
- ensure that individual members of the Company's organs are compensated for the responsibilities undertaken;
- encourage the attraction of high calibre professionals in their fields to manage the Company.

Possible elements of remuneration for the collegiate governance body:

- Fixed remuneration - monthly remuneration.

Possible elements of remuneration of the single management body:

- Fixed remuneration - monthly remuneration.
- A variable component of remuneration that may be paid for the achievement of the Company's measurable annual targets or performance indicators. The Company does not have a deferral and clawback option for variable remuneration.
- Detailed information on the remuneration of the Chief Executive Officer of KN and the remuneration of the members of the Company's management and supervisory bodies is provided in the Report on Remuneration Report section of the Management Report.

For both the CEO and the members of the Company's management and supervisory bodies, the main objectives are directly linked to the implementation of the KN Strategy 2050, which has as its main ambition the sustainable and climate-neutral operation of the Company by 2050.

- As the remuneration of the Company's collegiate governance bodies is only a fixed component and is not linked to performance against specific sustainability-related targets and/or impacts, performance is measured on an overall basis.
- The annual objectives of the CEO of KN are linked to and measured by performance against specific sustainability-related targets. In 2024, such goals and targets accounted for 35% of all goals and targets (GHG emission reduction, employee safety, engagement and satisfaction, governance improvement, energy transformation). The CEO's objectives and targets are cascaded as described in Table 2. The principles and procedures for determining, paying and incentivising the remuneration of KN employees and for making decisions relating to remuneration are governed by the KN Remuneration Policy.

GOV-4 SUSTAINABILITY DUE DILIGENCE STATEMENT

Due diligence is the process by which a company identifies, prevents, mitigates and reports on its management of actual and potential adverse impacts on the environment and on persons affected by its activities. This includes negative impacts related to the Company's own operations, the value chain, through services, as well as through business relationships.

The main elements of due diligence and the parts of the Sustainability Report detailing each one are presented in Table 3.

In 2024, the Company carried out a Double Materiality Assessment (DMA), which included a due diligence exercise to systematically review, identify and define actual and potential adverse impacts on the environment and people associated with KN's operations, integrate previously defined and identified new actions to mitigate the adverse impacts on people and the environment, and provide for the monitoring of the results of those actions. Periodic assessment of the double materiality will be integrated into KN's performance management and relevant processes to maintain the relevance of sustainability processes. The Company, through its governance practices, which include elements of due diligence, ensures that there are ongoing processes to monitor, analyse, evaluate the Company's performance, respond to changes in the Company's strategy, business model, activities, business relationships, operations, sourcing and sales circumstances, and to proactively initiate relevant changes where appropriate.

No.	The main elements of due diligence	Parts of the Report containing relevant information
1.	Integrating due diligence into governance, strategy and business model	GOV-1, GOV-2 Role of administrative, management and supervisory bodies SBM-3, IRO-1 Double materiality assessment SBM-1 Business strategy, model and value chain
2.	Involvement of affected stakeholders in all key stages of due diligence	SBM-2 Stakeholder interests and views
3.	Identification and assessment of negative impacts	SBM-3, IRO-1 Double materiality assessment
4.	Taking action to address these negative impacts	SBM-1 Business strategy, model and value chain Topic standard disclosures "Policies" and "Actions"
5.	Monitoring and communicating the effectiveness of these efforts	GOV-1, GOV-2 Role of administrative, management and supervisory bodies GOV-5 Sustainability reporting risk management and internal control The "Actions" topics of the thematic reference sections on sustainability include indicators and changes in indicators, and information on planned corrective actions

Table 3. The main elements of due diligence

GOV-5 SUSTAINABILITY REPORTING RISK MANAGEMENT AND INTERNAL CONTROL

The Company has a Risk Management System in place, which includes risk management and internal control methods, processes and systems. There is also a Risk Management Policy which regulates the Company's risk management, defines the principles and responsibilities of risk management, the roles and responsibilities of the Risk Manager and sets out the Company's risk appetite and tolerance limits. Detailed information on risk management, including a risk map and risk categories, is provided in the "Risk factors and risk management" section of the Management Report.

Sustainability topics are included in the Company's risk management framework. The double materiality assessment in 2024 applied the principles of the Company's existing risk assessment framework. Additional material topics and risks identified will be integrated into the Company's existing framework. The review and integration process started in November 2024. It includes a comprehensive review of the risks identified and assessed in the Company, adding to the list of material topics and risks identified through the Double Materiality Assessment process, assigning owners to these risks and providing management measures.

To ensure internal controls over the sustainability reporting process, KN has developed an ESRS Indicator Data Filing Manual to ensure the smooth, transparent and appropriate collection of the KN's sustainability data required for Management Report disclosures. It sets out the key principles to ensure data integrity, completeness, proper measurement and accuracy and the responsibilities and actions to be taken by the employees responsible for collecting and submitting the data. The principle of 'four eyes' review, i.e. the data is checked several times by several persons responsible for the submission of the data, is ensured at least for the submission of data for disclosure:

- The first check of the data is carried out by the employee responsible for submitting the data.
- The data submitted shall be verified by the line manager of the employee responsible for the submission.
- The final check and review of the data is carried out by the Sustainability Manager.

In order to manage the risks related to the reliability, completeness and accuracy of data, disclosures shall be collected primarily from direct data sources, measurement devices, Company systems and information collected and managed by the Company, official reports and documents, using estimates and ratios from reliable and official databases, information collected directly from value chain participants (where possible).

SBM-1 BUSINESS STRATEGY, MODEL AND VALUE CHAIN

The Company's Corporate Strategy 2050 for KN, approved by the Company's Supervisory Council on 14 June 2023, entered into force. It aims to achieve full climate neutrality of the KN's operations by 2050, with emission reductions of more than 30% by 2030 and around 70% by 2040.

Detailed information on the Company's strategic commitments, operational objectives in the main business segments is provided in the Management Report in the section " The Corporate Strategy", also see KN 2050 Strategy.

Detailed descriptions of the Company's business model, service groups, markets served, including their developments during the reporting period, are provided in the Management Report in the sections "General Information about the Group and the Company", "Liquid Energy Terminals", "Regulated LNG terminal", "Commercial LNG", "New Energies", as well as in the section "Significant events of the reporting period". The number of employees by geographical location is presented under "S1 Own workforce". Significant targets and projects related to the planned fundamental transformation of the Company's activities are presented in the Management Report under the heading "New energies".

Based on its strategy and the results of the double materiality assessment, the Company has set sustainability targets. A review of the significant sustainability themes and overall targets was carried out at a November 2024 review session of the KN 2050 Strategy. The list of sustainability ambitions is presented in Table 4.

List of sustainability ambitions	
Environmental objectives	Reducing greenhouse gas emissions across the value chain
	Ensuring sustainable energy consumption
	Ensuring successful pollution prevention in the Company's operations and value chain
	Ensure responsible management of hazardous waste
	Ensuring immaculate water pollution prevention
Social objectives	Ensuring safe working conditions and equal opportunities for all workers
	Ensuring continuous professional development and access to training for all employees
	Ensuring good working conditions and employee engagement and empowerment
	Ensuring proactive efforts to attract and retain talent
	Ensuring active and meaningful support for communities and other relevant groups and initiatives
Governance objectives	Ensuring a successful business model transformation enabling the market to reduce its demand for fossil fuels and achieve the EU's climate neutrality objectives
	Ensure responsible business practices, compliance with laws, internal policies, procedures and contractual obligations
	Ensure responsible management practices through systematic and balanced risk management and successful data and cyber security
	Ensuring responsible management of the supply chain and the impacts it generates
	Ensuring a high quality of service

Table 4. List of sustainability ambitions

The Company operates in the fossil fuels (coal, oil and gas) sector and derives its income from the processing, storage, distribution, including transportation, storage and trade of fossil fuels as defined in Article 2(62) of Regulation (EU) 2018/1999 of the European Parliament and of the Council.

A diagram of **the Company's value chain** and a description of the characteristics of its main links is depicted in Figure 1.

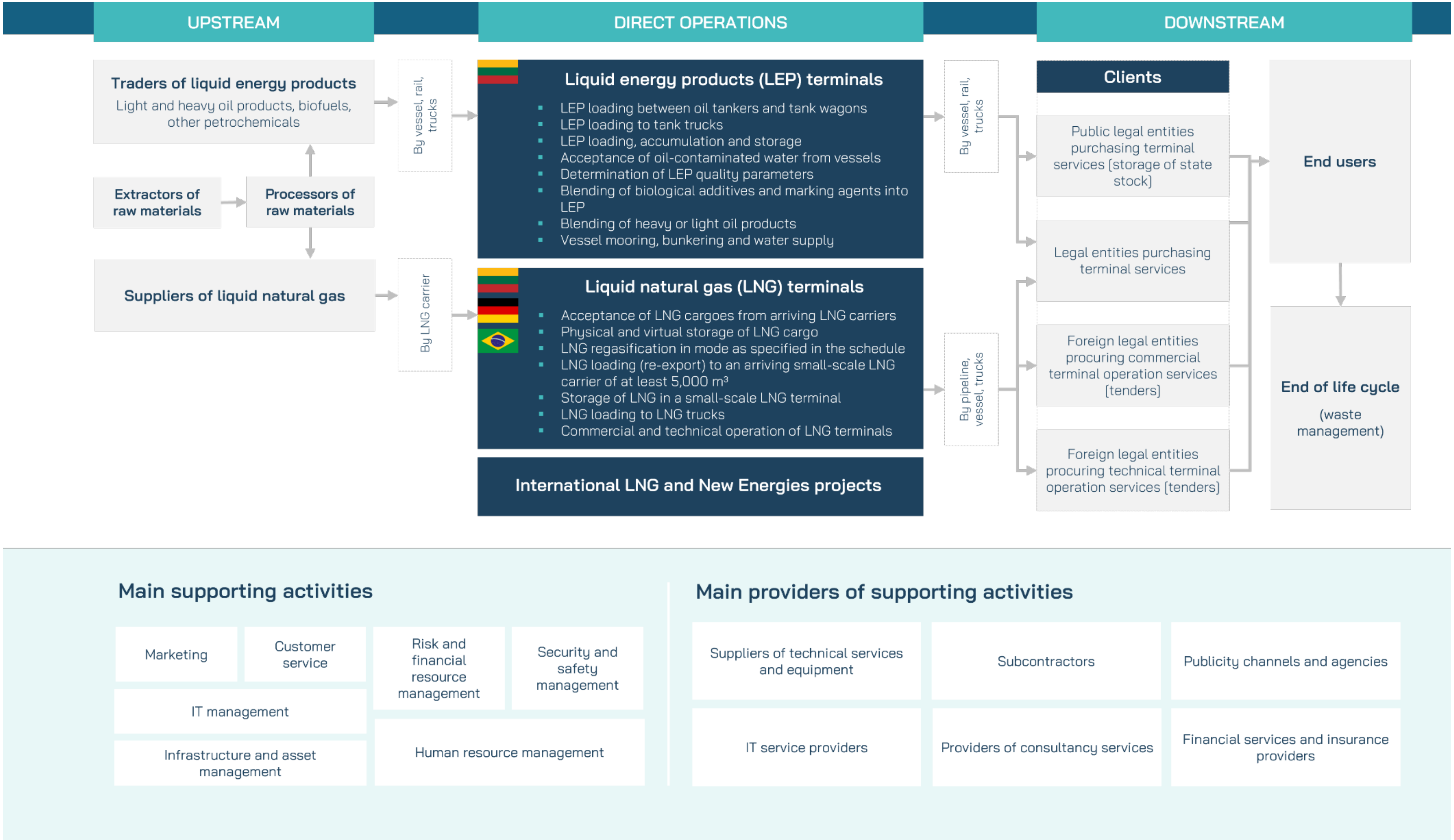


Figure 1: The Company's value chain

Upstream: the value chain starts with the supply of raw materials - the raw material extractors. Raw materials, the beginning of the value chain, include the extraction and supply of raw materials. Feedstock processors convert crude oil or biofuel feedstocks into various liquid energy products, process the extracted gas, which travels through KN. The sellers of liquid energy products offer these products. The following products enter the Company from these value chain participants:

Petroleum products

- Different types of diesel fuel
- Different types of petrol and its components
- Jet fuel
- Different types of fuel oil
- Vacuum gas oil (VGO)
- Crude oil
- Bitumen

Other chemical products:

- Monoethylene glycol

Biofuels:

- Ethanol
- Methyl ester of fatty acids
- Vegetable oil processed by hydrogenation
- Used oil for biofuel production

Products are transported by tanker, rail and road.

Natural gas feedstock suppliers liquefy natural gas and transport it by LNG carriers to KN-operated LNG terminals.

Direct operations: the Company is in the middle of the sector's value chain. The main activities of KN include the operation of the Liquid Energy Terminals in Klaipėda (KLET) and Subačius (SLET), which provide transhipment, long-term storage and other services related to the transhipment of liquid energy products; LNG terminal operations - the Klaipėda LNG terminal in Klaipėda, which receives and temporarily stores liquefied natural gas, discharges and delivers it to the main pipeline and, if necessary, carries out LNG transhipment operations, the Klaipėda LNG distribution station, where LNG is loaded into tankers, and the commercial and technical operation of LNG terminals in Brazil and Germany. KN is also the commercial operator of the Marijampolė oil terminal (through a lease agreement). While conducting the main activities, measures promoting energy saving and environmentally friendly solutions, waste minimisation and proper waste management are implemented. To ensure the continuous development of internal practices, continuous monitoring, regular audits and evaluations are carried out to identify areas for improvement. Core operations and supporting activities ensure the value creation of the Company. To achieve a long-term sustainable business model, the Company also carries out transformational activities: new energy projects such as the development of the CO2 capture and storage value chain, the evaluation of energy balancing (flow batteries), the development of hydrogen and its carriers etc.

Downstream: products are transported to customers by tanker, rail, road and pipeline. At the end of the value chain are the final consumers - the legal and natural persons who consume the products supplied through the Company. The Company works with both private and public legal entities. Customer cooperation and due diligence procedures are in place to ensure responsible sourcing principles. At the end of the life cycle, the aim is to manage the waste generated in an appropriate and responsible manner.

SBM-2 STAKEHOLDER INTERESTS AND VIEWS

The Company maintains an ongoing dialogue with its stakeholders to identify key topics of interest to stakeholders, and to take into account, respond to and integrate their interests and views. The KN has adopted a Stakeholder Policy, which sets out principles and guidelines for the development of the KN's stakeholder relations, ensuring opportunities to identify key stakeholder issues in the context of the KN's sustainable operations. The Company is guided by the highest standards of good governance, the KN Values and the Standard of Conduct.

In 2024, a stakeholder analysis was carried out at KN, which identified an extended list of stakeholders (27 stakeholders), assessed the stakeholders in terms of their impact on, and interest in, the Company, and drew up a list of the key stakeholders (14 stakeholders) (Table 5).

The integration and inclusion of stakeholders' views and interests in the assessment of the double materiality of topics, impacts, risks and opportunities of relevance to KN has been carried out on the basis of stakeholders' expectations known to the Company's team, which were identified in detail during the preparation of the KN Strategy 2050 in 2023, through the organisation of individual meetings, interviews, presentations, working groups, questionnaires, etc.

To successfully engage with stakeholders, a Stakeholder Engagement Plan has been developed for 2024, covering all identified stakeholders, with planned engagement actions, timelines and responsible persons for each party. The plan will be regularly updated, adding and adjusting information according to relevant issues/topics, including and/or modifying actions as needed, etc.

No.	Stakeholder
1	Clients
2	Shareholders
3	Governing bodies
4	Supervisory and regulatory authorities
5	Institutional lenders/financiers
6	Key business partners
7	Potential investors
8	Workers' representative organisations
9	Key business partners
10	Employees
11	Strategic service providers
12	Competitors
13	Nature
14	Media

Table 5. List of key stakeholders

Stakeholder group	Engagement topics	Main ways of engagement
Shareholders	Sustainability objectives and priorities Strategic decisions and plans	Meetings to inform shareholders about the implementation of the sustainability strategy and planned actions; Adoption of strategic sustainability objectives
Governing	Sustainability objectives and priorities	Adoption of strategic sustainability objectives
Workers' representative organisations	Occupational safety and health, welfare, equal opportunities, etc.	Meetings, discussions on sustainability priorities and employee expectations
Staff	Occupational safety and health, welfare, equal opportunities, etc.	Meetings, discussions on sustainability priorities and employee expectations
Clients	All sustainability topics	Sustainability reporting
Supervisory and regulatory authorities	All sustainability topics	Timely, accurate and transparent information on sustainability indicators
Institutional lenders/financiers	All sustainability topics	Timely, accurate and transparent information on sustainability indicators
Key business partners	All sustainability topics	Timely, accurate and transparent information on sustainability indicators
Potential investors	All sustainability topics	Timely, accurate and transparent information on sustainability indicators
Strategic service providers	Sustainability objectives and priorities	Communicating sustainability requirements
Nature	Environmental impacts	Providing information on environmental impacts to the public, NGOs, communities
Media	All sustainability topics	Timely, accurate and transparent information on sustainability indicators

Table 6. Stakeholder involvement

Stakeholders' views and interests, the results of the implementation of the Stakeholder Engagement Plan as well as operational issues (e.g. complaints) are periodically reported to the administrative, management and supervisory bodies of the KN during the individual sustainability sessions and by integrating these topics into the agenda of the meetings of the Board and the Supervisory Council.

SBM-3, IRO-1 DOUBLE MATERIALITY ASSESSMENT

The Company has carried out a double materiality assessment to identify material sustainability themes for the Company. The starting point for the assessment was the Company's strategy and the main impacts, risks and opportunities identified in its development. The Company had previously conducted an impact materiality assessment in 2022 in line with the GRI guidance, the results of which were also considered in the latest double materiality assessment. ESRS principles for double materiality were additionally applied in part throughout the process. In summary, the assessment took into account 1) the impact of KN's activities on society and the environment (materiality of impacts) and 2) how sustainability topics affect KN in terms of business risks and opportunities (financial materiality).

The process of identifying relevant topics:

1. External experts, together with representatives of KN, carried out an analysis of sustainability impacts;
2. Review of impacts with KN middle managers and specialists, (2024-04-29);
3. Impact assessment session with top management of KN, (2024-05-09);
4. ESG Risk and Opportunity Analysis and Assessment Session with top management of KN (30-05-2024);
5. Review of material sustainability themes and shared aspirations at the review session of KN's Leadership Strategy 2050, (10-11-2024).

No significant adjustments to the approved KN strategy or decision-making were identified as the scope of the strategy broadly reflects the results of the double materiality assessment**.** Impacts were assessed in terms of their scale, scope, remediation (for negative impacts) and likelihood (for potential impacts only), while risks and opportunities were assessed in terms of their magnitude, likelihood and financial impact on capital. The methodology for determining the materiality of impacts followed in part the ESRS guidance, i.e. the magnitude (extent) of the impact on the environment and human beings, the extent or geographical coverage of the impact, and, in the case of negative impacts, the irremediability of the harm caused by the impact.

The process of assessing financial materiality was based on the KN risk assessment framework and in part the ESRS. The assessment identified the risks and opportunities for the Company, either from its impacts (identified during the first phase assessment) or from other external sustainability-related trends (identified by the Company's representatives and consultancy team). The financial impact of the risks and opportunities on the Company was determined by analysing how the identified threats/opportunities would affect these capitals:

1. Human (knowledge, competences, talents, skills and experience of employees);
2. Intellectual (innovations, processes, patents, trademarks);
3. Natural capitals (natural resources, materials, biodiversity, landscape);
4. Social and relational (reputation, brand loyalty, partnerships);
5. Financial (equity, debts, revenues, profits, availability of future financing and/or capital);
6. Technological (infrastructure, software, digital platforms, etc.).

Each risk and opportunity has been assessed taking into account the financial impact on each capital in the short (up to 3 years), medium (3-10 years) and long term (more than 10 years). No precise financial assessment was carried out in 2024 due to lack of information and the significant additional resources required to carry out such an assessment.

The Company's risk register will be reviewed to assess material sustainability topics and incorporate them into risk management processes. The assessment of KNs' double materiality used a bottom-up approach, allowing the topics to be initially undefined by ESRS and formulated on the basis of the Company's business model and strategic considerations. This allowed the identification of themes that are both ESRS-defined and relevant to the Company's business, such as green transformation, innovation and civil protection. The names of topics were adjusted during the process, adjusting them accordingly in line with the revised wording of the impacts and tailoring them to more accurately reflect the nature of the Company's business.

Following an assessment of impacts and financial materiality, the Company's material topics have been identified and approved in line with its strategic priorities and objectives. The Company discloses in the Sustainability Report the information relating to those topics that are material according to the double materiality assessment. A review of the intended sustainability targets in terms of the objectives, targets, key performance indicators is foreseen to be carried out in conjunction with the periodic update of the Company's strategic documents. Table 7 lists the material topics and subtopics as an outcome of the Company's double materiality process. Each topic is disclosed according to IRO-1 requirements in the corresponding section of the Report dedicated to the given topic.

Material sustainability topics	
Environment	**Social**
Climate change	Own workforce: occupational safety and health
Energy	Own workforce: learning and skills development
Pollution	Own workforce: learning and skills development
Air pollution	Own workforce: engaging and empowering employees
Odour pollution	Own workforce: hiring and recruitment practices
Water pollution	Own workforce: attracting and retaining talent
Water and marine resources	Workers in the value chain: human rights
Hazardous waste	Affected communities
Waste	
Governance	
Business ethics	Cybersecurity
Preventing corruption and bribery	Civil protection

Table 7. KN Energies material topics

MDR-P POLICIES RELATED TO MATERIAL SUSTAINABILITY ISSUES

The KN has policies approved by top management to manage significant current and potential impacts, risks and material opportunities. Some policies cover several key sustainability issues covering more than one relevant material topic. The scope of the KN policies covers all subsidiaries of the Company. All the policies listed below are the responsibility of the senior management responsible for the function relevant to the topic covered by the policy. All the policies listed below have been prepared in accordance with European Parliament and Council Regulations, the legislation of the Republic of Lithuania and internal rules of procedure.

Policy	Description	Relevance to ESRS topics
Personal Data Privacy Policy	This policy sets out the principles and practices for the processing of personal data within the KN Energies Group. The aim is to ensure that all employees of the Group comply with the law and ethical standards when processing personal data. The main objective is to ensure the protection of personal privacy, the accuracy and security of data, as well as respect for the rights and freedoms of each individual, with the constant aim of preventing unlawful or careless data processing activities.	S1 Own workforce S2 Value chain workers S3 Affected communities S4 Consumers and end-users
Compliance Management Policy	This policy sets out the Company's compliance principles, responsibilities and risk management to create and maintain a positive compliance culture. The objectives of the policy are to effectively manage compliance risks, ensure continuous improvement and reduce the likelihood of breaches that may result in additional costs or reputational damage. The Policy applies to all employees and subsidiaries of the Company and its provisions are aligned with international standards such as ISO 37301, ISO 9001, ISO 14001 and ISO 45001.	G1 Business ethics
Waste Management Procedure	This procedure sets out the Company's principles and actions to ensure that waste is properly managed to protect the environment and human health. It applies to all KN units, service providers and employees involved in waste management. The aim of the procedure is to ensure that waste is identified, sorted, stored, transferred to handlers and accounted for in compliance with environmental requirements and legislation.	E5 Circular economy
Remuneration Policy	This policy describes the principles for determining, paying and incentivising the remuneration of the Company's employees, as well as the decision-making process in this regard. It applies to all employees of the Company. The purpose of the policy is to ensure that the remuneration process is clear, fair and transparent and to help maintain the Company's competitiveness in the labour market. In addition, the policy seeks to encourage employees to actively contribute to the achievement of the Company's strategic objectives and, in line with the Company's values, to add value and deliver greater returns to shareholders.	S1 Own workforce G1 Business ethics
Gift Policy	This policy sets out the principles for the acceptance and provision of gifts by the Company's employees to avoid corruption and conflicts of interest. It applies to all employees of the Company. The purpose of the policy is to ensure that the acceptance and provision of gifts is transparent, ethical and in the best interests of the Company. The policy also encourages employees to avoid gifts that could influence objective judgements and requires the declaration of gifts valued at more than EUR 150.	G1 Business ethics
Standard of Conduct	The Standard of Conduct sets out the core values and principles that employees must follow to ensure fair, responsible and ethical behaviour in the organisation. This includes professionalism, respect for colleagues and customers, integrity, compliance with legislation and responsibility for one's actions. The Standard also emphasises the importance of maintaining transparency, avoiding conflicts of interest and contributing to the organisation's sustainability objectives.	S1 Own workforce S2 Value chain workers
Information and Cyber Security Policy	This policy sets out the Company's principles and actions to ensure safe and secure information management and cyber protection to protect the organisation's assets and reputation from threats. It applies to all employees and partners of the Company. The aim of the Policy is to ensure that information is handled securely and responsibly, in accordance with the law and organisational standards. The policy also encourages employees to be aware of cyber threats, to ensure continuous monitoring of the system and rapid response to incidents, and to follow all established security protocols.	G1 Business ethics
Quality, Environmental, Occupational Safety and Health Policies	This policy sets out the guiding principles to ensure quality services, environmental protection, and health and safety of workers. The policy applies to all KN employees and partners. It aims to continuously improve quality, environmental and health and safety systems, to ensure the reliability of the services provided, to increase customer satisfaction and to minimise negative environmental impacts. Management is committed to providing the necessary resources and encouraging employees to comply with the standards set to achieve a safe working environment and efficient use of natural resources.	E1 Climate change E2 Pollution S1 Own workforce
Corporate Governance Policy	The Corporate Governance Policy sets out the key principles to ensure responsible, efficient and transparent management of KN. The Policy applies to all employees, governing bodies and subsidiaries of the Company. It covers the protection of shareholders' rights, internal controls, risk management and ethical standards to achieve long-term value creation and sustainable operations.	G1 Business ethics
Anti-Bribery and Corruption Policy	This policy sets out the principles and requirements for anti-bribery and anti-corruption in the Company's activities, with the aim of ensuring transparency, compliance with the law and the highest ethical standards. The policy applies to all employees, governing bodies and business partners, with an emphasis on zero tolerance of corruption. The main objectives are to prevent corruption, ensure transparent procurement, encourage whistle-blowing and create a responsible organisational culture. Managers must lead by example and integrate corruption prevention into their daily work. The implementation of the policy is monitored by a prevention manager and strict disciplinary measures are taken in case of breaches.	G1 Business ethics

Policy	Description	Relevance to ESRS topics
Personnel Policy	This policy sets out the Company's principles of personnel management to ensure the effective organisation, well-being and achievement of its strategic objectives. The policy applies to all employees and stakeholders, promoting equality, engagement, motivation, development and improving working conditions. The main objectives are to ensure a competent and flexible workforce, a transparent remuneration system, career opportunities, continuous employee development and alignment with strategic needs. The policy is based on the principles of equality, employee development, work-life balance and responsibility.	S1 Own workforce
Policy on Managing Private Interests	This policy sets out the principles of the KN Group of Companies to ensure the alignment of private and public interests to avoid conflicts of interest and prevent corruption. The policy applies to all employees and members of the governing bodies, ensuring transparency, accountability and the priority of the Company's interests. The main objectives are to ensure clear disclosure of interests, recusal from decision-making, prevention and continuous monitoring. The policy is based on the principles of impartiality, transparency, accountability and active interest management practices.	G1 Business ethics
Risk Management Policy	This policy sets out the principles and practices to ensure systematic risk management to protect the Company's assets, reputation and long-term sustainability. The policy applies to all employees and members of the governing bodies to ensure that risks are identified, assessed and managed in a timely and effective manner. The main objectives are to ensure proactive risk management that combines preventive and corrective measures, with clear lines of responsibility and decision-making processes.	G1 Business ethics
Violence and Harassment Prevention Policy	This policy aims to ensure the safety and dignity of employees in the workplace by setting clear rules on how to identify and respond to cases of violence and harassment. The policy applies to all employees of the Company and its subsidiaries. The policy covers reporting, investigation, assistance and preventive measures and ensures that the rights of whistleblowers and victims are respected.	S1 Own workforce
Stakeholder Policy	This policy sets out the Company's principles for engaging with its stakeholders to develop its business in a sustainable way and to ensure mutual value. The policy applies to all KN employees. The guiding principles are: respect, cooperation, professionalism and development. KN aims to clearly identify topics of interest to stakeholders, to maintain a constructive dialogue in line with stakeholder expectations and to regularly review relevant topics and communication channels.	S1 Own workforce S2 Value chain workers S3 Affected communities
Supplier Code of Conduct	The Supplier Code of Conduct sets out the basic principles that suppliers and their employees must follow to ensure fair and responsible behaviour in the supply chain. The Code emphasises the importance of sustainability, social responsibility, labour rights, safety and environmental requirements. Suppliers commit to avoiding corruption, conflicts of interest and discrimination, and to promoting transparency and cooperation with customers to achieve long-term value creation and mutual benefit.	E1 Climate change E2 Pollution E3 Water and marine resources E5 Circular economy S2 Value chain workers G1 Business ethics
Sustainability Policy	The Sustainability Policy applies to all Group companies. The policy sets out the principles to which KN adheres: responsible profit making, efficient use of natural resources, implementation of the circular economy, a safe and diverse working environment, employee involvement in sustainability activities, and helping customers to switch to cleaner energy sources. The policy covers environmental, social and economic responsibility as well as sustainability management, and is expected to be followed by all employees, contractors and suppliers.	E1 Climate change E2 Pollution E3 Water and marine resources E5 Circular economy S1 Own workforce S2 Value chain workers S3 Affected communities G1 Business ethics

Table 8. KN Energies policies

ENVIRONMENT

E1 CLIMATE CHANGE

KN aims to be at the forefront of the green energy transformation, enabling its customers to achieve sustainable development and long-term competitiveness by providing them with a reliable supply of essential energy resources. The Company is determined to meet one of its biggest challenges - to make its operations climate neutral by 2050 by switching from fossil fuels to alternative energy sources.

Climate change disclosures cover the Company and all its subsidiaries and part of the value chain.

DISCLOSURE OF INFORMATION PURSUANT TO ARTICLE 8 OF REGULATION (EU) 2020/852 (TAXONOMY REGULATION)

In 2024, KN has voluntarily developed sustainability disclosures based in part on the principles of the ESRS. The ESRS specify that taxonomy-related information must be included in the sustainability report. The Taxonomy compliance assessment started at the end of 2024, will continue in 2025 and the results will be presented in the 2025 Sustainability Report.

GOV-3 INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

The Sustainability Policy and the KN 2050 Strategy state that the Company aims to achieve climate-neutral operations by 2050. KN's 2024 annual targets included reductions in Scope 1 and Scope 2 GHG emissions: to reduce the GHG emission intensity per tonne of product handled at the liquid energy product terminals and the GHG emission intensity per megawatt-hour at the Klaipėda LNG terminal by reducing the intensity of Scope 1 and Scope 2 emissions. These targets are linked to the management incentive scheme. It should be noted that, in accordance with the Organisation for Economic Co-operation and Development (OECD) guidelines, the remuneration of the collegiate bodies cannot depend on the Company's variable indicators. Accordingly, their remuneration is not linked to specific GHG reduction targets. The collegiate bodies are responsible for representing the shareholders' interests in general and for achieving the objectives set out in the Letter of Expectations from the principal shareholder.

E1-1 TRANSITION TO A CLIMATE-NEUTRAL ECONOMY BY 2050

As part of its mission, KN aims to create a world where sustainable liquid energy products, chemicals and raw materials enable industries and communities to contribute to a cleaner, safer and more prosperous future for all. KN wants to be at the forefront of this transformation, continuously innovating and expanding its range of services to contribute to the global energy transition and achieve climate neutrality by 2050. These ambitions are included in the Company's 2050 strategy, which was developed and approved in 2023. This strategy focuses on improving the efficiency of current operations, preparing for the energy transition and transitioning to new energy activities. It aims to achieve full climate neutrality of KNs' activities by 2050. In this way, KN will contribute to the Paris Agreement climate change objective of keeping the average temperature rise on the planet below 1.5 degrees compared to the pre-industrial period.

KN is not subject to the EU benchmarks aligned with the Paris Agreement, in accordance with the requirements set out in Template I Indicators of Potential Climate-related Transformation Risk in Commission Implementing Regulation (EU) 2022/2453, and with Articles 12(1)(d) to (g) and 12(2) of the Commission Delegated Regulation (EU) 2020/1818 (the Climate Benchmark Regulation). At the time of writing, there is no Science Based Targets Initiative (SBTi) sector standard for the oil and gas industry to calculate the GHG emission reduction trajectory.

-8%
Water intake
vs. 2023

+53%
Renewable energy consumption
vs. 2023

CO_2

-1.9%
GHG emissions
vs. 2022

The strategy is based on medium-term growth and long-term portfolio diversification and is divided into three phases until 2050:

- 2023-2030: increasing the profitability of existing operations and securing funding for investment in new and more sustainable energy sources;
- 2031-2040: focus on LNG business development and diversification of liquid energy product handling;
- 2041-2050: expanding activities in the new energy market, including investment in new energy sources such as synthetic fuels, hydrogen and hydrogen carriers, other alternative energy carriers and carbon capture and storage (CCS).

KN sets out priorities for climate change mitigation and specific targets for reducing GHG emissions. By 2030, KN plans to invest a total of around EUR 300 million in new energy sources to develop business opportunities to enter the hydrogen carrier handling and storage market, to create a CO2 storage and handling business to help control and reduce carbon emissions, and to develop a pilot battery project in the region and a sustainable business model for the Company to become part of the energy storage and/or balancing market. Over 45% of this capital investment by 2030 will be devoted to building infrastructure and competences for new energy handling and storage, increasing the sustainability of existing activities and reducing GHG emissions. More details on GHG reduction actions are provided under Disclosure E1-3.

Material impacts, risks and opportunities, and interaction with the strategy and business model, are described in the disclosures under SBM-3.

IRO-1 IMPACTS, RISKS AND OPPORTUNITIES

The material impacts, risks and opportunities (in part in line with the IRO-1 disclosure) identified in the double materiality assessment in relation to climate change mitigation and energy are presented in Table 9.

E1 - Climate		Value chain location			Time horizon		
		Upstream	Direct operations	Downstream	Short-term	Medium term	Long-term
Climate change mitigation Activities along the entire value chain generate GHG emissions that contribute to long-term climate warming.	Existing negative impact	x	x	x	x	x	x
A regulatory environment that promotes climate change mitigation, as well as public opinion in favour of climate change mitigation projects, creates potential financial and reputational opportunities for innovative low-emission projects, anchoring additional sources of revenue and diversifying activities. Innovative technologies and projects contribute to the transformation of the green economy.	Opportunity	x	x			x	x
The decarbonisation targets set by the European Union and Lithuania may lead to increased restrictions on fossil fuel activities, more expensive emission allowances, for example, in the Company and/or its value chain. This may result in additional costs in the medium term for the direct activities.	Risk	x	x	x		x	x
Energy In certain technological processes conducted in the value chain or in the Company's direct operations, energy resources are used, some of which are non-renewable.	Existing negative impact	x	x	x	x	x	x
The installation of renewable energy generation facilities at the Company premises reduces dependence on external suppliers and price fluctuations, creates the opportunity to manage operating costs more efficiently and reduce GHG emissions.	Opportunity	x	x		x	x	

Table 9. E1 IRO-1 List of climate change impacts, risks and opportunities

E1-2 MITIGATING CLIMATE CHANGE

With the launch of the new Corporate Strategy 2050 in 2023, sustainability has become an essential part of the Company's strategy. The strategy includes commitments to the environment, energy and operational efficiency improvements, investment in people, digitalisation, social responsibility and governance. and ensuring sustainable development. The aim of the Strategy is to achieve fully climate neutral operations by 2050.

The KN Sustainability Policy sets out how climate change impacts, risks and opportunities are managed. It applies to the whole of KN Group. The policy commits KN to the following sustainability principles:

- Reducing climate change impacts (GHG emissions);
- Improving energy efficiency in your operations;
- Using energy from renewable sources;
- Promoting the efficient use of all natural resources - water, electricity, natural gas - and the appropriate behaviour of employees;
- Helping customers switch to cleaner energy sources in line with climate neutrality targets set by the EU and Lithuania, as well as by other markets in which KN operates.

The Supplier Code of Conduct emphasises our shared responsibility to protect the planet, the environment and the climate. All suppliers are expected to comply with the environmental laws and regulations applicable to them and the Company's operations, and to comply with KN's environmental standards and commitments. The Code highlights climate change mitigation as an area of importance and suppliers are expected to measure and reduce GHG emissions from their operations and increase the use of renewable energy.

The Company's Quality, Environmental, Occupational Health and Safety Policy enshrines its commitment to protecting the environment and to operating in a rational and efficient manner using energy and natural resources.

E1-3 ACTIONS AND RESOURCES

In line with the KN 2050 strategy, the Company has identified actions related to climate change mitigation, including GHG emission reductions achieved or planned. The reductions are calculated since 2022.

Year	CO2 savings (tCO2e)*	How this was achieved
2024	-966	1) Modernisation of the heating system in SLET 2) Modernisation of wastewater infrastructure in KLET (since 2024) 3) Resource efficiency projects

**Scope 1-2 emissions without FSRU Independence.*

Table 10. E1-3 Actions and resources related to climate change mitigation

Based on the GHG emissions reduction plan, a reduction of 704 t of Scope 1 and 2 GHG emissions was targeted in 2024 compared to 2022 (base year). In 2024, the target was met with a reduction of 966 tCO2e in Scope 1-2 GHG emissions (excluding FSRU Independence) compared to the base year from liquid energy terminals.

Detailed information on the GHG emission reductions achieved is provided in E1-6 "GHG emissions by scope". The objectives for GHG emission reduction are presented in E1-4 "Targets".

E1-4 TARGETS

The KN's main commitment is to increase energy and operational efficiency by reducing CO2 emissions and moving towards a low-carbon product portfolio to ensure climate-neutral operations. In line with the Corporate Strategy 2050, the KN has set targets related to climate change mitigation, which are summarised in Figure 2.

Roadmap to climate neutrality

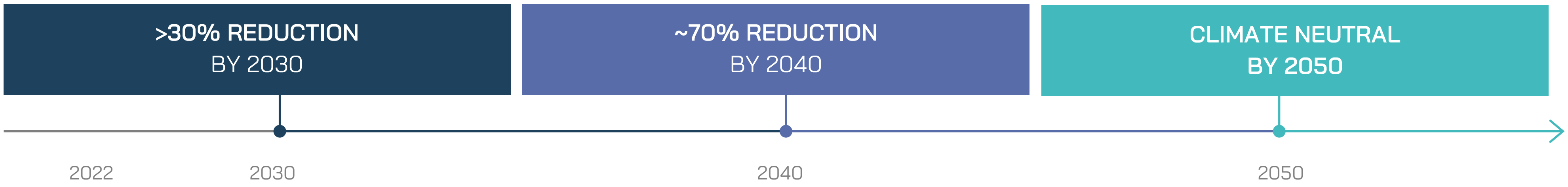


Figure 2. E1-4 Mitigation-related targets

E1-5 ENERGY CONSUMPTION AND ENERGY MIX

KN places great emphasis on energy saving and investment in renewable energy sources. To this end, the Company is constantly reviewing and optimising its energy-intensive handling and storage processes for liquid energy products. The Company is implementing various other measures to save electricity and natural gas, and energy saving measures are being implemented in other areas of the Company's operations.

One of the most significant energy-related investments in 2023 (project value of more than EUR 200 thousand) is the completion of the 300 kW solar power plant project at SLET. Energy consumption and energy mix are accounted for in accordance with the KN GHG methodology.

Indicator	Unit	2022	2023	2024 Fact	2024 based on base year (2022)*
Total energy consumption	**MWh**	38,737	35,876	72,573	32,362
Consumption from fossil sources	**MWh**	31,454	31,798	66,335	26,124
fuel consumption from coal and coal products	MWh	0	0	0	0
fuel consumption from diesel (crude oil and petroleum products)	MWh	94	151	85	2
fuel consumption from natural gas	MWh	31,258	28,918	66,094	25,966
fuel consumption from other fossil sources	MWh	0	0	0	0
consumption of purchased or acquired electricity and heat from fossil sources	MWh	102	2,729	156	156
Consumption from nuclear sources	**MWh**	0	0	0	0
Consumption from renewable sources	**MWh**	7,284	4,078	6,238	6,238
fuel consumption for renewable sources including biomass	MWh	0	0	0	0
consumption of purchased or acquired electricity from renewable sources	MWh	7,284	3,819	5,988	5,988
consumption of self-generated non-fuel renewable energy (solar)	MWh	-	259	250	250
Non-renewable energy production	MWh	31,352	29,069	66,179	25,968
Renewable energy production (solar)	MWh	-	259	250	250

Table 11. E1-5 Energy consumption

E1-6 GHG EMISSIONS BY SCOPES

The company's GHG emissions are calculated following the GHG Protocol, which is the basis for the KN GHG methodology. The KN GHG methodology accounts for GHG emissions from Scope 1 to 3 from terminals operated by KN, both in Lithuania and abroad. KN does not use carbon credits and therefore the corresponding data on carbon absorption and similar are not provided (E1-7). Also, KN does not use or have an established internal carbon price (E1-8).

Distribution of GHG emissions:

- Scope 1 is direct GHG emissions (from boilers, stationary engines, power generators, vehicles, CH_4 emissions due to repairs to the natural gas system). From 2021 onwards, GHG emissions from refrigerants are also included in the inventory. The largest share of direct GHG emissions comes from natural gas and diesel used in boilers and emergency power generators. FSRU Independence was owned by the Norwegian company Hoegh LNG from 2014 until 5 December 2024 and became the property of KN as of 6 December 2024. As a consequence, from the date of the takeover, the GHG emissions from Scope 3 (indirect emissions) generated by the FSRU moved to Scope 1 (direct emissions).
- Scope 2 – indirect GHG emissions associated with the production of purchased electricity. From 2021 onwards, the thermal energy consumed in the offices rented by KN is also included.
- Scope 3 – indirect GHG emissions related to the process of purchased materials and goods, as well as water supply, wastewater and waste management and other services. From 2021 onwards, the accounting also includes electricity transmission losses, some business travel related data (flights, accommodation) and losses related to the logistics of liquid fuels and gases used by the Company.

GHG emissions	Unit	2022	2023	2024 Fact	2024 based on base year (2022)*
Total GHG emissions (market-based)	**tCO2e**	**100,092**	**117,127**	**98,165**	**98,165**
Total GHG emissions (location-based)	**tCO2e**	**101,848**	**117,465**	**100,109**	**100,109**
Change in total GHG emissions from base year (2022) (market-based)	**%**	**-**	**17.0%**	**-1.9%**	**-1.9%**
Direct GHG emissions (Scope 1)	tCO2e	5,878	5,394	12,966	4,911
Direct GHG emissions (Scope 1) subject to ETS requirements	%	94.7	94.5	97.3	92.9
Indirect GHG emissions (Scope 2) market-based	tCO2e	22	1,230	24	24
Indirect GHG emissions from (Scope 2) location-based	tCO2e	1,778	1,568	1,968	1,968
Indirect GHG emissions in the value chain (Scope 3)	tCO2e	94,192	110,504	85,175	93,230

Table 12. E1-6 GHG emissions

**As the FSRU Independence was owned by a third party in the base year (2022), its energy use was not attributed to KN. As of the FSRU's transfer to KN at the end of 2024, its energy usage is being accounted for by KN. The recalculation of the 2024 factual value according to the 2022 accounting principles thus provides a more accurate picture of the efficiency of the use of energy resources*

E2 POLLUTION

As part of its mission, KN aims not only to contribute to a sustainable energy supply, but also to actively reduce pollution and potential environmental contamination. The Company focuses on making its operations as environmentally friendly as possible and continuously strives to improve its processes in order to reduce emissions, particularly in the handling and storage of liquid energy products. The Company's strategy for 2050 includes a gradual shift towards cleaner energy sources that will lead to better environmental performance.

E2 IRO-1 MATERIAL POLLUTION-RELATED IMPACTS, RISKS AND OPPORTUNITIES

The significant impacts, risks and opportunities (detailed in accordance with the IRO-1 disclosure requirement) related to pollution identified in the double materiality assessment are presented in Table 13.

E2 - Pollution		Value chain location			Time horizon		
		Upstream	Direct operations	Downstream	Short-term	Medium term	Long-term
Air pollution The extraction, production, processing, blending, transport and storage of liquid energy products causes direct or indirect air pollution.	Existing negative impact	x	x	x			x
Contamination of soil or other natural resources In the course of undertaking liquid energy transhipment and storage activities, human error, vandalism or sabotage could lead to the risk of potential spills and other major environmental incidents. Incidents in the value chain, during the extraction/production/transport of liquid energy products could also potentially affect soil, air and/or water quality.	Risk	x	x	x	x	x	
Odour pollution Air pollution, odour dispersion, and possible deviation from odour limits could disrupt the quality of life of surrounding communities.	Existing negative impact		x		x		
Water pollution Surface water (wastewater) used and treated in technological processes is returned to surface water bodies. In the event of a failure of the treatment plant or improper procedures, the improperly treated wastewater could enter and contaminate surface water bodies. The transport of liquid energy products by vessel in the suppliers' operations is subject to malfunctions and accidental spillages of products into surface water bodies.	Risk	x	x	x	x	x	

Table 13. E2 IRO-1 Significant pollution-related impacts, risks and opportunities

E2-1 POLICIES RELATED TO POLLUTION

KN has adopted a Quality, Environmental, Occupational Health and Safety Policy. On the basis of this policy, the Company undertakes to:

- Protect the environment, use natural and energy resources rationally and efficiently, and effectively prevent and reduce pollution, waste and unforeseen hazardous situations.
- Plan and execute your activities by assessing potential risks, adopting and using environmentally friendly and innovative technologies and working methods.

Sustainability policy places a strong emphasis on reducing pollution (VOCs, NOx, etc.) and managing water and wastewater pollution.

Both policies, based on the ISO 14001:2015 standard, ensure effective pollution prevention and control with a focus on sustainability objectives and environmental protection. The company applies continuous monitoring of environmental impacts and pollution abatement measures to effectively manage emissions, waste and other environmental issues. This helps to ensure that the Company's activities remain within established environmental standards and are carried out in a responsible manner in line with sustainability objectives. ISO 14001:2015 also applies to the management of new energy projects such as CO2 capture, energy storage and hydrogen carrier technologies. These projects contribute to the reduction of environmental pollution by introducing innovative solutions to reduce pollution and preserve the environment.

E2-2 ACTIONS RELATED TO POLLUTION

The Company has an approved environmental action plan and is implementing the environmental measures set out in it. Examples of implemented actions:

- Installation of an air pollutant treatment plant at KLET to reduce emissions of volatile organic compounds (VOCs) from the handling and storage of heavy petroleum products;
- Upgrading the burners of the KLET boiler house to reduce the limit values for nitrogen oxides and carbon monoxide.

The Company carries out the handling of liquid energy and chemical products at KLET in accordance with the Integrated Pollution Prevention and Control (IPPC) permit, which specifies the measures that the Company is required to (and does) implement in order to reduce emissions of pollutants from the handling of products. The Company has various measures in place to reduce emissions, such as a volatile organic compound (VOC) incinerator, a VOC recovery unit, an air purification unit and similar.

E2-3 TARGETS RELATED TO POLLUTION

To successfully manage pollution-related impacts, the Company has identified the objectives shown in Table 14.

Goal	Means	Target
Reducing air pollutants	▪ A plan to reduce VOC emissions has been developed	▪ Reduce VOC emissions ▪ 0 cases of exceedances of annual air pollutant limits due to the Company's direct activities
Reducing emissions to water	▪ Modernising wastewater infrastructure	▪ 0 cases of exceedances of annual water pollutant limits due to the Company's direct activities

Table 14. E2-3 Pollution-related objectives

E2-4 ACTIONS RELATED TO POLLUTION OF AIR, WATER AND SOIL

Air pollution

In 2024, the air emission limits set out in Annex II of EU Regulation 166/2066 were not exceeded. For these reasons, as per regulation, quantitative information on emissions is not disclosed here.

The main pollutants emitted to ambient air by KN terminal operations are carbon monoxide (CO), nitrogen oxides (NOx) and volatile organic compounds (VOCs). Emissions are calculated according to the methodologies in force in Lithuania. The annual emissions of VOCs at the KLET and the SLET are directly related to the annual volume of petroleum products handled. The CO and NOx emissions from the KLET depend on the amount of natural gas burned in the combustion plants.

To monitor and manage the potential environmental impact of the KLET operations, KN has installed sensors for VOC concentration in ambient air around the perimeter of the terminal area for self-monitoring.

The legal limit value for VOCs is 200 mg/m³ for half an hour in a working environment and 5 mg/m³ in a residential environment. Although the sensors are installed in the terminal area, the measured VOC values are compared against the residential area VOC limit value of 5 mg/m³.

The real-time data from the VOC sensors is publicly available on the Company's website, where anyone interested can monitor the VOC sensor data 24/7. This allows for transparency and open communication with the public, as well as allowing stakeholders to monitor and assess the environmental impact of the terminal.

The Klaipėda terminal carries out ambient air monitoring, which includes continuous and non-continuous measurements of ambient air (outside the terminal). The monitoring data is published on the Company's website.

Water pollution

In 2024, the annual discharge limits for discharges to water in accordance with Annex II of EU Regulation 166/2066 were not exceeded. For these reasons, the Company does not disclose in this report the discharge (t/m) of each water pollutant.

In order to comply with all environmental requirements and standards, KN collects and treats the wastewater generated during operation. The amount of pollutants discharged at the terminals is calculated in accordance with the methodologies approved by the Republic of Lithuania, and the amount of wastewater discharged is recorded by means of metering devices.

KLET has a unique wastewater treatment system. Wastewater from the company's business activities (industrial wastewater, including ballast water, domestic and surface wastewater) is collected and treated in biological treatment plants, where biosorption processes (using activated carbon and micro-organisms) take place. This system installed by KN is a unique technology developed by the Company, which allows to achieve a very high wastewater treatment efficiency of 80-99%. The Company's wastewater treatment plant in Klaipėda State Seaport also acts as a port waste reception facility, accepting vessel-generated waste and cargo residues.

The surface wastewater generated by SLET is treated in the wastewater treatment plant at the terminal and discharged into the River Lėvuo.

In accordance with the requirements of the legislation of the Republic of Lithuania, both terminals of the Company monitor the effluents discharged, and the Klaipėda terminal also monitors the impact of the discharged effluents on the quality of surface water. The effluent parameters of the terminals were within the established standards in 2024.

Water from the Curonian Lagoon is returned to the Curonian Lagoon after it has been used in FSRU Independence. As the water used on board the vessel is not contaminated, it meets the established quality parameters and does not require treatment. The discharged water is a few degrees cooler than the withdrawn water and therefore does not increase the temperature of the lagoon water. For more information see E3-4 "Water consumption".

Odour pollution

Currently, the maximum concentration of odour in residential ambient air is 8 European odour units (OUE/m3), and from 1 January 2026, entities will have to ensure that the concentration of odour in residential ambient air resulting from the planned/executed economic activity does not exceed 5 OUE/m3. The result of the odour dispersion modelling carried out in 2024 shows that in the KLET, the concentration in the nearest residential environment will be up to 0.6 OUE/m3 and in the SLET up to 0.027 OUE/m3

The pollution-related indicators measured by the company are presented in Table 15

Indicator	Measuring unit	2022	2023	2024
Cases of exceedances of annual air pollutant limits due to the Company's direct activities	Units	0	0	0
Cases of exceedances of the annual limit for water pollutants due to the Company's direct activities	Units	0	0	0
(Non-ESRS indicator) Odour concentration KLET	OUE/m3	0.6	0.6	0.6
(Non-ESRS indicator) Odour concentration SLET	OUE/m3	0.03	0.03	0.03

Table 15. E2-4 Pollution-related indicators

E3 WATER AND MARINE RESOURCES

E3 IRO-1 SIGNIFICANT IMPACTS, RISKS AND OPPORTUNITIES RELATED TO WATER AND MARINE RESOURCES

The company continuously monitors the environmental impact of its terminals, paying attention to the amount of water consumed and the amount of waste water discharged. Monitoring data is collected and clearly communicated to stakeholders. These data, including information on changes in water consumption, are regularly updated and publicly available on the Company's website.

The main significant impacts, risks and opportunities related to water and marine resources identified in the environmental impact assessment of the Company's activities are detailed in Table 16 (subject to the disclosure requirement IRO-1).

E3 - Water and marine resources		Value chain location			Time horizon		
		Upstream	Direct operations	Downstream	Short-Time	Medium term	Long-term
Water and marine resources Significant amounts of water required for technological processes could reduce the availability of local water resources and adversely affect the ecosystems that depend on these resources.	Potential negative impact		x				x

Table 16. E3 IRO-1 Significant impacts, risks and opportunities related to water and marine resources

KN ENERGIES

E3-1 POLICIES RELATED TO WATER AND MARINE RESOURCES

The Sustainability Policy places great emphasis on the responsible use and efficient management of water resources to ensure sustainable and cost-effective water consumption in all areas of the Company's operations. This policy applies to all companies in the KN Group, ensuring that sustainability and environmental principles are applied consistently across all operations and activities. The Company continuously strives to optimise the use of water in its operations by complying with the highest environmental standards, both in terms of saving water resources and in terms of wastewater management (which has been described in more detail in E2 - Pollution).

Water use data and changes are monitored monthly, and abnormal deviations are investigated for causes and solutions. Water and wastewater management is carried out in accordance with applicable legislation and internal procedures. The KN is committed to continuously monitor and evaluate its water consumption indicators in order to reduce its significant water consumption and to ensure the sustainable use of water resources in all its operations and in the value chain.

E3-2 ACTIONS AND RESOURCES RELATED TO WATER AND MARINE RESOURCES

KN implements a range of actions and allocates resources to ensure the sustainable use of water resources and the efficiency of its operations:

- The company is continuously striving to optimise water use in all its operations to reduce water consumption and increase operational efficiency. At the KLET and SLET terminals, water is used according to targeted needs to ensure that only the necessary amount is used. In 2024, a reduction of about 8.7% in water consumption was observed compared to 2023.
- The company actively monitors and analyses its water consumption indicators. Every change, both positive and negative, is evaluated to identify possible causes and to find solutions for more efficient water use.
- Reducing water use in areas of high water scarcity. Although KN operates in areas where there are no immediate threats of water scarcity (Lithuania is not considered to be a high water scarcity area according to the World Resources Institute), the Company continuously assesses the potential risks and monitors the water consumption indicators to ensure sustainable use and to be ready to take action should the need arise.

E3-3 TARGETS RELATED TO WATER AND MARINE RESOURCES

KN strives to continuously reduce water consumption by optimising processes and managing water resources more efficiently. In addition, KN is committed to ensuring responsible management of impacts on marine resources. Although KN does not directly use marine resources, the Company closely follows international environmental standards that ensure responsible use and protection of natural resources. This includes both the protection of marine ecosystems and the sustainable management of marine resources, ensuring that activities are carried out in full compliance with environmental requirements.

E3-4 WATER CONSUMPTION

SLET receives its domestic water from a groundwater borehole and from 2022 onwards surface water is used only for fire safety purposes and is accounted for in accordance with established procedures.

Water from the Curonian Lagoon is abstracted for KLET's operational needs, such as cleaning and calibration of tanks and/or hydraulic testing. Surface water is used to maintain the terminal's fire-fighting systems, for testing and for fire safety drills. The water used for these operational purposes is collected through the wastewater network and directed to the Company's wastewater treatment plant for treatment. The water is not stored in the Company's terminals. In 2022, the optimisation of the handling and storage of liquid energy products has resulted in a 23% reduction in water consumption in 2024 compared to 2023 at the KLET boiler house.

FSRU Independence draws water from the Curonian Lagoon, which is accounted for as surface water. This water is used for several technological applications: cooling of the vessel's engines and auxiliary spaces, the gasification plant's defrosting process and the 'water curtain' system used for the transfer of LNG from and/or to the storage vessel. In 2024, about 71% of the abstracted water was used in the gasification process, about 28% for cooling and only 0.8% for the water curtain.

During the cold season, when the water temperature falls below 13 °C, the water extracted from the lagoon during the gasification process of FSRU Independence is used in a closed circuit, i.e. it is not discharged back into the lagoon, but reused in the gasification process. This further contributes to sustainable and efficient use of water, while reducing the environmental impact.

The indicators measured by the Company related to water and marine resources are presented in Table 17.

Indicator	Unit	2022	2023	2024	Δ (2023/2024)
Water intake (water use at terminals, without LNG terminal)	m3	110,859	86,057	79,174	-8.0%
Water intake (LNG terminal)	m3	75,333,840	64,502,040	58,688,160	-9.0%
Discharged water (without LNG terminal)	m3	283,562	331,034	302,407	-8.7%
Discharged water (LNG terminal)	m3	75,333,840	64,502,040	58,688,160	-9.0%

Table 17. E3-4 Indicators related to water consumption and discharge

E5 RESOURCE USE AND CIRCULAR ECONOMY

E5 IRO-1 SIGNIFICANT IMPACTS, RISKS AND OPPORTUNITIES RELATED TO THE CIRCULAR ECONOMY

In accordance with the ISO 14001:2015 standard, KN has developed a procedure for the identification of environmental aspects and the management of environmental impacts. This procedure includes a systematic approach to environmental aspects, including resource use and waste management. The double materiality assessment has assessed both the direct and indirect environmental impacts of the Company's activities and in part the value chain.

The significant impacts, risks and opportunities (detailed in accordance with the IRO-1 disclosure requirement) identified in the double materiality assessment relating to resource use and the circular economy are presented in Table 18.

E5 - Circular economy		Value chain location			Time horizon		
		Upstream	Direct operations	Downstream	Short-term	Medium term	Long-term
Hazardous waste The activities generate hazardous waste that is toxic to plants, animals and humans when released into the environment and must therefore be handled in accordance with strict rules.	Existing negative impact	x	x	x			x
Waste A wide range of legislation and initiatives are being implemented in the EU and other countries to promote the circular economy. This creates favourable conditions for investing in innovative technologies to expand the recycling of hazardous and other waste. Waste reuse, recycling and other circular economy principles could reduce operating costs in the long term.	Opportunity		x	x		x	x

Table 18. E5 IRO-1 Significant impacts, risks and opportunities related to the circular economy

E5-1 POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

In the company's Sustainability Policy, one of its main objectives is to ensure responsible use of natural resources and promote the circular economy. This policy includes provisions related to efficient resource management, waste reduction and increased recycling. The Sustainability Policy also provides for a continuous review of operations to ensure that the Company complies with the highest environmental standards and contributes to a more sustainable economy. This policy applies to all areas of the Company's operations, including the supply chain and cooperation with suppliers. The Supplier Code of Conduct aims to increase the responsibility of suppliers in reducing the amount of waste they generate and ensuring that it is properly managed.

To achieve these objectives and ensure compliance with environmental requirements, the Company follows the requirements of the legislation of the Republic of Lithuania and international standards. The ISO 14001:2015 standard specifies requirements for environmental management systems that ensure the efficiency of business processes and environmental protection. This standard requires the Company to conduct a review of its operations, identify environmental risks and opportunities and to put in place effective measures to manage negative environmental impacts. In conjunction with this standard, the Company uses other practices to manage waste and reduce energy and water use.

E5-2 ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

The Company is taking action to meet its resource efficiency and circular economy objectives. Waste management, waste sorting and recycling practices are being continuously improved. Contracts with waste handlers help to ensure compliance with environmental requirements.

The Company is also increasing its sustainable use of energy resources, aiming to use resources such as water, electricity and natural gas efficiently. KN works with suppliers and stakeholders to ensure a sustainable supply of raw materials and increase in the use of secondary resources. All these actions are integrated into day-to-day operations and continuously evaluated to minimise environmental impacts

E5-3 TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

The KN 2050 strategy sets a target of recycling at least 90% of KN waste by the end of 2030. To this end, contracts with licensed waste handlers are being set up, ensuring that recycling is given priority.

E5-5 RESOURCE OUTFLOWS

The company reports annually on the waste generated based on data received from the Unified Product, Packaging and Waste Accounting Information System (GPAIS) and waste handlers. In 2023, the total amount of waste generated was 3 102 t. In 2024, this amount decreased to 2 189 t, a decrease of 29%. The amounts of non-hazardous and hazardous waste generated by the KLET in 2024 and 2023 have increased compared to 2022 due to the repairs and cleaning of the tanks. Outside of the repair works, the largest amount of KN waste is generated during activities at the terminal such as loading operations, maintenance, and tank cleaning. Only small quantities of materials are used for servicing and maintenance of the operating infrastructure, so information on related resource use is not included.

The largest quantities of hazardous waste in 2024 were wastewater contaminated with products from tank cleaning and work equipment contaminated with hazardous substances (e.g. wipes). There was no radioactive waste. Non-hazardous waste consisted mainly of mixed municipal waste, scrap metal and bitumen waste. The largest amount of recycled waste comes from hazardous waste, which accounts for the majority (90%) of the total waste.

The accounting of the amount of waste generated is carried out in accordance with the requirements of the legislation in force in the Republic of Lithuania. The data on waste management options presented in the report are based on information provided by waste handlers. The data in Table 19 is presented without the LNG terminal, as the waste from the LNG terminal was transferred to the waste handlers by the owner of the LNG terminal prior to the transfer of the vessel to KN. As the vessel was only transferred on 6 December 2024, it is not possible to exclude data for the period when the vessel became the property of KN. In total, the LNG terminal generated 2 852 t in 2023 and 3 422 t in 2024.

Indicator	Unit	2022	2023	2024
Total amount of waste	**t**	**232**	**3,102**	**2,189**
of which hazardous waste	t	137	2,902	1,975
of which non-hazardous waste	t	95	200	214
Total waste recovered (hazardous and non-hazardous)	**t**	**227**	**3,091**	**2,178**
Total waste directed to disposal (hazardous and non-hazardous)	**t**	**5**	**11**	**11**
Non-recycled waste	t	20	33	73
Non-recycled waste, share of total waste	%	8,6	1,1	3,4
Recovered non-hazardous waste	**t**	**91**	**189**	**204**
of which prepared for reuse	t	0	0	0
of which recycled	t	85	183	155
of which other recovery operations	t	6	6	49
Recovered hazardous waste	**t**	**136**	**2,902**	**1,975**
of which prepared for reuse	t	0	0	0
of which recycled	t	127	2,886	1,961
of which other recovery operations	t	9	16	14
Non-hazardous waste directed to disposal	**t**	**4**	**11**	**10**
of which incinerated without energy recovery	t	0	0	0
of which landfilled	t	4	11	10
of which other disposal operations	t	0	0	0
Hazardous waste directed to disposal	**t**	**0.5**	**0.05**	**0.6**
of which incinerated without energy recovery	t	0	0	0
of which landfilled	t	0.46	0.05	0.57
of which other disposal operations	t	0	0	0

Table 19. E5-5 Resource outputs

SOCIAL RESPONSIBILITY

S1 OWN WORKFORCE

S1 SBM-2 STAKEHOLDER INTERESTS AND VIEWS

Employees are the main asset of KN and are always at the heart of the Company's technology-driven activities. KN strives to integrate the interests of employees into its strategy, to foster a diverse and inclusive working environment and to prioritise employee well-being and development. Regular employee surveys are conducted, comprehensive training programmes are offered and strict human rights requirements are enforced to ensure a dynamic and respectful working environment. Detailed information on employees is provided in the "Information about the employees" section of the Consolidated Management Report.

S1 SBM-3 IMPACTS, RISKS AND OPPORTUNITIES

In this part of the report, we use the terms "Company" and "KN Lithuania" to refer to the parent company, AB KN Energies, which directly employs more than 90% of the employees considered to be employed in the KN Group. Approximately 7% of the employees work in Brazil and are employed by KN Açu Serviços de Terminal de GNL Ltda (owned by KN Energies AB through KN Global Terminals UAB and SGD SPB UAB). The other subsidiaries in Lithuania ("KN Global Terminals", "KN New Energy Solutions" and "SGD SPB") are companies established for the strategic purposes of the Company, each employing no more than 2% of the total workforce. The main social impact is therefore related to the activities of the parent company, which sets the objectives and principles to be followed by all companies in the KN Group. The German subsidiary was established at the end of 2024, so data collected at the time of this report is not yet available. Detailed information and statistics on the distribution of job positions by category, type of employment contract, age, length of service, and education can be found in the Management Report in the section "Information about the employees".

The KN HR strategy is based on the corporate values updated in 2023 and the UN Guiding Principles on Business and Human Rights. The significant impacts, risks and opportunities identified in the double materiality assessment in relation to own workforce are presented in Table 20.

eNPS **18%**
vs. 2023 – 13%

TRCF **0.3**
vs. 2023 – 0.61

34%
Proportion of underrepresented gender in management positions
vs. 2023 – 26%

S1 - Own workforce		Value chain location			Time horizon		
		Upstream	Direct operations	Downstream	Short-term	Medium term	Long-term
Occupational safety and health The Company's direct activities at the liquid energy terminals involve physical work and technical equipment that require the utmost care in observing safety rules to avoid any risk to workers' health. The Company is responsible for ensuring safe working conditions, but human error or other causes could lead to breaches of safety requirements which increases the risk of safety incidents and accidents.	Existing negative impact	x	x	x	x	x	x
Learning and skills development Implementing the Company's 2050 strategy will require new competences and technical expertise. Some of the existing workforce will need to be upskilled and acquire new skills. There is a potential risk of not preparing the workforce in time for relevant new activities or of experiencing a lack of motivation among employees.	Risk		x			x	x
Training and skills development The Company encourages employees to develop their existing knowledge and acquire new competences in strategically important areas (new energies, carbon capture and storage (CCS), etc.). By providing employees with professional development opportunities, the Company can achieve its strategic objectives more effectively and gain a competitive advantage.	Opportunity		x			x	x
Engaging and empowering employees By informing and empowering employees to make suggestions for performance improvement, encouraging participation in the Company's activities and internal recruitment, the Company increases employee motivation and loyalty, and reduces potential employee turnover.	Existing positive impact		x			x	x
Hiring and recruitment practices The Company's remuneration system is based on a job grading methodology, with a weighting of each job (to ensure fair remuneration within the Company). Fair, competitive and transparent remuneration increases employee satisfaction and reduces employee turnover.	Existing positive impact		x		x	x	x
Attracting and retaining talent To succeed in a changing environment and to achieve the Company's ambitious transformation, it is essential to attract the right people with the right competences and expertise in a timely manner. Through employer branding campaigns and attractive working conditions, the Company invests in attracting talent that can accelerate innovation and create competitive advantage.	Opportunity		x			x	x

Table 20. S1 IRO-1 List of impacts, risks and opportunities of own workforce

S1-1 POLICIES RELATED TO OWN WORKFORCE

KN aims to create a safe and motivating environment for its employees. The Standard of Conduct, the Personnel Policy, the Violence and Harassment Policy, the Sustainability Policy and other policies of KN define how the Company manages the significant impacts, risks and opportunities related to its employees. Details of the policies are disclosed in section MDR-P "Policies related to material sustainability topics".

In developing the Company's policies, KN is guided by the United Nations Global Compact, the International Labour Organisation Conventions, the Organisation for Economic Co-operation and Development Guidelines, the Sustainable Development Goals and the Universal Declaration of Human Rights.

The responsibilities of KN and its employees towards each other, colleagues and society, as well as the management of social impacts, are defined in the following documents:

- Collective Agreement;
- Work Organisation Rules (Rules of Procedure);
- Personnel Policy;
- Standard of Conduct;
- Remuneration Policy;
- Procedure for Designing the Reward System;
- Procedure for Discussing and Rewarding Employees' Annual Performance;
- Procedure for Organising the Onboarding of New Employees;
- Guidelines for Professional Development;
- Procedure on Employee Selection;
- In-House Training Procedure;
- Guidelines for the Planning and Development of Succession for Key Positions.

Key principles underpinning employee-related policies:

- We create a healthy and safe working environment for our employees, strive to meet high occupational safety standards and raise safety awareness.
- We create an environment that fosters diversity on the basis of gender, religion, age, disability, race or sexual orientation.
- We aim to raise awareness among employees in this area by focusing on an organisational culture that promotes human rights.
- We strive to be an employer that provides opportunities for employees' personal and professional development and growth, as well as work-life balance.
- We ensure fair and transparent remuneration.
- We do not tolerate any form of violence or harassment.

S1-2 PROCESSES FOR ENGAGING WITH OWN WORKFORCE AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

Employee engagement is described in S1 SBM-2 "Stakeholder interests and views".

To manage the actual and potential impact on its employees, the Company anonymously measures their engagement and satisfaction, as well as other process indicators related to its workforce: development, work climate, values, quality of processes, satisfaction with the reward system, etc., at fixed intervals. The Company's employees are invited to provide feedback, and it is the responsibility of top management to evaluate and implement the comments and observations made. Employees are kept informed of the status of implementation of the agreements. An electronic feedback module is available for Company employees to communicate their views. The Company is continuously improving the tool, which gives real-time feedback, so that managers can see how their team is feeling and have a basis for initiating conversations based on the results and comments.

S1-3 REMEDIATION PROCESSES AND CHANNELS

The Company has principles and processes in place to remedy identified existing or potential negative impacts: whistleblowing procedures, assessment, whistleblower protection measures, follow-up to investigations.

Employees of the Company can report adverse effects:

- In accordance with the Procedure for Reporting, Investigating and Informing Persons of Possible Violations; and in accordance with the procedures set out in the Prevention of Violence and Harassment Policy. These documents describe the mechanisms for reporting and handling complaints.
- Periodic anonymous employee engagement and satisfaction survey.

Additionally, the following grievance channels are in place:

- E-mail: speakup@kn.lt
- Anonymous messages on the KN website www.kn.lt or on the anonymous electronic "Report" form on the website of any other KN Group company;
- Written, telephone or direct contact with the Head of Internal Audit of KN.
- Direct email to KN's collegiate supervisory bodies at SupervisoryBodies@kn.lt.

The availability of reporting channels under the Whistleblowing, Investigation and Whistleblowing Procedure is ensured by a public posting on the Company's website; the other procedures are communicated to employees through the internal document management system.

The monitoring of the solutions to the issues raised and the effectiveness of the channels is ensured through:

- Mandatory submission of periodic (monthly, quarterly, annual) reports to the CEO, top management, the Board, the Supervisory Council, the Audit Committee;
- Stakeholder engagement, e.g. upon receipt of a material report, it shall be reported immediately to the Audit Committee and the Company's CEO;
- Providing feedback to whistleblowers;
- Internal audit's monitoring of the implementation of action plans.

Staff are made aware of the procedures governing the reporting channels through the document management system. An annual employees corruption tolerance survey also monitors whether employees are aware of the channels for reporting irregularities or grievances. The KN's anti-retaliation policy is described in the individual documents mentioned above.

S1-4 ACTIONS RELATED TO OWN WORKFORCE

KN operates in compliance with EU regulations and national laws, thus minimising the potential for significant adverse impacts related to workers. The Company involves employees in decision-making processes to manage actual and potential impacts on its employees, as described in S1-2 "Processes for engaging with own workforce and workers' representatives about impacts."

The Company has an active trade union, with which it regularly cooperates on issues of importance and relevance to employees. The KN Group recognises the trade union as an equal social partner representing the employees and expressing their interests. For this reason, the Company provides the opportunity for members of the Trade Union Committee to balance the management of the affairs of the trade union with their core work responsibilities. Decisions taken shall be recorded and made public. The Company also has a Health Committee, made up of representatives of the workers and the trade union.

The actions taken by KN to manage employee-related impacts are presented in Table 21.

Period	What has been achieved/is planned
2023 - 2024	Developing a comprehensive recruitment plan and a detailed organisational structure, values and motivation system
Since 2023	1) Recruitment of a permanent employee for ESG projects 2) Development of a detailed ESG Action Plan 3) Development of a comprehensive action plan for research, experimental development and innovation and establishment of a process for monitoring projects and submitting proposals, including the recruitment of a programme manager 4) Laying the foundations for future IT infrastructure 5) Continuous review of the IT strategy and development of plans for future investments, once the IT infrastructure is in place
Since 2024	Transition to a new organisational structure
Since 2025	Promoting the reporting of incidents and near misses and the sharing of good practices within the Company

Table 21. S1-4 Actions related to own workforce

S1-5 TARGETS RELATED TO OWN WORKFORCE

The objectives set out in the Company's strategy define the KN's activities in the areas of equal opportunities, remuneration and continuous improvement. The objectives, listed in Table 22, are to be achieved by 2030 and 2050.

Task	Indicator	2030	2050
Ensuring safe working conditions	1) work-related deaths 2) days lost due to occupational accidents, deaths, injuries, occupational diseases 3) the proportion of employees who have received health and safety training	1) 0 2) 0 3) 100%	1) 0 2) 0 3) 100%
Promoting diversity and ensure equal opportunities for all employees	1) confirmed incidents of discrimination 2) share of women at the company 3) share of women on the board 4) human rights incidents	1) 0 2) >=30% 3) >=33% 4) 0	1) 0 2) >=30% 3) >=33% 4) 0
Ensuring continuous professional development of employees and access to training	1) hours of training per employee 2) the proportion of employees participating in annual appraisals	1) 24 hrs/annually 2) 100%	1) 35hrs/annually 2) 100%
Ensuring good working conditions and promoting employee welfare	1) Employer net promoter score (eNPS) 2) employee engagement indicator	1) 30 2) 70%	1) >=40 2) >=70%
Successfully attracting and retaining talent	1) employee turnover rate 2) retention of first-year employees 3) share of workers returning after parental leave	1) <16% 2) 75% 3) 75%	1) <16% 2) 75% 3) 75%

Table 22. S1-5 Targets related to own workforce

S1-6 CHARACTERISTICS OF THE COMPANY'S EMPLOYEES

The recruitment process uses structured interview methods and promotes diversity and inclusion. The selection process does not discriminate between applicants by age or gender. A fair assessment of candidates is ensured and provides detailed feedback to all candidates invited to selection interviews. KN has introduced more flexible working conditions, including a hybrid working model, which meets the expectations of new employees. Faced with challenges in attracting qualified professionals, new recruitment channels were adapted and employer communication was renewed to ensure that the selection process meets not only the technical but also the personal needs of candidates. These actions not only help to attract the right people, but also to ensure their retention and satisfaction.

KN monitors employee turnover and the success of employees in exercising their right to maternity or paternity leave. This information on employees is presented in Table 23 and Table 27.

Indicator	Unit	2022	2023	2024
Overall employee turnover rate*	%	**21**	**14**	**13**
Average number of employees	units	**348**	**358**	**378**
Employees that left during reporting period	units	**72**	**50**	**51**
Lithuania		60	39	48
In Brazil		12	11	3
In Germany				0
Number of employees as of last day of the given year	units	**362**	**371**	**395**
Women, total		97	97	105
Men, total		265	274	290
Number of employees in Lithuania	units	**335**	**344**	**362**
of which women		91	93	100
of which men		244	251	262
Number of employees in Brazil	units	**27**	**27**	**28**
of which women		6	4	4
of which men		21	23	24
Number of employees in Germany		**0**	**0**	**5**
of which women		0	0	1
of which men		0	0	4
Number of permanent employees	units	**356**	**371**	**393**
of which women		96	97	104
of which men		260	274	289
Number of temporary employees	units	**6**	**2**	**2**
of which women		1	1	1
of which men		5	1	1
Number of freelance employees	units	-	-	-
Number of full-time employees	units	**361**	**372**	**393**
of which women		96	97	104
of which men		265	275	289
Number of part-time employees	units	**1**	**1**	**2**
of which women		1	1	1
of which men		0	0	1

Table 23. S1-6 Indicators related to the characteristics of KN employees

*The turnover rate is calculated on the basis of the number of departing employees and the average number of employees during the same period.

S1-9 DIVERSITY METRICS

The Company is committed to providing equal opportunities for all employees, regardless of their gender, age or other individual characteristics. The majority of the company's employees are men. This is mainly due to the specific nature of the company's activities, i.e. women are less likely to choose technical engineering and technological work and the professions directly related to these activities. The Company monitors gender balance indicators and seeks to promote gender balance by raising awareness of successful careers within the organisation and by creating a favourable working environment regardless of gender.

KN Strategy 2050 sets a target to increase the share of women in leadership positions to >36% by 2030 and the share of women in the Company as a whole to 30%. In order to ensure gender balance, the target for 2024 was to have 30% or more women in management positions (53 managerial positions in total, excluding members of collegiate bodies). To achieve this goal, we invested in women's education and self-confidence and encouraged more women to participate in job selection. The target set for 2024 has been met (18 women in managerial positions, i.e. 34%).

Indicator	Unit	2022	2023	2024
Women's representation in the company's top management (CEO, members of collegiate bodies)	units	Women 3, Men 8	Women 3, Men 8	Women 3, Men 8
	%	27	27	27
Proportion of employees aged <30 years	%	11	10	11
Proportion of employees aged 30-50 years	%	60	60	55
Proportion of employees aged >50 years	%	29	30	34

Table 24. S1-9 Diversity indicators

Further detailed information on the gender breakdown of salaried employees at senior management level and age breakdown data is provided in the "Information about the employees" section of the Consolidated Management Report.

S1-10 ADEQUATE WAGES

KN pays adequate wages to its employees as established in the directive (EU) 2022/2041. The system for determining remuneration is based on the Korn Ferry Hay methodology (see more in “S1-16 Remuneration indicators.”

KN aims to create a reward system that is motivating, effective, competitive, fair, transparent and easy to understand, with the aim of attracting, retaining and motivating employees whose skills and performance contribute to the success of the Company in developing and implementing its mission and achieving its strategic business objectives. Details are provided in the "Remuneration Framework and Remuneration Policy" section of the Consolidated Management Report.

S1-11 SOCIAL PROTECTION

Social security applies to all Group employees, regardless of their job title. In Lithuania, all employees are covered by the terms of the Collective Agreement and supplementary health insurance.

The Company has a trade union (36% of employees are members of the trade union) and a Collective Agreement signed by the Company's CEO and the President of the trade union on work, remuneration, work and rest, employee development, health and safety, and other social and economic conditions. The Collective Agreement and other additional benefits, such as private health insurance, ensure that, in the event of health problems, the employee is helped to recover as quickly as possible, and provide additional measures to prevent illness.

There are various additional financial benefits available at KN, such as childbirth benefits, retraining costs, retirement, etc.

The Company also grants additional vacation days to employees based on their length of service (after three years, five years and seven years).

S1-13 TRAINING AND SKILLS DEVELOPMENT METRICS

The Company ensures smooth integration of new employees into the organisation by familiarising them with internal policies, procedures, work instructions and how the organisation works. An orientation programme is developed for each employee, and the line manager and mentor ensure that from day one until the end of the probationary period, the employee knows how he/she will be involved in the work, so that he/she can start to work independently and add value as soon as possible.

There is joint training not only on technical and functional topics related to the activities of KN, but also on general competences such as financial management, national and regional economy, emotional resilience, physical health. In 2024, five sessions were organised, four on psychological health and one on physical health.

All new managers have the opportunity to attend a 4-day leadership training. The training programme is designed to help managers better understand each of their team members and project colleagues and to ensure a smooth workflow.

From 2023, additional investment is being made to strengthen leadership competences. Training for employees selected through the talent calibration process is being organised. In 2024, training for two groups of leaders started to strengthen their leadership competences. In 2025, this activity continues with the development of emotional competences by examining psychological processes.

KN finances study programmes related to the development of employee competences. In addition, from 2025 onwards, the Company's Study Guidelines provide for the possibility for employees to receive paid study leave if they have not already received other funding (e.g. studying at a place not funded by the State).

To ensure a smooth succession process, KN trains employees to temporarily take over the management of a specific unit when needed. Training and succession plans are developed for the pool of managers to encourage employees with potential to become managers to upgrade their skills. This practice also serves as a motivational and career planning tool for employees.

S1-12 PERSONS WITH DISABILITIES

The policies relating to its workforce, as described in the MDR-P disclosure requirement, state that the Company is committed to creating a workforce that fosters diversity on the basis of gender, religion, age, disability, race, or sexual orientation, rejecting all forms of discrimination. The nature of the Company's work (hazardous working conditions and enhanced health screening requirements) makes it difficult to recruit employees with physical disabilities for many positions other than administrative work. In 2024, the proportion of employees with disabilities was 0.3% in Lithuania and 0% in Brazil. It should be noted that in Lithuania, employees are not required to disclose their disability. Risk factors are defined for each position, according to which the employee's health is screened. In certain cases, the occupational physician may, as part of the health check - after assessing the risk factors and the information available on the worker's disability - enter a disability-related work restriction in the medical booklet. In other cases, if the worker does not inform the employer of the disability in order to claim additional paid vacation days, this information is not recorded anywhere

Indicator	Unit	2022	2023	2024
Average number of hours of training per employee	hrs	Lithuania 26 Brazil 48	Lithuania 32 Brazil 50	Lithuania 32 Brazil 119
Average number of hours of training per gender in Lithuania	hrs	Women 47; Men 19	Women 34; Men 31	Women 39; Men 30
Average number of hours of training per gender in Brazil		Women 48; Men 48	Women 42; Men 51	Women 90; Men 126
Employees participating in performance appraisals or career development reviews*	%	Lithuania 100 Brazil 100	Lithuania 100 Brazil 100	Lithuania 100 Brazil 100

**KN applies a system of regular appraisals to all employees in varying formats.*

Table 25. S1-13 Training and skills development indicators

S1-14 HEALTH AND SAFETY METRICS

In accordance with the Occupational Safety and Health Act of the Republic of Lithuania, all employees of the Company shall be provided with safe and healthy conditions, and the Occupational Safety and Health System (hereafter referred to as the "OSH System") shall be based on the principles of prevention. A small part of the maintenance or repair work is carried out by workers employed by contractors, who are also covered by the Company's OHS system.

The aim of the company's OSH system is to continuously improve the health and safety system by ensuring excellent compliance and improving the safety culture. The aim is to achieve zero significant safety incidents and accidents. The Company's long-term safety strategy is based on the Bradley Safety Curve, which shows the relationship between the level of safety culture and workplace injuries.

In 2024, the Company carried out a comprehensive assessment of the level of safety and health culture, which included a safety culture perception survey of the entire KN workforce and a comprehensive audit of the terminals in operation, which included monitoring the implementation of the Company's procedures and instructions, and interacting with employees at all levels in order to assess their perception of the risks and attitudes to safety in the workplace. An assessment of the level of safety culture was carried out by a third independent party. Based on the information gathered, a comprehensive report and action plan was produced, the implementation of which provides an opportunity to further strengthen the Company's OSH culture.

The total recordable case frequency rate (TRCF) decreased in 2024 to 0.3 compared to 0.61 in 2023. This reflects the overall effectiveness of the OSH system and a positive change towards a continuously improving safety culture.

The Company has a safety training matrix that outlines the safety training required for different job roles. Safety training is mandatory for all employees of the Company and the amount of training depends on the nature of the tasks performed by the position. The implementation of this training matrix is continuously monitored and immediate action is taken to address delays or non-compliance. Part of the safety training is carried out on the Company's internal training platform, where delays or non-performance are automatically flagged to the employee and the line manager, and monitored by the Company's safety officers. The same system is used for mandatory safety training provided by third parties.

Indicator	Unit	2022	2023	2024
Share of own workforce covered by the OSH system	%	100	100	100
(Non-ESRS indicator) Total recordable case frequency rate (TRCF) per 200 000 hours worked	rate	1.24	0.61	0.3
Work-related deaths of workers	units	0	0	0
Number of recordable work-related health problems	units	4	2	1
Time lost due to occupational safety incidents, deaths, injuries, occupational diseases	day	83	26	15
(Non-ETS indicator) Proportion of workers who have received occupational safety training	%	100	100	100

Table 26. S1-14 Health and safety indicators

S1-15 WORK-LIFE BALANCE METRICS

The Company follows fair and transparent regulation of working time, overtime pay and respects workers' right to rest. In 2024 there was one instance where maximum working hours were exceeded due to a one-time significant equipment failure at Açu. The related procedures are being reviewed. All KN employees are entitled to rest hours, vacation, family leave, i.e. parental leave and child care leave, regardless of the gender of the parents. In 2024, 8 men (6 instances of parental leave and 2 of child care leave) and 11 women were entitled to this leave, representing 100% of those eligible. In 2023, 9 men and 11 women (100% of those eligible) and in 2022, 10 men and 10 women (100% of those eligible) exercised this right.

Indicator	Unit	2022	2023	2024
Share of employees who have taken time off for family reasons* (by gender)	%	Women 100 Men 100	Women 100 Men 100	Women 100 Men 100
Employees entitled to family leave	%	Lithuania 100 Brazil 100	Lithuania 100 Brazil 100	Lithuania 100 Brazil 100

**Employees who have taken parental or child care leave.*

Table 27. S1-15 Work-life balance indicators

S1-16 REMUNERATION INDICATORS

The remuneration system of KN is based on the Korn Ferry Hay methodology of evaluating positions, with a weighting of each position (to ensure fair remuneration within the Company). The monthly remuneration for a position is determined by taking into account the level of knowledge and experience required to perform the functions of each position, the complexity of the functions, the degree of responsibility assumed and the level of leadership, the impact/risks of the work on the Company's performance, and the working conditions.

Reducing the gender pay gap is one of the Company's objectives. The average monthly salary for men in Lithuania before tax in 2024 was EUR 3,554 (EUR 3,189 in 2023, EUR 2,790 in 2022) and for women EUR 3,675 (EUR 3,270 in 2023, EUR 2,866 in 2022). When comparing average monthly salaries, account should be taken of the unequal gender distribution between positions in the Company and the different categories according to the Hay position evaluation system (according to the Korn Ferry methodology).

Indicator	Unit	2022	2023	2024
Social security for employees and other workers (non-employees in the labour force)	%	100	100	100
Gender pay gap in average earnings in Lithuania*	%	-3	-3	-3*
Annual median manager/employee pay ratio in Lithuania	%	4.59	5.32	4.6

**A negative value means that women earn more on average. Data from Brazil and other global operations not disclosed separately due to the limited scope.*

Table 28. S1-16 Remuneration indicators

S1-17 INCIDENTS, COMPLAINTS AND SIGNIFICANT HUMAN RIGHTS IMPACTS

The KN promotes a working environment where all employees are valued equally, respected and given the opportunity to develop their skills. The Company is committed to ensuring that there is no discrimination on the basis of gender, religion, age, disability, ethnic origin or sexual identity.

As in previous years, there were no human rights violations, incidents of harassment or discrimination or related complaints across the value chain in 2024. In order to maintain the highest standards of human rights protection, the KN continues to reinforce an organisational culture based on respect and rights. It also consistently conducts human rights training for its employees and aims to ensure that every employee actively participates in this training.

Indicator	Unit	2024
Own workforce: work-related incidents, complaints or severe human rights impacts (discrimination, harassment)	units	0
Total amount of fines, penalties and compensation for damages for serious human rights incidents (Lithuania, Brazil)	Eur	0

Table 29. S1-17 incidents, complaints and severe human rights impacts

EMPLOYEE ENGAGEMENT AND EMPOWERMENT

The Company measures employee engagement because it believes that colleagues who are engaged in their work find it easier to do it, feel happier, are more creative and therefore add more value, effectively implementing the Company's strategy and achieving its objectives. Employee engagement indicators are monitored and improvement actions are implemented as appropriate to ensure that identified issues are adequately addressed. The consolidated Employer Net Promoter Score in 2024 at KN Group was 18 (compared to 13 in 2023).

Indicator	Unit	2022	2023	2024
Employer net promoter score (eNPS)	%	Lithuania -31 Brazil 41	Lithuania 1 Brazil 54	Lithuania 16 Brazil 29
Employee engagement indicator*	%	Lithuania 60 Brazil 72	Lithuania 78 Brazil 82	Lithuania 81 Brazil 82
Share of respondents	%	Lithuania 79 Brazil 85	Lithuania 67 Brazil 64	Lithuania 53 Brazil 70

**The engagement indicator calculation is based on those who responded to the survey. A new methodology has been applied since 2023. Consequently, the results of 2022 cannot be compared to the following years' results.*

Table 30. S1-17 Disclosures

Since 2020, KN has been implementing Lean tools (Kaizen, Asaichi, 5S, Gemba, Hoshin Kanri) to eliminate non-value creating processes. Lean tools help employees to look at the process from the outside, identify areas that can save resources and make work easier. As a motivational tool, the points earned for Kaizen ideas are accumulated in the current year and paid out to the originator of the idea as a bonus

S2 VALUE CHAIN WORKERS

S2 SBM-2 STAKEHOLDER INTERESTS AND VIEWS

KN is guided by the principles of the UN Global Compact, the Conventions of the International Labour Organisation, OECD Guidelines, Sustainable Development Goals, and the Universal Declaration of Human Rights to ensure human rights throughout the entire value chain and in different geographic areas.

S2 SBM-3 IMPACTS, RISKS AND OPPORTUNITIES

A material share of employees in the value chain are employees that work in upstream operations, i.e. mainly employees of suppliers of liquid energy products and LNG. We aim to work with responsible suppliers who comply with the KN Supplier Code of Conduct.

KN did not identify any material risks or opportunities related to value chain workers. The identified material impacts are presented in Table 31.

S2 - Value chain workers		Value chain location			Time horizon		
		Upstream	Direct operations	Downstream	Short-Time	Medium term	Long-term
Workers in the value chain: human rights The supply chain for liquid energy products is highly complex and global, making it extremely challenging to identify and manage human rights impacts along the supply chain and to prevent existing or potential human rights violations.	Potential negative impact	x			x	x	x

Table 31. S2 IRO-1 List of impacts, risks and opportunities for workers in the value chain

S2-1 POLICY ON VALUE CHAIN WORKERS

KN partners and clients are familiarised with the Company's Standard of Conduct. The Company's decision-making is guided by this document. The Company's commitment to human rights is set out in the Supplier Code of Conduct. It emphasises that all people are entitled to fundamental human rights and must be treated with respect. Suppliers are expected to comply with legislation and international agreements, to treat their employees fairly and respectfully and to ensure:

1. Equal opportunities regardless of non-work-related attributes or personal characteristics;
2. No use of forced labour;
3. Respect for dignity, privacy and individual rights.
4. Prohibition of harassment and discrimination.
5. Professional and ethical relationship management.
6. Clear working conditions in employment contracts.
7. Fair pay and decent working hours.

S2-2 PROCESSES FOR INVOLVING VALUE CHAIN WORKERS IN IMPACT ISSUES

Although there is no direct contact with value chain workers, potential breaches of compliance can be reported through KN's internal whistleblowing system. To date, no breaches of the Supplier Code of Conduct have been reported.

All employees of contractor organisations working at terminals operated by the Company are instructed and briefed on the risks of the Company's operations and risk management measures, which are mandatory for all persons entering the terminals operated by the Company. The fact of familiarisation of the persons concerned shall be verified by a knowledge test. Prior to the signing of the contract, all customers and contractors' organisations shall be informed of the scope of the occupational health and safety system to which they will be subject by means of appropriate documentation in their contracts.

S2-3 REMEDIATION PROCESS CHANNELS

All stakeholders, including value chain employees, can raise concerns through the Company's established channels on the KN website (Report/Speak Up) under publicly available information using an anonymous reporting platform. The Supplier Code of Conduct provides that the Supplier shall conduct its business with a view to putting in place measures to ensure that employees are able to anonymously raise complaints about breaches of labour discipline, unsafe working conditions, discrimination and other irregularities.

The monitoring of the resolution of issues raised and the effectiveness of the Company's channels is ensured through the processes described in S1-3 "Processes and channels for remediation of adverse impacts".

S2-4 ACTIONS RELATED TO VALUE CHAIN WORKERS

All key suppliers (100%) signed the KN Supplier Code of Conduct in 2024. More detailed information on KN suppliers is provided under the SBM-2 disclosure requirement. Further actions to manage potential negative impacts, risks and opportunities related to value chain employees are planned to be considered in the coming year. From 2023 onwards, 100% of customers and business partners are assessed against Know Your Customer (KYC) requirements.

S2-5 TARGETS FOR VALUE CHAIN WORKERS

As described in S2-2 "Processes for involving value chain workers in impact issues," contractors and employees of clients are subject to the OSH system. Compliance with the system is continuously being controlled by the Company's representatives.

S3 AFFECTED COMMUNITIES

S3 SBM-2, S3 SBM-3

The KN activities are carried out in Klaipėda city in the closest proximity to two communities: Vitė and Melnragė. Both are located in the vicinity of KN's KLET and are therefore significantly affected by the Company's activities at the terminal (mainly due to the unpleasant odour of products loaded at the terminal).

The impact assessment covers both the most affected communities of Vitė and Melnragė, as well as the wider geographical area of impact, which according to the risk assessment maps falls within the area of impact around the KLET and the Klaipėda LNG Terminal. An Emergency Situations Operations Centre (ESOC) is in place for crisis management.

The identified significant impacts, risks and opportunities associated with the affected communities are presented in Table 32.

S3 - Affected communities		Value chain location			Time horizon		
		Upstream	Direct operations	Downstream	Short-Time	Medium term	Long-term
Affected communities Failure to engage with or involve communities in a timely manner could damage the Company's reputation and/or hinder the smooth implementation of strategic projects that require infrastructure works.	Risk		x		x	x	x

Table 32. S3 IRO-1 List of impacts, risks and opportunities for affected communities

S3-1 POLICIES RELATED TO AFFECTED COMMUNITIES

Dialogue with neighbouring communities is one of the ways in which the Company's principles of openness and responsibility are implemented. The Company is guided by the highest standards of good governance, KN Values and the Standard of Conduct in all its activities, including fostering relationships with neighbouring communities. In addition, the KN is guided by the Stakeholder Policy. This policy provides principles and guidelines for the development of the KN's relations with stakeholders, including communities, ensuring opportunities to identify key topics of interest to stakeholders in the context of the KN's sustainable operations.

S3-2 PROCESSES FOR ENGAGING WITH AFFECTED COMMUNITIES ABOUT IMPACTS

The Company maintains strong and consistent relationships with neighbouring communities. Regular meetings and discussions are held (at least twice a year) to discuss the Company's impact on the environment, investments and issues of concern to residents. This ongoing dialogue helps to listen to the communities' expectations regarding the mitigation of the impacts of KNs' activities and helps the Company to listen to the communities' most pressing concerns.

The Company monitors the environmental impact of the terminals: emissions to ambient air and surface water, and the quality of ambient air, groundwater and surface water. The monitoring data is available on the Company's website: https://www.kn.lt/zmones-ir-tvari-veikla/aplinkosauga/aplinkos-oro-monitoringas-realiu-laiku/6111 (in Lithuanian). See more about pollution (including odour pollution) in the section "E2 Pollution".

This data is usually available to communities to assess the compliance of KN terminals with established environmental quality standards. Environmental impacts are also assessed by measuring emissions of volatile organic compounds (VOCs). Since the end of 2022, KN has publicly shared real-time VOC monitoring data on its website.

S3-3 REMEDIATION PROCESSES AND CHANNELS

In order to provide residents with up-to-date information on the current cargo handling processes and to respond promptly to complaints, community representatives are invited to call the Company at any time of the day or night by phone +370 800 55220 to provide information about unpleasant odours or other impacts that may be emanating from the Company's territory, and to receive real-time information about the ongoing cargo handling operations. By calling this line, residents can also lodge a complaint about the operations of the KLET. They can also submit a written complaint via the Company's official e-mail address. All complaints received in any form are registered and responded to.

S3-4 ACTIONS RELATED TO AFFECTED COMMUNITIES

In response to comments from communities about the odour, a KN Environmental Action Plan was adopted in 2018, setting out measures to ensure the highest standards of environmental protection. This plan is updated annually, with new measures added, and progress is regularly reported to neighbouring communities. The Plan and its progress can also be found on the KN website. In line with the principles of good neighbourliness and in response to the expectations expressed by the communities, the Company contributes to meaningful community initiatives every year.

Surrounding residents and visitors who may be affected by the KN's activities are also covered by part of the Company's OSH system. In view of the potential for the most significant impacts from the operations of the terminals operated by KN, a public warning and information system is in place at the terminals concerned. Periodic updates (leaflets, KN website) are provided to the surrounding population on the potential negative impacts of the terminals operated by the Company (last update in 2024). When planning new activities or before modifying existing activities, KN takes the initiative to eliminate a significant part of the potential negative risks of the activities by carrying out risk analyses and studies during the planning and design phases.

S3-5 TARGETS RELATED TO AFFECTED COMMUNITIES

The Company, through the actions described above, seeks to mitigate the above negative impacts on communities and aims to continue to develop its relationship with communities, tracking indicators of complaints (among others). In the short term, the Company intends to evaluate and further set objectives aligned with the interests of communities.

GOVERNANCE

G1 BUSINESS CONDUCT

ESRS 2 GOV-1 ROLE OF ADMINISTRATIVE, SUPERVISORY AND MANAGEMENT BODIES

The role of administrative, management and supervisory bodies in relation to business ethics is disclosed in the general information part of the Sustainability Report in accordance with the ESRS GOV-1 disclosure.

G1 IRO-1 IMPACTS, RISKS AND OPPORTUNITIES

Significant impacts, risks and opportunities related to business ethics are presented in Table 33. Details of the process for identifying significant impacts, risks and opportunities related to business ethics are disclosed in the general information part of the Sustainability Report in accordance with the IRO-1 disclosure.

G1 – Governance		Value chain location			Time horizon		
		Upstream	Direct operations	Downstream	Short-term	Medium term	Long-term
Business ethics Continuous attention to compliance with laws, internal procedures and policies, and transparency, builds trust in the Company among the public, shareholders and other stakeholders.	Existing positive impact		x	x	x	x	x
Preventing corruption and bribery The Company has a zero tolerance approach to corruption. Conflict of interest management procedures are mandatory for all KN employees, members of the management and supervisory bodies, third parties acting on behalf of the Company and KN clients and partners. The Company's actions contribute to the prevention of corruption and bribery in society and strengthen trust in the Company.	Existing positive impact	x	x	x	x	x	x
Cyber security and data protection The Company handles large amounts of sensitive information, including financial data, supply chain information and technological data. A variety of malware and cyber-attacks could disrupt business operations, corrupt data or even block access to critical systems. Cyber security or data management threats pose risks to the security of information and data, and to the Company's business continuity.	Risk		x		x	x	x
Civil protection The Company shall take steps and put in place systems and procedures to ensure the uninterrupted supply and storage of petroleum products and natural gas in the event of emergencies or other emergencies. In this way, the Company is prepared to meet the fundamental needs of society.	Existing positive impact		x		x	x	x
Related governance subtopics							
Relations with suppliers and contractors Choosing the right suppliers and managing relationships with them has an impact on the Company's performance, reputation and operational efficiency. It is therefore important for the Company to mitigate the risks of potentially inappropriate supplier selection and/or relationship management.	Risk	x	x	x			x
Customer relations Ensuring high service quality and sustainable customer relationships ensures a stable customer base for the Company and creates value for customers.	Existing positive impact	x	x		x	x	x

Table 33. G1 IRO-1 List of impacts, risks and opportunities of business ethics and related sub-topics.

G1-1 COMPANY CULTURE AND BUSINESS ETHICS POLICY

Responsible Governance is based on the policies of KN as set out in section MDR-P "Policies related to material sustainability topics." The Standard of Conduct is the foundation of KN's corporate culture and defines the ethical values and standards we aim to uphold and promote. The KN Standard of Conduct is consistently communicated to our employees through relevant training and presented to our business partners to raise awareness, set expectations and promote compliance with sustainability standards throughout the value chain.

The Company has in place specified policies and procedures to identify, report and investigate concerns about unlawful conduct or conduct contrary to the KN Standard of Conduct and has identified owners responsible for these processes:

- Anti-bribery and Corruption Policy, Head of Prevention;
- Procedure for Reporting, Handling and Informing Persons of Possible Infringements, Head of Prevention;
- Information Reported by Internal and External Stakeholders, Head of Internal Audit;
- Instructions on Investigating Reports of Corruption or Other Forms of Corruption; Head of Prevention;
- Violence and Harassment Prevention Policy; Head of HR and Business Services;
- Rules of Procedure of KN Energies AB; Head of HR and Business Support;
- Policy on the Management of Private Interests; Head of Prevention;
- Procedure for Declaring Private Interests and Managing Conflicts of Interest; Head of Prevention;
- Guidelines for Related Party Transactions; Head of Prevention;
- Gift policy; Head of Prevention;
- Instructions for the Registration, Valuation, Storage and Display of Gifts; Head of Prevention;
- Procedure for Reporting, Handling and Informing Persons about Possible Irregularities; Head of Internal Audit;
- Instructions for Investigating Reports of Corruption or Other Forms of Corruption; Head of Prevention.

Grievances can be lodged in the ways specified in S1-3 "Remediation processes and channels."

Non-anonymous whistleblowers are protected from retaliation by restricting access to the reports and the register to responsible employees and ensuring confidentiality.

The Company regularly provides training on business ethics, corruption prevention and related topics. For more information, please refer to G1-3 "Prevention and Detection of Corruption and Bribery."

G1-2 MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

KN regularly carries out high-value public procurement procedures and publishes its procurement contracts in accordance with the laws of the Republic of Lithuania. KN also reports to the Public Procurement Service on the purchases made and contracts awarded. From 2023, according to national regulation, all procurement (100%) must be green. In order to ensure 100% green procurement, KN actively works with existing and potential service providers (by conducting market research and consultations), integrates environmental requirements into planned procurement, and provides training to procurement organisers and members of procurement committees on the definition and application of green criteria.

In 2024, KN adopted the Supplier Code of Conduct, which has been integrated into the procurement process. This governance practice familiarises suppliers with the basic ethical and behavioural standards and sustainability principles that KN expects from suppliers participating in public procurement and performing contracts with KN. All strategic suppliers have signed the Supplier Code of Conduct and no breaches have been recorded during 2024. There were also no breaches of contractual obligations to suppliers in 2024. Further actions to manage potential negative impacts, risks and opportunities related to suppliers are planned to be considered next year.

G1-3 PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

KN has a strict zero tolerance approach to corruption and its manifestations and is committed to fair competition, ethical business practices and transparency. The main documents setting out this zero-tolerance policy are the Standard of Conduct, the Procedure for Declaration of Private Interests and Management of Conflicts of Interest, the Stakeholder Screening Procedure and the Anti-Bribery and Corruption Policy. These policies clearly establish and publicly declare a strong stance against bribery, fraud, extortion, informal accounting, improper transactions, fictitious expense accounting, use of false documents and other forms of corruption, as provided for in the UN Convention Against Corruption.

The provisions of the Standard of Conduct and the principle of zero tolerance to corruption, as well as the procedures for managing conflicts of interest, are binding on all employees, members of the management and supervisory bodies of KN, third parties acting on behalf of the Company, as well as on the clients and partners of KN. All employees are familiarised with the Anti-Bribery and Corruption Policy and the Standard of Conduct and are committed to comply with them. As part of the implementation of the Plan of Measures of the Anti-Corruption Programme 2023-2024 of the Ministry of Energy of the Republic of Lithuania and of the institutions under the control of the Minister of Energy, the Company organises training on corruption prevention for the Company's employees and encourages employees to raise anti-corruption awareness on their own. Information and links on how to raise anti-corruption awareness are available on the KN website and intranet.

The regulation of gifts is an important area in the context of corruption prevention.

- The Standard of Conduct and the Anti-Bribery and Anti-Corruption Policy stipulate that KN Group employees shall not accept or offer gifts that may damage reputation or undermine trust.
- The Gifts Policy defines a zero-tolerance policy for gifts in relation to duties and includes a questionnaire to assess the criteria for accepting gifts or hospitality. The policy also sets out the rules of practice for the acceptance and/or provision of gifts by KN and regulates the proper procedures for declaring and recording gifts.

The Company has control mechanisms in place to identify, assess, mitigate and monitor potential corruption risks in each business segment.

- Key risks identified are large-scale procurement and the management of contracts for the handling of oil products and biofuels. The company aims to ensure transparency in the design and conduct of procurement, in the setting and execution of contract terms and conditions, and in customer due diligence.
- Regular reports are submitted to the Board to manage and mitigate these risks. There is also a separate register of risk events.
- To ensure the prevention of potential fraud risks, annual preventive checks are carried out on the Company's internal processes (to determine whether the regulatory and control framework is sufficient).
- A whistleblowing channel is available to all natural and legal persons. It allows direct reporting to the Company's collegiate management bodies.

In 2024, KN continued to encourage employees to acquire knowledge in the prevention of corruption and related areas:

- 141 employees of the Company were issued 298 training certificates on the training platform of the Special Investigation Service.
- Staff members also participated in a training course on declaring private interests and managing conflicts of interest organised by the Chief Official Ethics Commission.
- Anti-corruption training is provided to 100% of the Company's employees involved in public procurement procedures, as well as to employees who are required to declare their private interests due to the nature of their position.

G1-4 CORRUPTION AND BRIBERY INCIDENTS

The Anti-Bribery and Anti-Corruption Policy stipulates that in the event of non-compliance with the Policy, an investigation of the suspected violation shall be conducted, the results, conclusions and proposals of which shall be presented to the members of the Company's governing bodies and disclosed to the public by means of both internal and external communication, insofar as this is not in contravention of the legal acts regulating the protection of personal data.

In 2024, there were no cases of corruption, fraud or unmanaged conflicts of interest reported in the Company or its subsidiaries.

KN ENERGIES

ADDITIONAL DISCLOSURES

CUSTOMER RELATIONS

To increase transparency and encourage fair business, KN applies due diligence procedures to its business partners before awarding contracts. The due diligence procedure requires a written confirmation from the other party that it agrees and commits to abide by the provisions of the KN's Anti-Corruption Policy and Standard of Conduct. The anti-corruption provisions and the commitment to comply with them are also included in cooperation agreements with business partners.

In addition to managing sustainability risks in the value chain through responsible customer choice, the company aims to create value for its customers, which is why in 2024 it has set a target to achieve a score of ≥95 on the Customer Satisfaction and Loyalty (CSL) assessment by 2030.

The company measures customer-related indicators on a voluntary basis (See Table 34).

Indicator	Unit	2022	2023	2024
Customer satisfaction and loyalty (NPS)	score	82	94	93
Proportion of customers and business partners assessed against Know Your Customer (KYC) requirements	%	100	100	100

Table 34. Customer and partner-related metrics

CYBER SECURITY AND DATA PROTECTION

By focusing on cybersecurity, the Company aims to protect data, business processes, infrastructure and operational stability. KN is subject to the requirements of the National Cyber Security Centre and its implementation is the responsibility of the Company's management. The Company has established mandatory minimum information and cybersecurity requirements for third parties.

KN continuously evaluates and improves its internal legislation and processes for the protection of personal data. The main documents defining the data processing and storage processes and ensuring data privacy in the KN are the Personal Data Privacy Policy, the Policy on the Privacy of Website Visitors' Personal Data and the Use of Cookies, the Guidelines on the Processing of Personal Data, and the Policy on the Privacy of Personal Data of Candidates for Employment, Trainees, Members of Governing and Supervisory Bodies.

KN has a designated Data Protection Officer (DPO) responsible for ensuring compliance with all requirements of data protection legislation, including audits, awareness-raising and training of employees involved in data processing operations.

KN employees are kept up-to-date with all applicable regulations and all employees are required to attend training on the proper handling of personal data

The Company voluntarily measures indicators related to cybersecurity and data protection (see Table 35).

Indicator	Unit	2022	2023	2024
Number of data protection breaches detected and confirmed	units	0	0	0
Data and cyber security incident emergencies where data is leaked	units	0	0	0
Share of employees who have received training	%	100	100	100
Cybersecurity Maturity (NIST requirements)	scores (max. 5)	-	3.4	3.6

Table 35. Indicators related to data protection and cybersecurity

93

NPS score

vs. 2023 – 94

A+

Good Governance Index

vs. 2023 – A

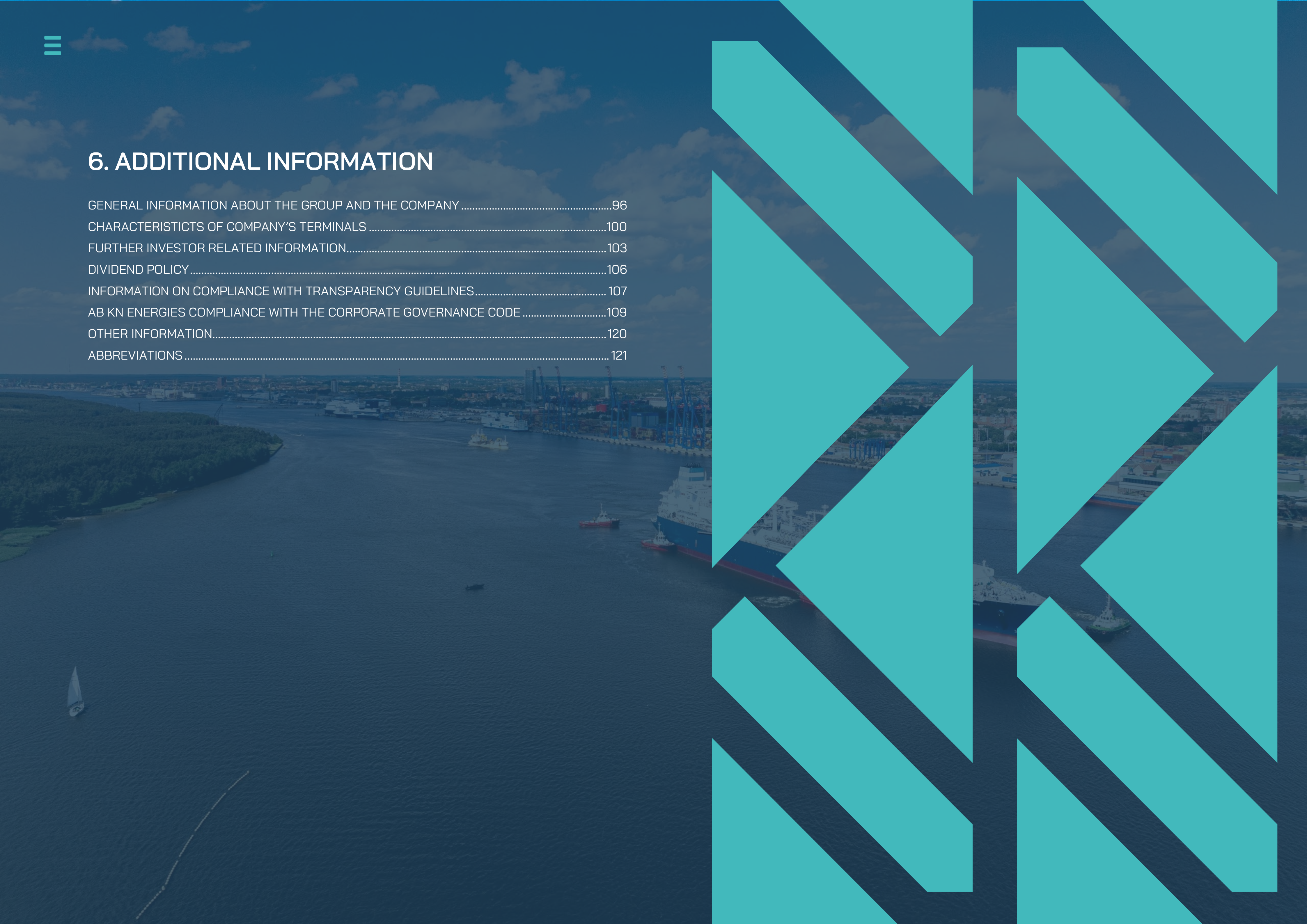
9.8

ESG Transparency partner Sustainability index

KN ENERGIES

ANNEXES TO THE SUSTAINABILITY REPORT

LIST OF TABLES



6. ADDITIONAL INFORMATION

GENERAL INFORMATION ABOUT THE GROUP AND THE COMPANY

REPORTING PERIOD

AB KN Energies Consolidated Management Report for the year 2024 is prepared for the period from 1 January 2024 until 31 December 2024.

CONFIRMATION OF RESPONSIBLE PERSONS

Referring to the Article 22 of the Law on Securities of the Republic of Lithuania and the Rules on Preparation and Submission of Periodic and Additional Information of the Bank of Lithuanian, Responsible Persons Darius Šilenskis, Chief Executive Officer of AB KN Energies, Tomas Tumėnas, Chief Financial Officer of AB KN Energies, and Rasa Tamaliūnaitė, Chief Accountant of AB KN Energies, hereby confirm that to the best of our knowledge the Consolidated Management Report of AB KN Energies for 2024 includes a fair review of the development and performance of the business and the present state of the Company together with the description of the main risks and uncertainties that are encountered.

PERSONS RESPONSIBLE FOR THE INFORMATION SUBMITTED IN THE MANAGEMENT REPORT

JOB TITLE	FULL NAME	TEL. NUMBER
AB KN Energies, Chief Executive Officer	Darius Šilenskis	+370 52 127 733
AB KN Energies, Chief Financial Officer	Tomas Tumėnas	+370 68 236 616
AB KN Energies, Chief Accountant	Rasa Tamaliūnaitė	+370 61 888 260

ISSUER INFORMATION AND CONTACT DETAILS

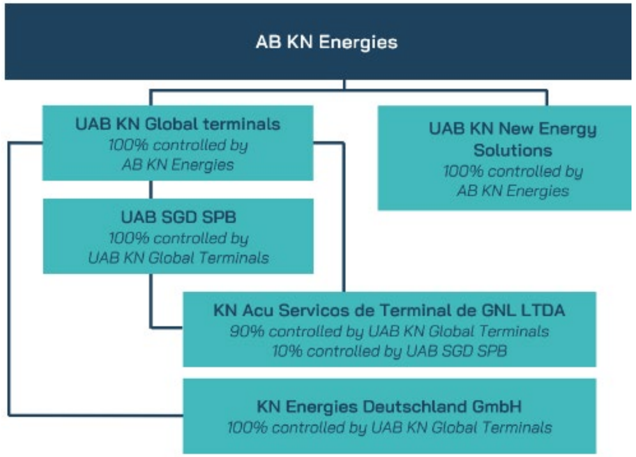
Name of the Company:	AB KN Energies (hereinafter – the Company, KN or Issuer)
Legal status:	Stock Company
Authorized share capital:	110,315,009 EUR
Date and place of registration:	27 September 1994, State Enterprise Centre of Registers
Company code:	110648893
Address:	Burių street 19, 92276 Klaipėda
Register of the Company:	State Enterprise Centre of Registers
Telephone numbers:	+370 46 391772
Fax numbers:	+370 46 311399
E-mail address:	info@kn.lt
Internet site:	www.kn.lt

INFORMATION ON SUBSIDIARIES AND CONTACT DETAILS

Name of the Company:	UAB KN New Energy Solutions
Legal status:	Private Limited Liability Company
Authorized share capital:	37,500 EUR
Date and place of registration:	27 December 2018, State Enterprise Centre of Registers
Company code:	304977459
Address:	Burių street 19, 92276 Klaipėda
Register of the Company:	State Enterprise Centre of Registers
Telephone numbers:	+370 46 391772
Fax numbers:	+370 46 311399
E-mail address:	info@kn.lt
Internet site:	www.kn.lt

GROUP STRUCTURE

Structure of AB KN Energies Group (hereinafter – Group) on 31 December 2024:



INFORMATION ON SUBSIDIARIES AND CONTACT DETAILS

Name of the Company:	UAB KN Global Terminals
Legal status:	Private Limited Liability Company
Authorized share capital:	4,540,000 EUR
Date and place of registration:	20 November 2015, State Enterprise Centre of Registers
Company code:	304139242
Address:	Burių street 19, 92276 Klaipėda
Register of the Company:	State Enterprise Centre of Registers
Telephone numbers:	+370 46 391772
Fax numbers:	+370 46 311399
E-mail address:	info@kn.lt
Internet site:	www.kn.lt

INFORMATION ON SUBSIDIARIES OF KN GLOBAL TERMINALS AND CONTACT DETAILS

Name of the Company:	UAB SGD SPB
Legal status:	Private Limited Liability Company
Authorized share capital:	25,000 EUR
Date and place of registration:	9 October 2019, State Enterprise Centre of Registers
Company code:	305278800
Address:	Burių street 19, 92276 Klaipėda
Register of the Company:	State Enterprise Centre of Registers
Telephone numbers:	+370 46 391772
Fax numbers:	+370 46 311399
E-mail address:	info@kn.lt
Internet site:	www.kn.lt

Name of the Company:	KN Açu Serviços de Terminal de GNL LTDA
Legal status:	Limited Liability Company
Authorized share capital:	642,600 BRL (Brazilian reals)
Date and place of registration:	13 December 2019, State Register of Legal Entities of Rio de Janeiro
Company code:	NIRE 33.210.894.765; CPNJ 35.785.170/0001-03
Address:	F66 Fazenda Saco Dantas s/n, Distrito Industrial, Area 1 and Area 2, 28200-000 São João da Barra, State of Rio de Janeiro
Register of the Company:	State Register of Legal Entities of Rio de Janeiro
Telephone numbers:	+370 46 391772
Fax numbers:	+370 46 311399
E-mail address:	info@kn.lt
Internet site:	www.kn.lt

Name of the Company:	KN Energies Deutschland GmbH
Legal status:	Limited Liability Company
Authorized share capital:	25,000 EUR
Date and place of registration:	17 September 2024, Handelsregister B des Amtsgerichts Oldenburg
Company code:	HRB221298
Address:	Emsstraße 20, 26382 Wilhelmshaven
Register of the Company:	Handelsregister B des Amtsgerichts Oldenburg
Telephone numbers:	+49 173 604 2252
Fax numbers:	+370 46 311399
E-mail address:	info@kn.lt
Internet site:	www.kn.lt

GROUP STRUCTURE AND MAIN TYPES OF ACTIVITY

The Group's Capital:

NAME OF THE COMPANY	TYPE OF SHARE	NUMBER OF SHARES (UNIT)	SHARE FACE VALUE	TOTAL FACE VALUE
AB KN Energies	Common registered shares	380,396,585	0.29 EUR	110,315,009 EUR
UAB KN New Energy Solutions	Common registered shares	57,500	1.00 EUR	57,500 EUR
UAB KN Global Terminals	Common registered shares	4,540,000	1.00 EUR	4,540,000 EUR
UAB SGD SPB	Common registered shares	25,000	1.00 EUR	25,000 EUR
KN Energies Deutschland GmbH	Common registered shares	25,000	1.00 EUR	25,000 EUR
KN Açu Serviços de Terminal de GNL LTDA	Common registered shares	642,600	1.00 BRL[1)]	642,600 BRL[1)]

[1)] BRL – Brazilian real.

The companies of the Group and their main activities:

NAME OF THE COMPANY	ADDRESS	OWNERSHIP PART,%	ACTIVITIES
AB KN Energies	Burių street 19, 92276 Klaipėda	100	AB KN Energies operates across three core segments: Liquid energy terminals, LNG, and New energies. Liquid energy terminals encompass the operations of Klaipėda liquid energy terminal and Subačius liquid energy terminal. LNG activities encompass the Klaipėda LNG terminal, a small-scale LNG station in Klaipėda, and Global LNG activities. The New energies segment encompasses investments in new energy sources, including synthetic fuels, hydrogen and hydrogen carriers, other alternative energy carriers, and carbon capture and storage (CCS).
UAB KN New Energy Solutions	Burių street 19, 92276 Klaipėda	100	The company is responsible for developing, implementing and managing projects related to new energy sources, carbon dioxide transportation, short-term storage and transshipment infrastructure both in Lithuania and abroad. This includes the company's investments in such infrastructure, as well as the development, implementation and management of infrastructure for new energy sources.
UAB KN Global Terminals	Burių street 19, 92276 Klaipėda	100	Participation in the international LNG and energy projects, providing project development or terminal operation services or investing in them, and all other related activities and provision of any other relevant services.
UAB SGD SPB	Burių street 19, 92276 Klaipėda	100 owned by UAB KN Global Terminals	The company is developing LNG terminal operating services on an international level by investing in and establishing other project companies in Lithuania and abroad.
KN Energies Deutschland GmbH	Emsstraße 20, 26382 Wilhelmshaven	100 owned by UAB KN Global Terminals	The company is responsible for the efficient performance of its commitment to Deutsche Energy Terminal GmbH (DET), the German state-owned company, in the field of technical O&M services for the second floating LNG import terminal at Wilhelmshaven 2.
KN Açu Serviços de Terminal de GNL LTDA	F66 Fazenda Saco Dantas s/n, Distrito Industrial, Area 1 and Area 2, 28200-000 São João da Barra, State of Rio de Janeiro	90 owned by UAB KN Global Terminals and 10 owned by UAB SGD SPB	LNG terminal operation and maintenance services in the port of Açu, Brazil, including the technical and commercial operation of the installation of the quay and its facilities, gas pipeline and gas metering stations.

AGREEMENTS WITH INTERMEDIARIES OF PUBLIC SECURITIES TRADING

The Company has an agreement with Financial Markets Department of AB SEB Bankas for accounting of the Company's securities and related services.

AB SEB BANK FINANCIAL MARKETS DEPARTMENT:	
Company code	112021238
Address	J. Balčikonis street 7, LT-08247 Vilnius, Lithuania
Telephone	1528
E-mail	info@seb.lt
Website	www.seb.lt

AGREEMENTS WITH BROKERAGES FOR PUBLIC ISSUE

The Company's shares are traded on the regulated market; they are listed in the Baltic Main List of the Stock Exchange of AB NASDAQ Vilnius.

THE MAIN DATA ABOUT THE SHARES OF THE COMPANY:	
ISIN code	LT0000111650
Abbreviation	KNE1L
Share emission	380,396,585

The Company's shares have been listed on the Nasdaq Vilnius Secondary List since 16th January of 1996 and since 4th April of 2016 the Company's shares are listed on the Nasdaq Vilnius Main List.

The securities of the subsidiary companies are not publicly traded.

INFORMATION ABOUT INVESTMENT INTO ASSOCIATES

The Company has investments into the following associate companies as at 31 December 2024:

NAME OF THE COMPANY	ADDRESS	OWNERSHIP PART,%	ACTIVITIES
UAB BALTPOOL	9 A. Juozapavičiaus str., LT-09311, Vilnius	33	Development of activity of energy resources (biofuel, gas) exchange, administration of Public Interest Services (PIS) funds.
Sarmatia Sp. z o.o.	ul. Nowogrodzka 68, Prima court, 02-014 Warsaw, Poland	1	Analysis and engineering of possibilities to construct oil pipeline between Asian states and the Baltic Sea.

CHARACTERISTICTS OF COMPANY'S TERMINALS

KLAIPĖDA LIQUID ENERGY TERMINAL

Klaipėda liquid energy terminal provides the following services:

- Transshipment of liquid energy products from rail tanks into tankers and vice versa.
- Reloading of liquid energy products into trucks.
- Accumulation and storage of liquid energy products.
- Collection of wastewaters from sea vessels which is contaminated with oil products.
- Mooring services.
- Inspection of quality parameters of liquid energy products.
- Adding bio-additives and marking substances to liquid energy products.
- Blending of heavy and light liquid energy products.
- Supply of fuel and water to vessels.

SUBAČIUS LIQUID ENERGY TERMINAL

Subačius liquid energy terminal provides the following services:

- Storage of liquid energy product (fuel) stocks of the Lithuanian State to ensure the national energy security under the relevant legal acts.
- Long-term storage of liquid energy products (gasoline, diesel fuel).
- Short-term storage and handling of liquid energy products (gasoline, diesel fuel and biofuels) to the customers.
- Adding bio-additives and marking substances to liquid energy products.

The infrastructure of Subačius liquid energy terminal is continuously upgraded to ensure proper provision of high-quality services to customers, as well as safe and reliable operation of the facility .

CHARACTERISTICS OF KLAIPĖDA LIQUID ENERGY TERMINAL:	
Location	Territory of AB KN Energies Klaipėda terminal, address: Burių street 19, Klaipėda
Liquid energy product tanks	51 tanks
Volume of the tanks	571 thousand m^3 total volume
The capacity of the terminal	8 - 10 million t / year
Jetty berths	3
Harbour entrance depth:	14.5 m
Max. draught at the jetty	13.5 m
Max. length of serviced tankers	Up to 275.0 m
Railway (Two double-track rail tank loading racks)	▪ Two tracks for liquid energy products that do not require maintaining of specific temperature conditions (up to 2 x 30 tank wagons are services simultaneously); ▪ Two tracks for liquid energy products that require maintaining of specific temperature conditions (up to 2 x 32 tank wagons are services simultaneously); ▪ One of the tracks is adapted to liquid energy products of all types; ▪ 124 tank wagons can be loaded at the same time.
Road tanker loading	4 loading points at the same time
Modern laboratory	Equipped to inspect main quality parameters of liquid energy products
Total capacity of three boilers of own boiler station	100 MWh

CHARACTERISTICS OF SUBAČIUS LIQUID ENERGY TERMINAL:	
Location	In Kunčiai village, Kupiškis district
Volume of the tanks	Total 66 tanks
Volume of the tanks	Almost 338 m^3 thousand total volume
Railway	The rail trestle which can simultaneously handle 14 rail tanks
Road trucks loading	Modern loading station of auto trucks
Modern laboratory	Able to detect the main quality parameters of liquid energy products

REGULATED LNG (KLAIPĖDA LNG TERMINAL)

SERVICES OF THE LNG TERMINAL

The Terminal provides the following services:

- LNG regasification - Acceptance LNG loading from an LNG carrier to the Terminal, physical and virtual temporary storage of the cargo in the Terminal and LNG regasification.
- LNG reloading - Acceptance of LNG cargo from the LNG carrier that arrived, physical and virtual storage of the cargo and reload (re-export) of LNG to an LNG carrier of not less than 5,000 m3.

The following prices apply to the services provided by the terminal:

- The fixed part of the price of the LNG regasification service is approved annually by the National Energy Regulatory Council. This part of the price is included in the additional component of the natural gas supply security to the transmission price, whether the Company is not able to collect the set revenue level from LNG regasification service price variable part directly from LNG terminal users.
- The variable part of the price of the LNG regasification service is paid by the users of the LNG terminal for the regasified gas volume. Tariffs are approved annually by NERC. LNG regasification service price variable part is calculated based on the upper limit of LNG revenue divided by LNG terminal capacity per unit.

SERVICES OF THE TERMINAL	SERVICE PRICE	NERC DECREE
LNG regasification service price (2024)	1.83 EUR/MWh	29 May 2023 No. O3E-715
LNG regasification service price (2025)	1.84 EUR/MWh	31 May 2024 No. O3E-792
LNG reloading service price (2024): - Small scale LNG cargo, up to 15,000 m^3 - Medium scale LNG cargo, from 15,000 m^3 to 50,000 m^3 inclusive - Large scale LNG cargo, from 50,000 m^3	0.72 EUR/MWh excl. VAT 0.56 EUR/MWh excl. VAT 0.40 EUR/MWh excl. VAT	17 November 2023 No. O3E-1688
LNG reloading service price (2025): - Small scale LNG cargo, up to 15,000 m^3 - Medium scale LNG cargo, from 15,000 m^3 to 50,000 m^3 inclusive - Large scale LNG cargo, from 50,000 m^3	0.82 EUR/MWh excl. VAT 0.64 EUR/MWh excl. VAT 0.46 EUR/MWh excl. VAT	15 November 2024 No. O3E-1449

The LNG terminal fully ensures the third-party access requirements in accordance with EU legislation. The terminal's activities are organized in observance with the Regulations for Use of the Liquefied Natural Gas Terminal (hereinafter – Terminal regulations), adopted after public consultations with market participants and approved by NERC.

INFRASTRUCTURE OF LNGT

The LNG Terminal, based on FSRU technology, is connected to AB Amber Grid's gas transmission network via an 18-km pipeline. LNG Terminal functions – receive liquefied natural gas from LNG carriers, store them, regasify, and supply liquefied natural gas to transmission network or reload into other LNG carriers.

TECHNICAL CHARACTERISTICS OF THE FSRU INDEPENDENCE*:	
Klaipėda seaport jetty	157
The volume of the tanks	170,000 m^3
Maximum LNG filling level	98% at 70 kPag
Maximum LNG loading capacity	9,000 m^3/h LNG
Maximum LNG reloading capacity	5,000 m^3/h LNG when LNG regasification is performed during LNG reloading
FSRU capabilities	3.75 billion m^3 of natural gas per year (10.24 million m^3 per day)
Minimum operative LNG heel	3,500 m^3 LNG
Maximum gas flow into the gas pipeline	10.24 million m^3 per day

*Terminal's technical specifications are given according to the current normative conditions: combustion/measurement temperature -25/0 °C, pressure - 1.01325 bar.

Detailed information on LNGT services and operating model could be found in the Terminal regulations or on www.kn.lt.

KLAIPĖDA SMALL SCALE LNG TERMINAL (RELOADING STATION)

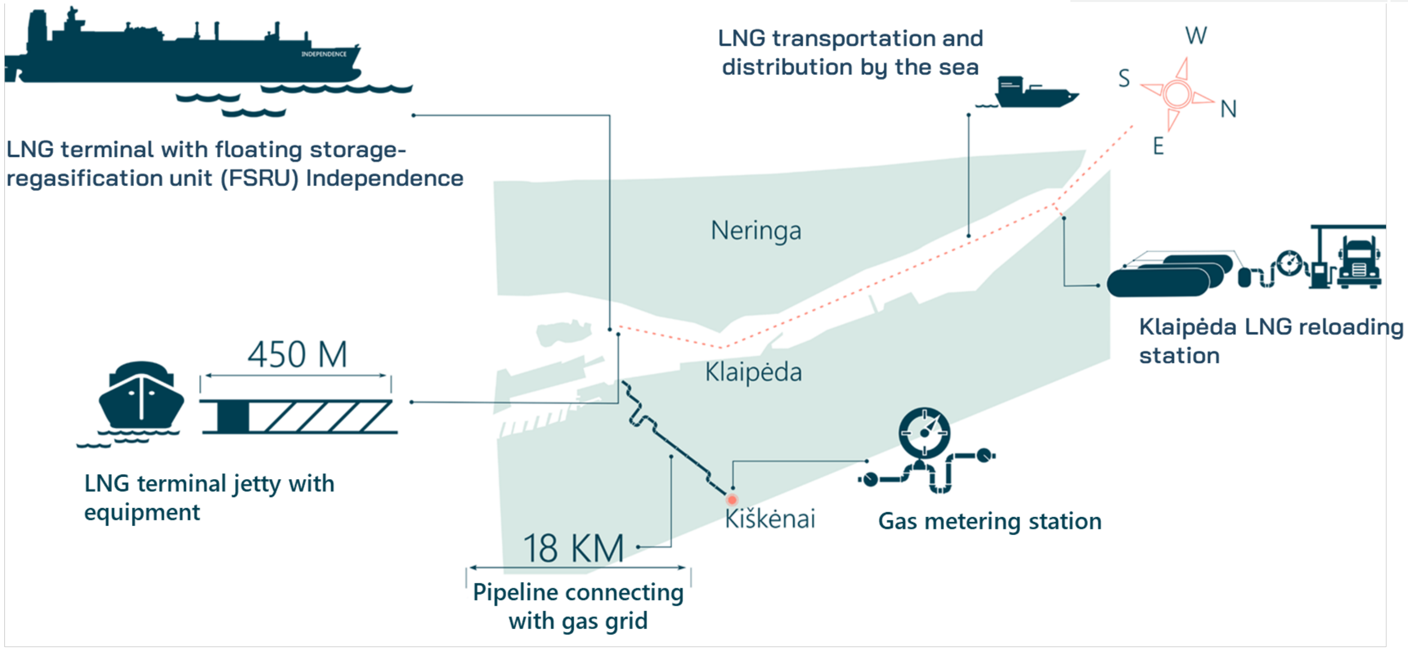
AB KN Energies has opened an onshore LNG reloading station in the autumn of 2017. The purpose of the LNG reloading station project is to develop small scale LNG infrastructure in the Baltic States and Poland, which not only increases energy security for areas that are further away from the gas pipeline, but also provides the benefits of alternative and clean energy to a significant number of consumers. This infrastructure also contributes to ensuring the availability of LNG as a clean fuel for shipping and heavy road transport

The LNG reloading station is designed to receive cargo from small scale LNG carriers, store LNG, load LNG into LNG Trucks, ISO containers or bunker LNG-powered vessels.

The LNG reloading station is a commercial project of the Company financed by the Company and partly by the European Union support funds under the CEF-Transport program for the implementation of the HEKLA and Blue Baltics projects.

TECHNICAL CHARACTERISTICS OF THE LNG RELOADING STATION:	
Klaipėda seaport jetty	2
Technology	Five pressure tanks
Volume of the tanks	5 x 1,000 m^3
Fill level	86%
LNG receiving speed (from ship)	up to 1,250 m^3/h
Daily loading capacity for LNG Trucks	32
Loading of LNG Trucks	2 LNG Truck loading bays (possible simultaneous loading)
LNG Truck loading speed	up to 100 m^3/h
Bunkering speed	up to 500 m^3/h
Utilization of boil of gas	Gas pipeline connection to the Company's boiler house

KLAIPĖDA LNG INFRASTRUCTURE



FURTHER INVESTOR RELATED INFORMATION

SHAREHOLDERS OF THE COMPANY

All shares of the Company are of one class ordinary registered shares granting their owners (shareholders) equal rights. One ordinary registered share of the Company grants one vote in the General meeting of Shareholders.

An ordinary registered share of the Company shall grant the following economic rights to its owners (shareholders):

- To receive a part of the Company's profit (dividends);
- To receive funds of the Company in the event the Authorized Capital of the Company is being reduced in order to pay funds of the Company to the shareholders;
- To receive a part of the assets of the Company in case of liquidation;
- To receive shares free of charge if the Authorized Capital is increased out of the funds of the Company (except in the cases specified by the imperative norms of the valid laws);
- To have the preferential right in acquiring shares or convertible bonds issued by the Company except in cases when the General Shareholders' Meeting by a qualified majority of votes that shall not be less than 3/4 of the participating and voting shares for solution of this matter, resolves to withdraw the preferential right in acquiring the Company's newly issued shares or convertible bonds for all the shareholders;
- To lend to the Company in the manner provided by law, however, when borrowing from its shareholders the Company has no right to pledge its assets to the shareholders. When the Company borrows from its shareholder, the interest rate may not be higher than the average interest rate offered by commercial banks of the location where the Lender has his place of residence or business, which was in effect on the day of conclusion of the Loan Agreement. In such a case the Company and its shareholders shall be prohibited from negotiating a higher interest rate;
- Other economic rights established by the laws.

An ordinary registered share of the Company shall grant the following non-economic rights to its owner (shareholder):

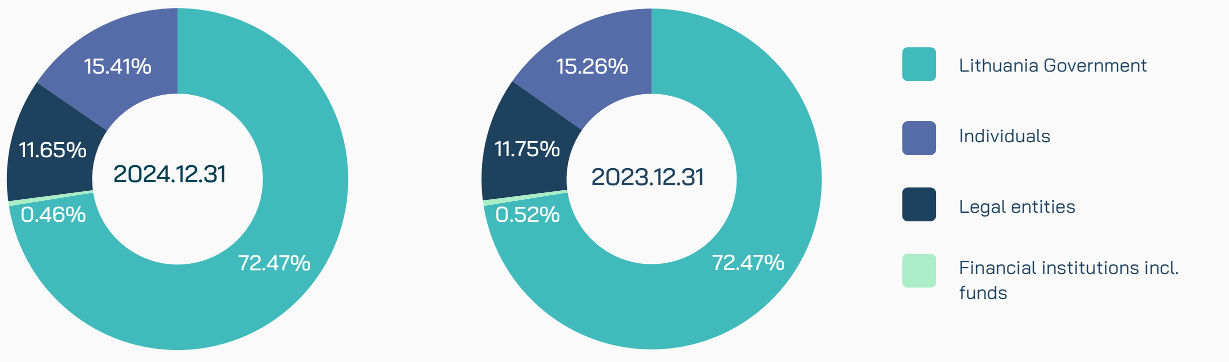
- To attend the General Shareholders' Meetings and to vote according to voting rights carried by their shares (unless otherwise provided for by the laws);
- To receive information on the Company to the extent allowed by the imperative norms of the valid laws;
- To file a claim with the court for reparation of damage resulting from misconduct by the Manager of the Company and Board members or noncompliance with their obligations prescribed by the laws and the Articles of Association of the Company as well as in other cases laid down by laws.
- The right to vote at General Shareholders' Meetings may be withdrawn or restricted in cases established by laws, also in case share ownership is contested;
- Other non-economic rights established by the laws and the Articles of Association of the Company.

The Company has not been informed about mutual agreements of its shareholders which could limit the transfer of securities and (or) right of vote.

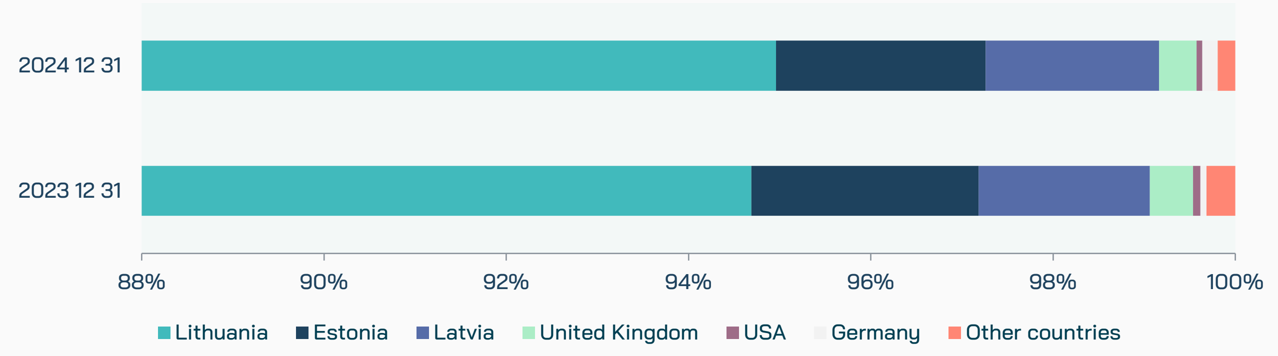
MAJOR SHAREHOLDERS OF THE COMPANY HAVING MORE THAN 5% OF SHARES (EACH) OF THE COMPANY AS AT 31 DECEMBER 2024 AND 2023:

SHAREHOLDER'S NAME (COMPANY'S NAME, ADDRESS, COMPANY CODE OF REGISTRATION)	31 DECEMBER 2024		31 DECEMBER 2023	
	NUMBER OF OWNED SHARES (UNIT)	PART OF AUTHORIZED CAPITAL (%)	NUMBER OF OWNED SHARES (UNIT)	PART OF AUTHORIZED CAPITAL (%)
The Republic of Lithuania, represented by the Ministry of Energy of the Republic of Lithuania (Gediminas Ave. 38/2, Vilnius, 302308327)	275,687,444	72.47%	275,687,444	72.47%
UAB koncernas "ACHEMOS GRUPĖ" (Vykinto st. 14, Vilnius, 156673480)	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%**

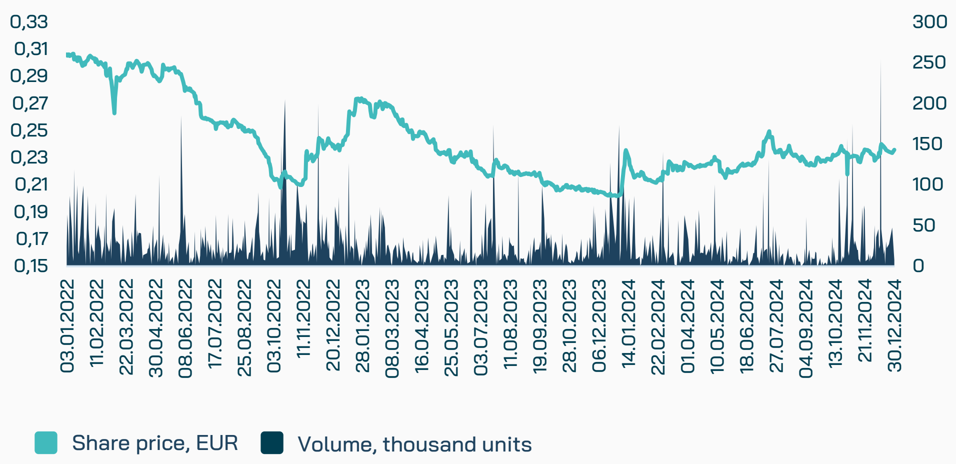
Shareholders structure by categories



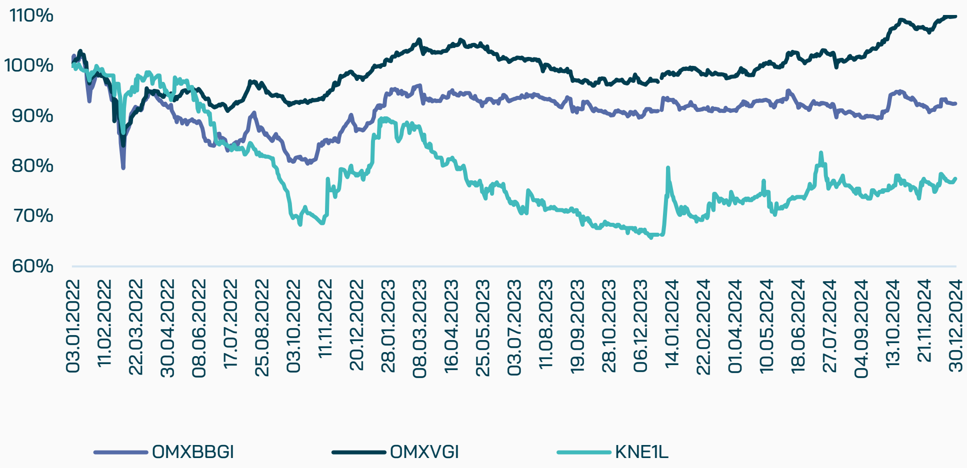
Shareholders stucture by region



TRADING IN KNE1L SHARES ON NASDAQ VILNIUS STOCK EXCHANGE



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



DYNAMICS OF KNE1L SHARE PRICE AT NASDAQ VILNIUS DURING 2020 – 2024:

	2024	2023	2022	2021	2020
Highest share price in EUR	0.254	0.280	0.308	0.359	0.414
Lowest share price in EUR	0.202	0.200	0.203	0.298	0.301
Price per share at the beginning of the period in EUR	0.202	0.241	0.308	0.322	0.361
Price per share at the end of the period in EUR	0.235	0.202	0,240	0.307	0.320
Average share price in EUR	0.227	0.231	0.265	0.320	0.351
Traded volume, pcs.	5,860,803	5,872,655	8,541,326	19,004,133	23,934,244
Turnover in EUR thousand	1,330	1,351	2,220	6,110	7,928
Capitalisation in EUR thousand	89,393	76,840	91,295	116,782	121,920
Earnings per share (EPS)*	0.037	0.018	0.023	(0.124)	0.030

* Calculated using adjusted net profit (loss).

DIVIDEND POLICY

On 28th July 2021 the Board of AB KN Energies has approved the renewed Dividend Policy. The Dividend Policy provides that the Board of the Company shall, in accordance with the Company's audited financial statements which are prepared in accordance with IFRS, present the draft decision of dividends allocation to the Company's shareholders for approval. The amount of dividends is proposed taking into account the Company's return on equity for the reporting period.

The Company sets the goal to increase the shareholders' value and pay stable dividends. The main objectives for a Dividend Policy are:

- compliance with the applicable laws of the Republic of Lithuania, secondary legislation, the Articles of Association, and internal documents of the Company;
- assurance of the Company's shareholders interests;
- commitment to high corporate governance standards;
- enhance of the Company's market value;
- definition of the Company's procedures relating to transparent publication and payment of dividends.

AB KN Energies Dividend Policy is based on the existing legislation of the Republic of Lithuania (regulation effective starting since 28th December 2021 (Lithuanian Government Resolution of 6th June, 2012 No. 655 on approval of the description of the procedure for the exercise of the state property and non-property rights in state-owned entities (hereinafter – the Resolution) – the regulation has replaced the Lithuanian Government Resolution of 14th January, 1997 No. 20 on the dividends for the state-owned shares, however all the principles and regulations on dividends allocation are valid and have been placed into Resolution), the Company's Articles of Association and other Company's internal documents.

According to the art. 4.4. of the Company's Dividend Policy the amount of dividends for the years 2021-2024 is calculated by eliminating from the Company's distributable net profit (loss) unrealised foreign exchange rates impact and other unrealised gains (losses). The Company's return on equity is calculated based on the data of the set of audited annual financial statements, net profit (loss) of the reporting period by eliminating the impact of unrealised foreign exchange rates and other unrealised gains (losses) divided by the average equity at the beginning and end of this period. Equity at the beginning of the reporting period is adjusted by estimating the impact of unrealised foreign exchange rates and other unrealised gains (losses) accumulated before the reporting period. Equity at the end of the reporting period is adjusted by estimating the impact of unrealised foreign exchange rates and other unrealised gains (losses) of the reporting period and those accumulated before the reporting period.

According to the art. 4.5 of the Company's Dividend Policy, the Board of the Company shall consider the following on a yearly basis:

- the financial indicators for assessment of the Company's current financial position (net debt / EBITDA, DSCR, ISCR, Equity ratio);
- the Company's performance of the current period, in order to ensure the scope of funds needed for the smooth operation;
- the scope of equity and loan necessary for strategic and investment projects' implementation;
- any financial and non-financial liabilities for the Company investors;
- the stock market situation related to dividend income;
- implementation of the Company's Strategy;
- a change in plans of strategic, investment projects, their scope or their financing.

According to the art. 4.7. of the Company's Dividend Policy dividends for the financial year should be allocated as follows:

- Not lower than 85% from the Company's distributable profit if ROE of the financial reporting year is not higher than 1 per cent.
- Not lower than 80% from the Company's distributable profit if ROE of the financial reporting year is higher than 1% but not higher than 3% .
- Not lower than 75% from the Company's distributable profit if ROE of the financial reporting year is higher than 3% but not higher than 5%.
- Not lower than 70% from the Company's distributable profit if ROE of the financial reporting year is higher than 5% but not higher than 10%.
- Not lower than 65% from the Company's distributable profit if ROE of the financial reporting year is higher than 10% but not higher than 15%.
- Not lower than 60% from the Company's distributable profit if ROE of the financial reporting year is higher than 15%.

Dividend rate, as a rule, should not be less than presented in the article 4.7. of the Company's Dividend Policy, however, based on criteria in article 4.5., lower dividend rate could be proposed.

The full Company's Dividend Policy is available on Company's website (Dividends policy - KN).

INFORMATION ON COMPLIANCE WITH TRANSPARENCY GUIDELINES

AB KN Energies complies with the 2010 July 14 Government Resolution No. 1052 "On the Approval of the Description of the Guidelines for Ensuring the Transparency of the Activities of State-Owned Enterprises" (hereinafter – the Transparency Guidelines). The Transparency Guidelines are mandatory for the Company, as the Company is a state-owned enterprise (hereinafter – SOE).

The implementation of the transparency guidelines in the Company is mainly ensured through the information disclosed in the management report and the disclosure of information on the Company's websites by disclosing and providing information in a format that is accessible and understandable to stakeholders.

Article 3 of the Transparency Guidelines states that SOEs which are listed on AB Nasdaq Vilnius comply with the provisions of the Corporate Governance Code for the Companies Listed on Nasdaq Vilnius related to public disclosure of information. Information on the Company's compliance with the provisions of this Code is disclosed in the Company's management report.

BELOW IS THE STRUCTURED INFORMATION ON THE IMPLEMENTATION OF THE TRANSPARENCY GUIDELINES:

☑ COMPLYING ☑ PARTIALLY COMPLYING ☑ NOT COMPLYING

INFORMATION / OTHER REQUIREMENTS MUST BE PUBLISHED ON THE COMPANY'S WEBSITE (WWW.KN.LT):
☑ Name, code and register of the Company, where data about the Company is collected and stored, registered office (address)
☑ Legal status, if the Company is reorganized (the method of reorganization is indicated), liquidated, is about to go bankrupt, or already bankrupt
☑ Information about the institution representing the state
☑ Activity plans, vision, and mission
☑ Organizational structure
☑ Details about the manager of the company *
☑ Details about the chairperson of the Board and Board members *
☑ Details about the chairperson of the Supervisory Council and its members *
☑ Names of the committees, details about their chairs and members *

INFORMATION / OTHER REQUIREMENTS MUST BE PUBLISHED ON THE COMPANY'S WEBSITE (WWW.KN.LT):
☑ Amount of nominal values of state-owned shares (in euros to the nearest euro cent) and share (in percent) in the authorized capital of the Company
☑ Information on social responsibility initiatives and measures, important ongoing or planned investment projects
☑ Special obligations are fulfilled, which are determined in accordance with the recommendations approved by the Ministry of Economy and Innovation of the Republic of Lithuania: the purpose of special obligations, state budget appropriations and legal acts allocating them to the special obligation and regulated pricing
☑ If the Company is a participant in other legal entities (does not apply to subsidiaries) name, code and register of such legal entities, where the data on the Company is collected and stored, registered office (address), website addresses
☑ The set of the Company's annual financial statements, the Company's management report, as well as the report of the auditor of the Company's annual reports must be published on the Company's website within 10 working days from the approval of the set of annual financial statements.
☑ Sets of the Company's interim financial statements, the Company's interim reports must be published on the website no later than within 2 months after the end of the reporting period

* The following data is published: name, surname, date of commencement of current positions, other current management positions in other legal entities, education, qualification, professional experience; it shall be indicated whether a member of the collegial body has been elected or appointed as an independent member.

TAKING INTO ACCOUNT THAT THE COMPANY IS THE PARENT COMPANY, THE FOLLOWING INFORMATION MUST BE PUBLISHED ON THE COMPANY'S WEBSITE (WWW.KN.LT):

☑ The structure of the Group of companies

Subsidiaries and subsequent subsidiaries of the Company:

☑ Name, code and register of the Company, where data about the Company are collected and stored, registered office (address)

☑ Share held by the Company (percentage) in the authorized capital of subsidiary companies

☒ Subsidiaries and subsequent subsidiaries of the Company do not have website addresses

☑ Annual consolidated financial statements and consolidated management reports

THE FOLLOWING DOCUMENTS / OTHER REQUIREMENTS MUST BE PUBLISHED ON THE COMPANY'S WEBSITE (WWW.KN.LT):

☑ Articles of Association

☑ Letter from the Ministry of Energy on the establishment of the Company's goals and expectations for the Company

☑ Business strategy or a summary thereof in cases where the business strategy contains confidential information or information which is considered a commercial (industrial) secret

☑ Remuneration policy, which includes the determination of the remuneration of the head of the Company and the remuneration of the members of the collegial bodies and committees formed by the Company

☑ Company's annual and interim reports

☑ Sets of annual and interim financial statements for a period of at least 5 years and the auditor's report of the annual financial statements

☑ The above documents are published in PDF format, and it is technically possible to print them

OTHER REQUIREMENTS MUST BE PUBLISHED / FULFILLED IN THE SETS OF FINANCIAL STATEMENTS AND NOTICES (WWW.KN.LT):

☑ The Company maintains its accounting records in a manner that ensures that financial statements are prepared in accordance with International Accounting Standards

OTHER REQUIREMENTS MUST BE PUBLISHED / FULFILLED IN THE SETS OF FINANCIAL STATEMENTS AND NOTICES (WWW.KN.LT):

☑ The Company prepares a set of 6-month interim financial statements

☑ In addition to the annual report, the Company prepares an additional 6-month interim report

IN ADDITION TO THE CONTENT REQUIREMENTS ESTABLISHED IN THE LAW ON FINANCIAL REPORTING OF COMPANIES OF THE REPUBLIC OF LITHUANIA, THE COMPANY'S ANNUAL REPORT MUST ADDITIONALLY PROVIDE:

☑ Brief description of the Company's business model

☑ Results of the implementation of the objectives set in the operational strategy

☑ Information on significant events that occurred during and after the financial year (prior to the preparation of the annual report) and that were material to the Company's operations

☑ For state-owned enterprises that are not required to prepare a CSR report, it is recommended that information on environmental, social and personnel, human rights, anti-corruption, and anti-bribery issues be provided in the annual report or annual activity report, as appropriate.

☑ Profitability, liquidity, asset turnover, debt ratios

☑ Implementation of the company's risk management policy

☑ Implementation of investment policy, ongoing and planned investment projects, and investments during the reporting year

☑ Total annual salary fund, average monthly salary by current position and / or division

☑ Implementation of dividend policy

☑ Implementation of remuneration policy

☑ The consolidated annual report contains the structure of the group of companies, as well as the name, code and register of each subsidiary, which collects and stores data about the Company, registered office (address), shares (percentage) in the subsidiary's share capital, financial and non-financial results for the financial year.

☑ The Company's interim report provides a brief description of the Company's business model, analysis of financial results for the reporting period, information on significant events during the reporting period, as well as profitability, liquidity, asset turnover, debt ratios and their changes compared to the corresponding period last year.

AB KN ENERGIES COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

AB KN Energies (hereinafter referred to as the "Company"), acting in compliance with Article 22(3) of the Law of the Republic of Lithuania on Securities and paragraph 24.5 of the Listing Rules of AB NASDAQ Vilnius, hereby discloses how it complies with the Corporate Governance Code for the Companies listed on NASDAQ Vilnius as well as its specific provisions or recommendations. In case of noncompliance with this Code or some of its provisions or recommendations, the specific provisions or recommendations that are not complied with must be indicated and the reasons for such non-compliance must be specified. In addition, other explanatory information indicated in this form must be provided.

FORM OF THE GOVERNANCE REPORT OF THE COMPANY:

PRINCIPLES / RECOMMENDATIONS	YES / NO	COMMENTARY
Principle 1: General meeting of shareholders, equitable treatment of shareholders, and shareholders' rights **The corporate governance framework should ensure the equitable treatment of all shareholders. The corporate governance framework should protect the rights of shareholders.**		
1.1. All shareholders should be provided with access to the information and/or documents established in the legal acts on equal terms. All shareholders should be furnished with equal opportunity to participate in the decision-making process where significant corporate matters are discussed.	Yes	All information that must be made public in accordance with legal acts is published through the information system of the Vilnius Stock Exchange and / or on the Company's website. The place, date and time of the General Meeting of Shareholders convened by the Company shall be determined in order to enable the shareholders to participate in making decisions important to the Company. The procedure for submitting documents and other information to shareholders is established in Article 5 of the Company's Articles of Association.
1.2. It is recommended that the company's capital should consist only of the shares that grant the same rights to voting, ownership, dividend and other rights to all of their holders.	Yes	All shares of the Company are ordinary registered shares with a nominal value of EUR 0.29 (EUR 29 cents) per share.
1.3. It is recommended that investors should have access to the information concerning the rights attached to the shares of the new issue or those issued earlier in advance, i.e. before they purchase shares.	Yes	The Company's Articles of Association, which are publicly available on the Company's website, specify the rights granted by the shares.
1.4. Exclusive transactions that are particularly important to the company, such as transfer of all or almost all assets of the company which in principle would mean the transfer of the company, should be subject to approval of the general meeting of shareholders.	Yes	Article 13.5 of the Company's Articles of Association (Article 16.14 of Articles of Association valid in year 2023). indicate the cases when the approval of the General Meeting of Shareholders is required.
1.5. Procedures for convening and conducting a general meeting of shareholders should provide shareholders with equal opportunities to participate in the general meeting of shareholders and should not prejudice the rights and interests of shareholders. The chosen venue, date and time of the general meeting of shareholders should not prevent active participation of shareholders at the general meeting. In the notice of the general meeting of shareholders being convened, the company should specify the last day on which the proposed draft decisions should be submitted at the latest.	Yes	The Company convenes the General Meeting of Shareholders and implements other procedures of the Meeting in accordance with the Law on Companies of the Republic of Lithuania and provides all shareholders with equal opportunities to participate in the meeting, get acquainted with draft resolutions and material required for decision-making.
1.6. With a view to ensure the right of shareholders living abroad to access the information, it is recommended, where possible, that documents prepared for the general meeting of shareholders in advance should be announced publicly not only in Lithuanian language but also in English and/or other foreign languages in advance. It is recommended that the minutes of the general meeting of shareholders after the signing thereof and/or adopted decisions should be made available publicly not only in Lithuanian language but also in English and/or other foreign languages. It is recommended that this information should be placed on the website of the company. Such documents may be published to the extent that their public disclosure is not detrimental to the company or the company's commercial secrets are not revealed.	Yes	All documents and information related to the General Meeting of Shareholders, including notices of meetings to be convened, draft resolutions, resolutions of the Meetings, are publicly available in Lithuanian and English through Nasdaq Vilnius and the Company's website.
1.7. Shareholders who are entitled to vote should be furnished with the opportunity to vote at the general meeting of shareholders both in person and in absentia. Shareholders should not be prevented from voting in writing in advance by completing the general voting ballot.	Yes	All shareholders may exercise their right to participate in the General Meeting of Shareholders in accordance with the procedure established by legal acts and this right is unlimited. The Company provides information on the implementation of this right in the notice on convening the General Meeting of Shareholders.

PRINCIPLES / RECOMMENDATIONS	YES / NO	COMMENTARY
1.8. With a view to increasing the shareholders' opportunities to participate effectively at general meetings of shareholders, it is recommended that companies should apply modern technologies on a wider scale and thus provide shareholders with the conditions to participate and vote in general meetings of shareholders via electronic means of communication. In such cases the security of transmitted information must be ensured, and it must be possible to identify the participating and voting person.	No	Taking into account the structure of the shareholders (controlling interest is owned by the Government of the Republic of Lithuania) and the valid regulations for organisation of the meeting of shareholders ensuring full advance publication of the material of the General Meeting of Shareholders and publicity of the decisions adopted by the shareholders (publishing all this information on the website of AB Nasdaq Vilnius Stock Exchange) and the opportunity to vote in advance, there is no necessity to additionally install costly system of IT, which would give the opportunity for the shareholders to vote during the meeting of the shareholders using telecommunication terminal equipment. Currently, there are no measures in place to ensure proper identification of voters.
1.9. It is recommended that the notice on the draft decisions of the general meeting of shareholders being convened should specify new candidatures of members of the collegial body, their proposed remuneration and the proposed audit company if these issues are included into the agenda of the general meeting of shareholders. Where it is proposed to elect a new member of the collegial body, it is recommended that the information about his/her educational background, work experience and other managerial positions held (or proposed) should be provided.	Yes	Information about the candidates to the Company's collegial bodies is provided in accordance with the procedure established by legal acts. In accordance with the established procedure, the suitability of candidates is assessed by the selection board. The name of the proposed audit firm and the remuneration for the audit services shall be provided to the General Meeting of the Shareholders in advance as a draft resolution.
1.10. Members of the company's collegial management body, heads of the administration[1] or other competent persons related to the company who can provide information related to the agenda of the general meeting of shareholders should take part in the general meeting of shareholders. Proposed candidates to member of the collegial body should also participate in the general meeting of shareholders in case the election of new members is included into the agenda of the general meeting of shareholders.	Yes	The last General Meeting of Shareholders was attended by the Chairperson of the Board of the Company, Chief Executive Officer of the Company, Chief Finance Officer and Head of the Legal and Compliance Unit.
Principle 2: Supervisory board **2.1. Functions and liability of the supervisory board** **The supervisory board of the company should ensure representation of the interests of the company and its shareholders, accountability of this body to the shareholders and objective monitoring of the company's operations and its management bodies as well as constantly provide recommendations to the management bodies of the company.** **The supervisory board should ensure the integrity and transparency of the company's financial accounting and control system.**		
2.1.1. Members of the supervisory board should act in good faith, with care and responsibility for the benefit and in the interests of the company and its shareholders and represent their interests, having regard to the interests of employees and public welfare.	Yes	The obligations specified in the recommendation are embedded in the agreement on the activities of an independent member of the Supervisory Council. The form of the agreement is approved by the Company's General Meeting of Shareholders.
2.1.2. Where decisions of the supervisory board may have a different effect on the interests of the company's shareholders, the supervisory board should treat all shareholders impartially and fairly. It should ensure that shareholders are properly informed about the company's strategy, risk management and control, and resolution of conflicts of interest.	Yes	The agreements with the members of the Supervisory Council stipulates that each independent member of the Supervisory Council has a duty to act in the interests of the Company and all its shareholders.
2.1.3. The supervisory board should be impartial in passing decisions that are significant for the company's operations and strategy. Members of the supervisory board should act and pass decisions without an external influence from the persons who elected them.	Yes	The Supervisory Council of the Company acts independently in accordance with the requirements of legal acts when making decisions that are significant to the Company's activities and strategy.
2.1.4. Members of the supervisory board should clearly voice their objections in case they believe that a decision of the supervisory board is against the interests of the company. Independent[2] members of the supervisory board should: a) maintain independence of their analysis and decision-making; b) not seek or accept any unjustified privileges that might compromise their independence.	Yes	The members of the Supervisory Council have the right to express their opinion on all the agenda of the meeting in accordance with the Rules of Procedure of the Company's Supervisory Council, which must be duly reflected in the minutes of the meeting. The obligations specified in the recommendation are embedded in the agreement on the activities of an independent member of the Supervisory Council.

[1] For the purposes of this Code, heads of the administration are the employees of the company who hold top level management positions.
[2] For the purposes of this Code, the criteria of independence of members of the supervisory board are interpreted as the criteria of unrelated parties defined in Article 31(7) and (8) of the Law on Companies of the Republic of Lithuania.

PRINCIPLES / RECOMMENDATIONS	YES / NO	COMMENTARY
2.1.5. The supervisory board should oversee that the company's tax planning strategies are designed and implemented in accordance with the legal acts in order to avoid faulty practice that is not related to the long-term interests of the company and its shareholders, which may give rise to reputational, legal or other risks.	Yes	The Supervisory Council of the Company in the exercise of its competence to supervise the activities of the Company's management bodies, also performs the duties specified in the recommendation.
2.1.6. The company should ensure that the supervisory board is provided with sufficient resources (including financial ones) to discharge their duties, including the right to obtain all the necessary information or to seek independent professional advice from external legal, accounting or other experts on matters pertaining to the competence of the supervisory board and its committees.	Yes	The Company ensures the provision of the Supervisory Council with the resources necessary for its activities (provides technical support during the meetings of the Supervisory Council, provides all the necessary information). The Articles of Association of the Company stipulate that the Board must submit to the Supervisory Council the documents related to the activities of the Company requested by it. The right to information is also detailed in the contract for the activities of a member of the Supervisory Council.
2.2. Formation of the supervisory board **The procedure of the formation of the supervisory board should ensure proper resolution of conflicts of interest and effective and fair corporate governance.**		
2.2.1. The members of the supervisory board elected by the general meeting of shareholders should collectively ensure the diversity of qualifications, professional experience and competences and seek for gender equality. With a view to maintain a proper balance between the qualifications of the members of the supervisory board, it should be ensured that members of the supervisory board, as a whole, should have diverse knowledge, opinions and experience to duly perform their tasks.	Yes	According to the Law on Companies of the Republic of Lithuania, the Supervisory Council is elected, and the qualifications of its members are assessed at the General Meeting of Shareholders.
2.2.2. Members of the supervisory board should be appointed for a specific term, subject to individual re-election for a new term in office in order to ensure necessary development of professional experience.	Yes	The members of the Company's Supervisory Council are elected for a maximum term of 4 years specified in the Law on Companies of the Republic of Lithuania. The Articles of Association of the Company provide for the possibility to recall the entire Supervisory Council or its individual members before the end of the term of office of the Supervisory Council.
2.2.3. Chair of the supervisory board should be a person whose current or past positions constituted no obstacle to carry out impartial activities. A former manager or management board member of the company should not be immediately appointed as chair of the supervisory board either. Where the company decides to depart from these recommendations, it should provide information on the measures taken to ensure impartiality of the supervision.	Yes	The chairperson of the Supervisory Council of the Company and the Chief Executive Officer of the Company is not the same person.
2.2.4. Each member should devote sufficient time and attention to perform his duties as a member of the supervisory board. Each member of the supervisory board should undertake to limit his other professional obligations (particularly the managing positions in other companies) so that they would not interfere with the proper performance of the duties of a member of the supervisory board. Should a member of the supervisory board attend less than a half of the meetings of the supervisory board throughout the financial year of the company, the shareholders of the company should be notified thereof.	Yes	Each member of the Supervisory Council participates in the meetings of the collegial body and devote sufficient time to perform their duties as a member of the collegial body. In 2023, 9 meetings of the Company's Supervisory Council were held, which were attended by all members of the Supervisory Council.
2.2.5. When it is proposed to appoint a member of the supervisory board, it should be announced which members of the supervisory board are deemed to be independent. The supervisory board may decide that, despite the fact that a particular member meets all the criteria of independence, he/she cannot be considered independent due to special personal or company-related circumstances.	Yes	Information on candidates for members of the Company's Supervisory Council (as well as information on the candidate's compliance with the independence requirements) is submitted to the General Meeting of Shareholders in accordance with the procedure established by the Law on Companies of the Republic of Lithuania.
2.2.6. The amount of remuneration to members of the supervisory board for their activity and participation in meetings of the supervisory board should be approved by the general meeting of shareholders.	Yes	An independent member of the Supervisory Council shall be remunerated for his / her activities in the Supervisory Council in accordance with the procedure and conditions established in the agreement signed with him / her regarding the activities of the independent member of the Supervisory Council. The terms and conditions of the agreement with the independent member of the Supervisory Council shall be approved by the General Meeting of Shareholders.
2.2.7. Every year the supervisory board should carry out an assessment of its activities. It should include evaluation of the structure of the supervisory board, its work organization and ability to act as a group, evaluation of the competence and work efficiency of each member of the supervisory board, and evaluation whether the supervisory board has	Yes	The Supervisory Council evaluates its activities every year. The Supervisory Council evaluates the organization of meetings, efficiency, need for competencies, mutual cooperation, cooperation with management, etc.

PRINCIPLES / RECOMMENDATIONS	YES / NO	COMMENTARY
achieved its objectives. The supervisory board should, at least once a year, make public respective information about its internal structure and working procedures.		
Principle 3: Management Board **3.1. Functions and liability of the management board** **The management board should ensure the implementation of the company's strategy and good corporate governance with due regard to the interests of its shareholders, employees and other interest groups.**		
3.1.1. The management board should ensure the implementation of the company's strategy approved by the supervisory board if the latter has been formed at the company. In such cases where the supervisory board is not formed, the management board is also responsible for the approval of the company's strategy.	Yes	The Board of the Company implements the strategy of the parent company, which is approved by the Supervisory Council of the Company.
3.1.2. As a collegial management body of the company, the management board performs the functions assigned to it by the Law and in the articles of association of the company, and in such cases where the supervisory board is not formed in the company, it performs inter alia the supervisory functions established in the Law. By performing the functions assigned to it, the management board should take into account the needs of the company's shareholders, employees and other interest groups by respectively striving to achieve sustainable business development.	Yes	Because the Supervisory Council is formed in the Company, the Board performs the functions of the Company's collegial management body. The obligation to take into account the Company, shareholders, employees and other interest groups is embedded in the agreement signed with each of the members of the Board regarding the activities of the member of the Board.
3.1.3.The management board should ensure compliance with the laws and the internal policy of the company applicable to the company or a group of companies to which this company belongs. It should also establish the respective risk management and control measures aimed at ensuring regular and direct liability of managers.	Yes	The Company's Articles of Association stipulate which Company's documents (guidelines, policies, etc.) are approved by the Board. In cases where the documents are approved by the Supervisory Council, the Board shall submit comments and suggestions. In accordance with the Company's Articles of Association, the Board considers and approves the Company's list of risks and the plan of measures to reduce them, the risk report, and the risk management policy.
3.1.4. Moreover, the management board should ensure that the measures included into the OECD Good Practice Guidance[3] on Internal Controls, Ethics and Compliance are applied at the company in order to ensure adherence to the applicable laws, rules and standards.	Yes	The Company has various documents in place to ensure internal control, ethics, and compliance management measures, for example: the Head of Internal Audit is an independent position, reports to the Audit Committee and is administratively subordinate to the CEO; The Company has a Code of Conduct (Code of Ethics) that applies to all employees of the Company, including members of the Board and the Supervisory Council.
3.1.5. When appointing the manager of the company, the management board should take into account the appropriate balance between the candidate's qualifications, experience and competence	Yes	When appointing the CEO, the Board of the Company shall take into account his/her qualifications, experience and competence.
3.2. Formation of the management board		
3.2.1. The members of the management board elected by the supervisory board or, if the supervisory board is not formed, by the general meeting of shareholders should collectively ensure the required diversity of qualifications, professional experience and competences and seek for gender equality. With a view to maintain a proper balance in terms of the current qualifications possessed by the members of the management board, it should be ensured that the members of the management board would have, as a whole, diverse knowledge, opinions and experience to duly perform their tasks.	Yes	The Board of the Company ensures the balance of qualifications of its members. The members of the Board of the Company are elected by the Supervisory Council of the Company (Selection Committee), which evaluates the qualifications of the candidates, experience in the management position, suitability to hold the position of a member of the Board of the Company and other necessary aspects. The aim is for the members of the Board to have competencies considering the responsibilities and functions of the Board. Every year, the members of the Board conduct a self-assessment of their activities.
3.2.2. Names and surnames of the candidates to become members of the management board, information on their educational background, qualifications, professional experience, current positions, other important professional obligations and potential conflicts of interest should be disclosed without violating the requirements of the legal acts regulating the handling of personal data at the meeting of the supervisory board in which the management board or individual members of the management board are elected. In the event that the supervisory board is not formed, the	Yes	Information on candidates and their suitability to hold the position of a member of the Company's collegial body is provided in accordance with the procedure established by legal acts, the suitability of candidates is assessed by the Selection Committee. Information about the candidates for the members of the Board of the Company, including their curriculum vitae and declaration of interests, and other documents specified in legal acts shall be submitted at the

[3] Link to the OECD Good Practice Guidance on Internal Controls, Ethics and Compliance: https://www.oecd.org/daf/anti-bribery/44884389.pdf

PRINCIPLES / RECOMMENDATIONS	YES / NO	COMMENTARY
information specified in this paragraph should be submitted to the general meeting of shareholders. The management board should, on yearly basis, collect data provided in this paragraph on its members and disclose it in the company's management report.		meeting of the Supervisory Council of the Company at which the Board or its individual members are elected. Information on the positions held by the members of the Board or their participation in the activities of other companies is regularly collected, stored, and presented in the Company's Management Report and on the Company's website.
3.2.3. All new members of the management board should be familiarized with their duties and the structure and operations of the company.	Yes	After their election, the members of the Board are acquainted with the Company's activities, organizational and management structure, strategy, operational and financial plans.
3.2.4. Members of the management board should be appointed for a specific term, subject to individual re-election for a new term in office in order to ensure necessary development of professional experience and sufficiently frequent reconfirmation of their status.	Yes	The Board members are appointed for a fixed term, i.e., Board members are elected for a period of 4 (four) years. The Company's Articles of Association provide for the possibility to remove both individual members of the Board and the entire Board before the end of its term. The right to recall members of the Board (individual or all) belongs to the Company's Supervisory Council.
3.2.5. Chair of the management board should be a person whose current or past positions constitute no obstacle to carry out impartial activity. Where the supervisory board is not formed, the former manager of the company should not be immediately appointed as chair of the management board. When a company decides to depart from these recommendations, it should furnish information on the measures it has taken to ensure the impartiality of supervision.	Yes	The current or former position of the Chairperson of the Board of the Company does not create preconditions for the possible emergence of impartiality. The Chairperson of the Board of the Company has not held the position of the CEO of the Company.
3.2.6. Each member should devote sufficient time and attention to perform his duties as a member of the management board. Should a member of the management board attend less than a half of the meetings of the management board throughout the financial year of the company, the supervisory board of the company or, if the supervisory board is not formed at the company, the general meeting of shareholders should be notified thereof.	Yes	The members of the Board of the Company actively participate in the meetings of the Board and devote sufficient time to the performance of their duties as a member of the collegial body. In 2023, 15 meetings of the Company's Board were held.
3.2.7. In the event that the management board is elected in the cases established by the Law where the supervisory board is not formed at the company, and some of its members will be independent, it should be announced which members of the management board are deemed as independent. The management board may decide that, despite the fact that a particular member meets all the criteria of independence established by the Law, he/she cannot be considered independent due to special personal or company-related circumstances.	Yes	The Supervisory Council is formed in the Company.
3.2.8. The general meeting of shareholders of the company should approve the amount of remuneration to the members of the management board for their activity and participation in the meetings of the management board.	Yes	Members of the Board are paid based on the Remuneration Policy of the Company approved by the General Meeting of Shareholders and agreement concluded with the Company that is approved by the Supervisory Council.
3.2.9. The members of the management board should act in good faith, with care and responsibility for the benefit and the interests of the company and its shareholders with due regard to other stakeholders. When adopting decisions, they should not act in their personal interest; they should be subject to no-compete agreements and they should not use the business information or opportunities related to the company's operations in violation of the company's interests.	Yes	These duties of the members of the Board are provided for in the activity agreement of the member of the Board signed with the Company, as well as in the Rules of Procedure of the Board.
3.2.10. Every year the management board should carry out an assessment of its activities. It should include evaluation of the structure of the management board, its work organization and ability to act as a group, evaluation of the competence and work efficiency of each member of the management board, and evaluation whether the management board has achieved its objectives. The management board should, at least once a year, make public respective information about its internal structure and working procedures in observance of the legal acts regulating the processing of personal data.	Yes	Every year, the members of the Board of the Company evaluate their activities by filling in questionnaires, which include an evaluation of the work organization of the Board, cooperation with the management, etc., the results of the evaluation of activities are discussed at the Board meeting. Information on the internal structure and work procedure of the Board is published in the Company's Management Report.
Principle 4: Rules of procedure of the supervisory board and the management board of the company **The rules of procedure of the supervisory board, if it is formed at the company, and of the management board should ensure efficient operation and decision-making of these bodies and promote active cooperation between the company's management bodies.**		

PRINCIPLES / RECOMMENDATIONS	YES / NO	COMMENTARY
4.1. The management board and the supervisory board, if the latter is formed at the company, should act in close cooperation in order to attain benefit for the company and its shareholders. Good corporate governance requires an open discussion between the management board and the supervisory board. The management board should regularly and, where necessary, immediately inform the supervisory board about any matters significant for the company that are related to planning, business development, risk management and control, and compliance with the obligations at the company. The management board should inform he supervisory board about any derogations in its business development from the previously formulated plans and objectives by specifying the reasons for this.	Yes	The legal acts regulating the activities of the Company's Supervisory Council and the Board, the Articles of Association, the Company's Corporate Governance Policy and the Rules of Procedure of collegial bodies establish the principles and procedure of cooperation between the Company's Supervisory Council and the Board and ensure that management and supervisory bodies function properly.
4.2. It is recommended that meetings of the company's collegial bodies should be held at the respective intervals, according to the pre-approved schedule. Each company is free to decide how often meetings of the collegial bodies should be convened but it is recommended that these meetings should be convened at such intervals that uninterruptable resolution of essential corporate governance issues would be ensured. Meetings of the company's collegial bodies should be convened at least once per quarter.	Yes	Meetings of collegial bodies are held according to the annual meeting schedules approved in advance by the collegial bodies (in coordination with the management).
4.3. Members of a collegial body should be notified of the meeting being convened in advance so that they would have sufficient time for proper preparation for the issues to be considered at the meeting and a fruitful discussion could be held and appropriate decisions could be adopted. Along with the notice of the meeting being convened all materials relevant to the issues on the agenda of the meeting should be submitted to the members of the collegial body. The agenda of the meeting should not be changed or supplemented during the meeting, unless all members of the collegial body present at the meeting agree with such change or supplement to the agenda, or certain issues that are important to the company require immediate resolution.	Yes	The members of the collegial body know about the agenda of the meeting in advance. Preliminary agendas for meetings for the whole year are drawn up at the beginning of the year. The agendas are then adjusted and completed before each meeting (usually at least 10 days before the meeting). The members of the collegial bodies receive the material necessary for making decisions on the issues of the agenda in advance (5-7 days in advance) and have the opportunity to get acquainted with it and ask questions, and for clarification. All members of the collegial body shall be informed about any comments or clarifications received.
4.4. In order to coordinate the activities of the company's collegial bodies and ensure effective decision-making process, the chairs of the company's collegial supervision and management bodies should mutually agree on the dates and agendas of the meetings and close cooperate in resolving other matters related to corporate governance. Meetings of the company's supervisory board should be open to members of the management board, particularly in such cases where issues concerning the removal of the management board members, their responsibility or remuneration are discussed.	Yes	The dates and agendas of the meetings are coordinated so that all members of the collegial bodies can participate in them. The Chairperson of the Board regularly presents to the Supervisory Council the most important decisions made by the Board.
Principle 5: Nomination, remuneration and audit committees **5.1. Purpose and formation of committees** **The committees formed at the company should increase the work efficiency of the supervisory board or, where the supervisory board is not formed, of the management board which performs the supervisory functions by ensuring that decisions are based on due consideration and help organise its work in such a way that the decisions it takes would be free of material conflicts of interest.** **Committees should exercise independent judgment and integrity when performing their functions and provide the collegial body with recommendations concerning the decisions of the collegial body. However, the final decision should be adopted by the collegial body.**		
5.1.1. Taking due account of the company-related circumstances and the chosen corporate governance structure, the supervisory board of the company or, in cases where the supervisory board is not formed, the management board which performs the supervisory functions, establishes committees. It is recommended that the collegial body should form the nomination, remuneration and audit committees[4].	Yes	The Audit Committee, elected by the Supervisory Council, is formed within the Company. The Supervisory Council determined its functions, rights and obligations. The Company's Audit Committee has been assigned with advisory functions related to the audit control and assessment and covering supervision of financial reports preparation and audit execution process, examination of its effectiveness and implementation of recommendations, analysis of need of internal audit functions and other functions, as provided by the Resolution No. 03-14 of the Board of the Bank of Lithuania on 24 January 2017, observes the integrity of the financial information provided by the Company, paying special attention to the relevance and transparency of the accounting methods used by the Company and its group.

[4] The legal acts may provide for the obligation to form a respective committee. For example, the Law on the Audit of Financial Statements of the Republic of Lithuania provides that public-interest entities (including but not limited to public limited liability companies whose securities are traded on a regulated market of the Republic of Lithuania and/or of any other Member State) are under the obligation to set up an audit committee (the legal acts provide for the exemptions where the functions of the audit committee may be carried out by the collegial body performing the supervisory functions).

PRINCIPLES / RECOMMENDATIONS	YES / NO	COMMENTARY
		The Remuneration and Nomination Committee, elected by the Supervisory Council is formed within the Company. Supervisory Council determined its functions, rights and obligations. The Company's Remuneration and Nomination Committee acts as an advisory body to the Company's Supervisory Council, making recommendations on the Company's remuneration policy, proposing to the Company the criteria for assessing the performance of its executives, and making other recommendations relating to remuneration.
5.1.2.Companies may decide to set up less than three committees. In such case companies should explain in detail why they have chosen the alternative approach, and how the chosen approach corresponds with the objectives set for the three different committees.	Yes	Refer to the comment submitted regarding the item 5.1.1. above.
5.1.3. In the cases established by the legal acts the functions assigned to the committees formed at companies may be performed by the collegial body itself. In such case the provisions of this Code pertaining to the committees (particularly those related to their role, operation and transparency) should apply, where relevant, to the collegial body as a whole.	Yes	Refer to the comment submitted regarding the item 5.1.1. above.
5.1.4. Committees established by the collegial body should normally be composed of at least three members. Subject to the requirements of the legal acts, committees could be comprised only of two members as well. Members of each committee should be selected on the basis of their competences by giving priority to independent members of the collegial body. The chair of the management board should not serve as the chair of committees.	Yes	The Audit Committee, formed by the Supervisory Council, comprises of three members. All of the acting members of the Audit Committee were independent. The Remuneration and Nomination Committee, formed by the Supervisory Council, comprises of three members. Two out of three members of the Remuneration and Nomination Committee were independent.
5.1.5. The authority of each committee formed should be determined by the collegial body itself. Committees should perform their duties according to the authority delegated to them and regularly inform the collegial body about their activities and performance on a regular basis. The authority of each committee defining its role and specifying its rights and duties should be made public at least once a year (as part of the information disclosed by the company on its governance structure and practice on an annual basis). In compliance with the legal acts regulating the processing of personal data, companies should also include in their annual reports the statements of the existing committees on their composition, the number of meetings and attendance over the year as well as the main directions of their activities and performance.	Yes	The committees are formed by the decision of the Supervisory Council. The rules of procedure of the committees, the rights, and obligations of the members of the committees, as well as the measures to ensure the activities of the members of the committees shall be established by the rules for the establishment and operation of the relevant committees approved by the Supervisory Council. Information on the composition of committees, number of meetings, participation and main activities is disclosed in the Company's Management Report.
5.1.6. With a view to ensure the independence and impartiality of the committees, the members of the collegial body who are not members of the committees should normally have a right to participate in the meetings of the committee only if invited by the committee. A committee may invite or request that certain employees of the company or experts would participate in the meeting. Chair of each committee should have the possibility to maintain direct communication with the shareholders. Cases where such practice is to be applied should be specified in the rules regulating the activities of the committee.	Yes	The rules of formation and operation of the Audit Committee of the Company provide for the right of the Audit Committee to invite the responsible persons of the Company to its meetings and to receive the necessary explanations from them in accordance with their competence. The rules of formation and operation of the Remuneration and Nomination Committee of the Company provide for the right of the Remuneration and Nomination Committee to invite the responsible persons of the Company to its meetings and to receive the necessary explanations from them in accordance with their competence.
5.2. Nomination committee		
5.2.1. The key functions of the nomination committee should be the following: 1) to select candidates to fill vacancies in the membership of supervisory and management bodies and the administration and recommend the collegial body to approve them. The nomination committee should evaluate the balance of skills, knowledge and experience in the management body, prepare a description of the functions and capabilities required to assume a particular position and assess the time commitment expected; 2) assess, on a regular basis, the structure, size and composition of the supervisory and management bodies as well as the skills, knowledge and activity of its members, and provide the collegial body with recommendations on how the required changes should be sought; 3) devote the attention necessary to ensure succession planning.	Yes	The Remuneration and Nomination Committee in the Company was formed on 24th of November 2022 by electing two members of the Supervisory Council, and on 22nd of February 2023 an independent member was elected. The functions of the Remuneration and Nomination Committee are set in the Rules of Activities of the Remuneration and Nomination Committee and cover the advisory function in selection of candidates to the membership in supervisory and management bodies and administration, as well as assessment and recommendation on structure, size and composition of supervisory and management bodies as well as attention to succession planning ensurance. In addition, Remuneration and Nomination Committee provides proposals and recommendations on Remuneration Policy applied to members of the supervisory and management bodies and the heads of the administration as well as individual remuneration, review on Remuneration Policy and its implementation.

PRINCIPLES / RECOMMENDATIONS	YES / NO	COMMENTARY
5.2.2. When dealing with issues related to members of the collegial body who have employment relationships with the company and the heads of the administration, the manager of the company should be consulted by granting him/her the right to submit proposals to the Nomination Committee.	Yes	The Rules on Activities of the Remuneration and Nomination Committee provide the right to the Chief Executive Officer consult and submit proposals to the Remuneration and Nomination Committee.
5.3. Remuneration committee		
5.3.1. The main functions of the remuneration committee should be as follows: 1) submit to the collegial body proposals on the remuneration policy applied to members of the supervisory and management bodies and the heads of the administration for approval. Such policy should include all forms of remuneration, including the fixed-rate remuneration, performance-based remuneration, financial incentive schemes, pension arrangements and termination payments as well as conditions which would allow the company to recover the amounts or suspend the payments by specifying the circumstances under which it would be expedient to do so; 2) submit to the collegial body proposals regarding individual remuneration for members of the collegial bodies and the heads of the administration in order to ensure that they would be consistent with the company's remuneration policy and the evaluation of the performance of the persons concerned; 3) review, on a regular basis, the remuneration policy and its implementation.	Yes	Refer to the comment submitted regarding the item 5.2.1. above.
5.4. Audit committee		
5.4.1. The key functions of the audit committee are defined in the legal acts regulating the activities of the audit committee[5].	Yes	The functions of the Audit Committee are also defined in the rules of formation and operation of the Company's Audit Committee.
5.4.2. All members of the committee should be provided with detailed information on specific issues of the company's accounting system, finances and operations. The heads of the company's administration should inform the audit committee about the methods of accounting for significant and unusual transactions where the accounting may be subject to different approaches.	Yes	The members of the Audit Committee of the Company, while performing their duties, have the right to receive from the Company the required documents and / or copies thereof and the information required to perform the functions of the Audit Committee.
5.4.3. The audit committee should decide whether the participation of the chair of the management board, the manager of the company, the chief finance officer (or senior employees responsible for finance and accounting), the internal and external auditors in its meetings is required (and, if required, when). The committee should be entitled, when needed, to meet the relevant persons without members of the management bodies present.	Yes	The Head of Internal Audit participates in the meetings of the Audit Committee, and other staff, if necessary, when discussing specific issues. Representatives of the Company performing the independent audit of the financial statements participate in the meeting of the Audit Committee, if necessary.
5.4.4. The audit committee should be informed about the internal auditor's work program and should be furnished with internal audit reports or periodic summaries. The audit committee should also be informed about the work program of external auditors and should receive from the audit firm a report describing all relationships between the independent audit firm and the company and its group.	Yes	The Audit Committee shall receive the information referred to in this paragraph and approve the annual plans of the internal audit. The Head of Internal Audit informs the Audit Committee about the implementation of the internal audit plans and provides reports. Representatives of the company performing the independent audit of the financial statements shall participate in the meeting of the Audit Committee, if necessary.
5.4.5. The audit committee should examine whether the company complies with the applicable provisions regulating the possibility of lodging a complaint or reporting anonymously his/her suspicions of potential violations committed at the company and should also ensure that there is a procedure in place for proportionate and independent investigation of such issues and appropriate follow-up actions.	Yes	Possible violations can be reported to the e-mail address SpeakUp@kn.lt (information is available to the Head of Internal Audit). The notification channel is open to all natural or legal persons: both current or former Company's employees and former or potential Company's customers, contractors, suppliers, the community. Possible violations can also be reported directly to the collegial supervisory bodies of the Company by e-mail: SupervisoryBodies@kn.lt

[5] Issues related to the activities of audit committees are regulated by Regulation No. 537/2014 of the European Parliament and the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities, the Law on the Audit of Financial Statements of the Republic of Lithuania, and the Rules Regulating the Activities of Audit Committees approved by the Bank of Lithuania.

PRINCIPLES / RECOMMENDATIONS	YES / NO	COMMENTARY
5.4.6. The audit committee should submit to the supervisory board or, where the supervisory board is not formed, to the management board its activity report at least once in every six months, at the time that annual and half-yearly reports are approved.	Yes	The Audit Committee informs the Supervisory Council of its activities at least once a quarter and submits a written report on its activities to the Supervisory Council quarterly. The Audit Committee also informs the Board about its activities at least once a year.
Principle 6: Prevention and disclosure of conflicts of interest **The corporate governance framework should encourage members of the company's supervisory and management bodies to avoid conflicts of interest and ensure a transparent and effective mechanism of disclosure of conflicts of interest related to members of the supervisory and management bodies.**		
6.1. When appointing the manager of the company, the management board should take into account the appropriate balance between the candidate's qualifications, experience and competence. 6.1. Any member of the company's supervisory and management body should avoid a situation where his/her personal interests are or may be in conflict with the company's interests. In case such a situation did occur, a member of the company's supervisory or management body should, within a reasonable period of time, notify other members of the same body or the body of the company which elected him/her or the company's shareholders of such situation of a conflict of interest, indicate the nature of interests and, where possible, their value.	Yes	The members of the Company's supervisory and management bodies oblige to act in such a manner so as to avoid conflict of interests with the Company. This is determined in the Articles of Association of the Company and in other documents of operation of the Company. For this purpose, the member of the Company's supervisory and management bodies submits to the Company's body that elected them and the Company the declarations about the absence of the conflict of interests and oblige to immediately inform about any change of the circumstances revealed in these declarations. In case of a conflict of interests between a member of the Company's supervisory and management bodies and the Company during discussion of issues, such a member of the supervisory or management bodies shall immediately notify Company's body that elected them and not participate in voting regarding specific items in view of which such conflict arose. A member of the supervisory and management bodies shall not be entitled to vote when the meeting of the supervisory and management bodies discusses the issue related to his work on the supervisory and management bodies or the issue of his responsibility.
Principle 7: Remuneration policy of the company **The remuneration policy and the procedure for review and disclosure of such policy established at the company should prevent potential conflicts of interest and abuse in determining remuneration of members of the collegial bodies and heads of the administration, in addition it should ensure the publicity and transparency of the company's remuneration policy and its long-term strategy.**		
7.1. The company should approve and post the remuneration policy on the website of the company; such policy should be reviewed on a regular basis and be consistent with the company's long-term strategy.	Yes	On 2022 October 20, the Annual General Meeting of Shareholders approved the updated Company's Remuneration Policy, which applies to the CEO of the Company, members of the Board, the Supervisory Council, and other committees. This remuneration policy defines the principles and procedures for determining, paying, and promoting the remuneration of members of the Supervisory Council, members of the Board, and Committees and the head of the Company who are independent and not independent but not employees of the state representative body. New amended Remuneration Policy was approved by the General Meeting of Shareholders on 30th of November 2023, it came into force on 10th of January 2024. Published on the Company's website https://www.kn.lt/en/about-us/operational-documentation/remuneration-policy/3456
7.2. The remuneration policy should include all forms of remuneration, including the fixed-rate remuneration, performance-based remuneration, financial incentive schemes, pension arrangements and termination payments as well as the conditions specifying the cases where the company can recover the disbursed amounts or suspend the payments.	Yes	The Company's Remuneration Policy determines the components of remuneration, their maximum amounts, and the principles of awarding and paying.
7.3. With a view to avoid potential conflicts of interest, the remuneration policy should provide that members of the collegial bodies which perform the supervisory functions should not receive remuneration based on the company's performance.	Yes	The remuneration of the members of the collegial bodies that perform supervisory functions does not depend on the performance of the Company.
7.4. The remuneration policy should provide sufficient information on the policy regarding termination payments. Termination payments should not exceed a fixed amount or a fixed number of annual wages and in general should not be higher than the non-variable component of remuneration for two years or the equivalent thereof. Termination payments should not be paid if the contract is terminated due to inadequate performance.	Not applicable	Termination payments are not foreseen in the Remuneration Policy of the Company (https://www.kn.lt/apie-mus/darbo-uzmokestis/1975).

PRINCIPLES / RECOMMENDATIONS	YES / NO	COMMENTARY
7.5. In the event that the financial incentive scheme is applied at the company, the remuneration policy should contain sufficient information about the retention of shares after the award thereof. Where remuneration is based on the award of shares, shares should not be vested at least for three years after the award thereof. After vesting, members of the collegial bodies and heads of the administration should retain a certain number of shares until the end of their term in office, subject to the need to compensate for any costs related to the acquisition of shares.	Not applicable	During the year under review the Company has not applied any schemes anticipating remuneration of directors in shares, share options or any other right to purchase shares or be remunerated on the basis of share price movements. This has not been provided for neither by the existing Management personnel remuneration procedure nor employment contracts with directors and other employees of the Company.
7.6. The company should publish information about the implementation of the remuneration policy on its website, with a key focus on the remuneration policy in respect of the collegial bodies and managers in the next and, where relevant, subsequent financial years. It should also contain a review of how the remuneration policy was implemented during the previous financial year. The information of such nature should not include any details having a commercial value. Particular attention should be paid on the major changes in the company's remuneration policy, compared to the previous financial year.	Yes	The Company's Remuneration Report for 2023 will be published on the website www.kn.lt.
7.7. It is recommended that the remuneration policy or any major change of the policy should be included on the agenda of the general meeting of shareholders. The schemes under which members and employees of a collegial body receive remuneration in shares or share options should be approved by the general meeting of shareholders.	Yes	The Remuneration Policy stipulates that the policy is submitted for approval to the General Meeting of Shareholders at least every 4 (four) years, as well as if there are significant changes in the policy. In the event of a change in the Remuneration Policy, all policy statements approved after the last General Meeting of Shareholders vote on the Remuneration Policy shall be submitted to the Meeting.
Principle 8: Role of stakeholders in corporate governance **The corporate governance framework should recognize the rights of stakeholders entrenched in the laws or mutual agreements and encourage active cooperation between companies and stakeholders in creating the company value, jobs and financial sustainability. In the context of this principle the concept "stakeholders" includes investors, employees, creditors, suppliers, clients, local community and other persons having certain interests in the company concerned.**		
8.1. The corporate governance framework should ensure that the rights and lawful interests of stakeholders are protected.	Yes	The execution of this recommendation is ensured by the accurate supervision and control of the state institutions and organisations regulating and controlling the Company's activities. The management bodies consult with the employees on corporate governance and other important issues, (employee) participation in the Company's share capital is not limited. Publicity of the essential information about the Company's activity creates the conditions for the holders of interests to participate in the management of the Company according to the procedure established by the law and the Article of Association, as well as for the Company's employees also according to the Collective Agreement of the Company.
8.2. The corporate governance framework should create conditions for stakeholders to participate in corporate governance in the manner prescribed by law. Examples of participation by stakeholders in corporate governance include the participation of employees or their representatives in the adoption of decisions that are important for the company, consultations with employees or their representatives on corporate governance and other important matters, participation of employees in the company's authorized capital, involvement of creditors in corporate governance in the cases of the company's insolvency, etc.	Yes	
8.3. Where stakeholders participate in the corporate governance process, they should have access to relevant information.	Yes	
8.4. Stakeholders should be provided with the possibility of reporting confidentially any illegal or unethical practices to the collegial body performing the supervisory function.	Yes	
Principle 9: Disclosure of information **The corporate governance framework should ensure the timely and accurate disclosure of all material corporate issues, including the financial situation, operations and governance of the company.**		
9.1. In accordance with the company's procedure on confidential information and commercial secrets and the legal acts regulating the processing of personal data, the information publicly disclosed by the company should include but not be limited to the following:	Yes	Performance and corporate governance is regularly disclosed by distributing press posts about publicly undisclosed information, related to the Company on AB Nasdaq Vilnius Stock Exchange website, as well as in the Company's annual reports and financial statements, press releases published in the exchange and in other public presentations of the Company activity. The Company is not limited only by disclosure of minimum necessary public information and also publishes other important information about the Company's activity. The documents that contain certain information are published in Lithuanian and English on the publicly accessible website of the AB Nasdaq Vilnius Stock Exchange.

PRINCIPLES / RECOMMENDATIONS	YES / NO	COMMENTARY
9.1.1. operating and financial results of the company;	Yes	They are made public on a monthly basis, as well as in the Company's Interim and Annual Reports.
9.1.2. objectives and non-financial information of the company;	Yes	Published in the Company's Interim and Annual Reports, in the Company's Corporate Strategy.
9.1.3. persons holding a stake in the company or controlling it directly and/or indirectly and/or together with related persons as well as the structure of the group of companies and their relationships by specifying the final beneficiary;	Yes	They are made public in the Company's Interim and Annual Reports, on the Company's website.
9.1.4. members of the company's supervisory and management bodies who are deemed independent, the manager of the company, the shares or votes held by them at the company, participation in corporate governance of other companies, their competence and remuneration;	Yes	They are made public in the Company's Interim and Annual Reports.
9.1.5. reports of the existing committees on their composition, number of meetings and attendance of members during the last year as well as the main directions and results of their activities;	Yes	They are made public in the Company's Interim and Annual Reports.
9.1.6. potential key risk factors, the company's risk management and supervision policy;	Yes	They are made public in the Company's Annual Reports.
9.1.7. the company's transactions with related parties;	Yes	The information is published on the Company's website.
9.1.8. main issues related to employees and other stakeholders (for instance, human resource policy, participation of employees in corporate governance, award of the company's shares or share options as incentives, relationships with creditors, suppliers, local community, etc.);	Yes	They are made public in the Company's Interim and Annual Reports, on the Company's website.
9.1.9. structure and strategy of corporate governance;	Yes	They are made public in the Company's Interim and Annual Reports, on the Company's website.
9.1.10. initiatives and measures of social responsibility policy and anti-corruption fight, significant current or planned investment projects. This list is deemed minimum, and companies are encouraged not to restrict themselves to the disclosure of information included into this list. This principle of the Code does not exempt companies from their obligation to disclose information as provided for in the applicable legal acts.	Yes	They are made public in the Company's Interim and Annual Reports, on the Company's website.
9.2. When disclosing the information specified in paragraph 9.1.1 of recommendation 9.1, it is recommended that the company which is a parent company in respect of other companies should disclose information about the consolidated results of the whole group of companies.	Yes	Refer to the comment submitted regarding the item 9.1. above.
9.3. When disclosing the information specified in paragraph 9.1.4 of recommendation 9.1, it is recommended that the information on the professional experience and qualifications of members of the company's supervisory and management bodies and the manager of the company as well as potential conflicts of interest which could affect their decisions should be provided. It is further recommended that the remuneration or other income of members of the company's supervisory and management bodies and the manager of the company should be disclosed, as provided for in greater detail in Principle 7.	Yes	Refer to the comment submitted regarding the item 9.1. above.
9.4. Information should be disclosed in such manner that no shareholders or investors are discriminated in terms of the method of receipt and scope of information. Information should be disclosed to all parties concerned at the same time.	Yes	Refer to the comment submitted regarding the item 9.1. above.
Principle 10: Selection of the company's audit firm **The company's audit firm selection mechanism should ensure the independence of the report and opinion of the audit firm.**		
10.1. With a view to obtain an objective opinion on the company's financial condition and financial results, the company's annual financial statements and the financial information provided in its annual report should be audited by an independent audit firm.	Yes	The Company observes this recommendation, annually, an independent firm of auditors conducts an audit of the Company's annual financial statements and report according to the International Accounting Standards and submits an independent auditor's report concerning financial statements.

PRINCIPLES / RECOMMENDATIONS	YES / NO	COMMENTARY
10.2. It is recommended that the audit firm would be proposed to the general meeting of shareholders by the supervisory board or, if the supervisory board is not formed at the company, by the management board of the company.	No	The Company's Board (a collegial body) proposes a candidate firm of auditors to the General Meeting of Shareholders taking into account the Audit Committee recommendation.
10.3. In the event that the audit firm has received remuneration from the company for the non-audit services provided, the company should disclose this publicly. This information should also be available to the supervisory board or, if the supervisory board is not formed at the company, by the management board of the company when considering which audit firm should be proposed to the general meeting of shareholders.	Yes	The information about the payments to the audit company is disclosed in the annual financial statements and also presented to the Company's Audit committee and Supervisory Council when considering which audit firm should be proposed to the General Meeting of Shareholders. Non-audit services were provided by the audit firm for regulated activity review services and remuneration amounts to EUR 13 thousand for both, the Group and the Company.

OTHER INFORMATION

The activity of the Company is based on the Articles of Association, Civil Code and other laws and sub legislative acts of the Republic of Lithuania. Changes in the Articles of Association can be made by the General Meeting of Shareholders.

TRANSACTIONS WITH RELATED PARTIES

The Company did not have any transactions or agreements with the members of its Supervisory Council and the Board. More information regarding transactions with related Parties is presented in the Explanatory note to the Company's financial statements for twelve months of 2024. In 2024 there were no changes in type of transactions with related parties, which could have made impact on the financial activity of the Group and the Company. All transactions with the related parties have been performed under market conditions (following the arm's length principle).

PARTICIPATION IN ASSOCIATIONS

Information on the Company's membership of associations can be found on the KN website: KN memberships.

INFORMATION ABOUT THE AUDIT

Extraordinary General Meeting of Shareholders of the Company, held on 26 November 2024, adopted the following resolutions: 1) To elect PricewaterhouseCoopers, UAB as the audit firm to audit the Company's consolidated and separate financial statements, review regulatory activity reports, provide limited assurance for the sustainability report, assess the management reports and prepare the audit reports for the 2024-2026 financial years. 2) To set that the audit fee to be paid for audit services provided during the 2024-2026 period will not exceed EUR 399 675 excluding VAT.

UAB Ernst & Young Baltic performed the audit for the years 2014-2018. UAB KPMG Baltics performed the audit for the years 2008-2013, 2019-2020, 2021-2023.

The proposal regarding approval of the audit company is provided by the Board of the Company to the General Meeting of Shareholders based on the public procurement procedures.

INTERNAL CONTROL AND RISK MANAGEMENT RELEVANT TO THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Company has internal controls and risk management in place to ensure that the consolidated financial statements are prepared accurately, reliably and in a timely manner:

- The Group has established and implements "Guidelines for the preparation of financial statements" that comply with International Financial Reporting Standards (IFRS). Guidelines are regularly reviewed and updated. The Finance Department coordinates the preparation of the consolidated financial statements.
- Risk assessment: Financial and operational risks that may affect the preparation of the consolidated financial statements are continuously assessed. Identified risks are managed through appropriate controls. More information about risks provided in chapter "Risk factors and Risk Management".
- The Audit Committee advises the Supervisory Board on internal controls and risk management as per the guidelines established. The Company also cooperates with independent auditors who assess the reliability of the consolidated financial statements.

INFORMATION ON KEY INTANGIBLE RESOURCES

The Company assesses the main non-material forms of capital and its financial impacts on the Company's risks and opportunities. These are analysed as part of the double materiality assessment and its identified material outcomes are incorporated in the Company's operations. See more in Sustainability report chapter "Double Materiality Assessment"

ABBREVIATIONS

ABBREVIATION	MEANING
APM	Alternative performance measures
CCS	Carbon capture and storage
CEO	Chief Executive Officer
CO2	Carbon dioxide
comLNG	Commercial LNG activities
D/E	Debt ratio
DSCR	Debt service coverage ratio
EC	European Commission
ESG	Environmental, social, and governance
EU	European Union
FSRU	Floating Storage with Regasification Unit
GHG	Greenhouse gas
GRI	Global Reporting Initiative
HFO	Heavy oil products
IR	Frequency of near misses or potential safety incidents
KLET	Klaipėda Liquid Energy Terminal
KN, Company	AB KN Energies
LET	Liquid Energy Terminals

ABBREVIATION	MEANING
LNG	Liquified Natural Gas
LNGT	Klaipėda LNG Terminal
LP	Light oil products
LTIR	Occupational accident frequency rate
NERC	National Energy Regulation Council
O&M	Operations and Maintenance
OHS	Occupational Health and Safety Management System
PCI	Project of Common Interest
RAB	Regulated asset base
ROA	Return on assets
ROCE	Return on Capital Employed
ROE	Return on equity
SLET	Subačius Liquid Energy Terminal
ssLNG	Small-scale LNG terminal
TRCF	Total recordable case frequency
USA	United States of America
VAT	Value Added Tax
VOC	Volatile organic compound
WACC	Rate of return on investments of regulated activities

7. FINANCIAL STATEMENTS

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION

FOR THE FINANCIAL YEAR ENDING ON 31 DECEMBER 2024

Disclaimer

In compliance with article 4 of the Transparency Directive introduced by the European Commission, the Group and the Company file Consolidated and separate financial statements prepared in accordance with international financial reporting standards as adopted by the European Union and consolidated management report in the European Single Electronic Format (ESEF) using the XHTML format tagging consolidated financial statements, including notes, using Inline eXtensible Business Reporting Language (iXBRL), which is available here. For all intents and purposes, other than the XHTML Consolidated and separate financial statements and the Consolidated management report document is considered as nonofficial version and ESEF version prevails in case of any questions or conflicts.

Accordingly, the independent auditor's report on management report 2024 filed in ESEF, is presented.

STATEMENT OF FINANCIAL POSITION

	Notes	GROUP			COMPANY		
		31-12-2024	31-12-2023 (restated)*	01-01-2023 (restated)*	31-12-2024	31-12-2023 (restated)*	01-01-2023 (restated)*
ASSETS							
Non-current assets							
Intangible assets		469	643	793	432	545	645
Property, plant and equipm	4	426,752	140,709	145,800	426,707	140,623	145,683
Right-of-use assets	3,4	19,097	312,880	326,371	19,093	312,861	326,351
Other financial assets		-	-	575	-	-	465
Investment in subsidiaries	6	-	-	-	4,598	4,578	4,578
Investment in associates	1	115	207	261	115	207	261
Deferred tax asset	22	-	2,832	5,106	-	2,832	5,106
Total non-current assets		**446,433**	**457,271**	**478,906**	**450,945**	**461,646**	**483,089**
Current assets							
Inventories	7	1,937	1,608	2,120	1,937	1,608	2,120
Prepayments		828	810	796	777	810	765
Trade and other receivables	8	18,065	11,960	13,945	17,143	11,023	13,207
Contract assets	9	309	556	328	309	556	328
Other financial assets	10	50,399	62,323	3,271	45,050	57,815	3,271
Cash and cash equivalents	11	17,203	19,535	72,423	14,429	17,405	66,848
Total current assets		**88,741**	**96,792**	**92,883**	**79,645**	**89,217**	**86,539**
Total assets		**535,174**	**554,063**	**571,789**	**530,590**	**550,863**	**569,628**

* Part of the amounts do not correspond with the financial statements issued for the year ended 31 December 2023 due to a computational error in calculating Right-of-use asset and Lease liability for the Floating Storage and Regasification Unit (FSRU). The error resulted in a material overstatement of Right-of-use assets and Lease liabilities. See more information disclosed in Note 3.

Notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

	Notes	GROUP			COMPANY		
		31-12-2024	31-12-2023 (restated)*	01-01-2023 (restated)*	31-12-2024	31-12-2023 (restated)*	01-01-2023 (restated)*
EQUITY AND LIABILITIES							
Equity							
Share capital	12	110,315	110,315	110,315	110,315	110,315	110,315
Share premium		4,002	4,002	4,002	4,002	4,002	4,002
Reserves	12	30,171	22,979	29,633	30,171	22,979	29,633
Foreign currency translation reserve		(117)	194	131	-	-	-
Retained earnings	3	18,757	15,758	(3,944)	14,659	13,229	(5,617)
Total equity		**163,128**	**153,248**	**140,137**	**159,147**	**150,525**	**138,333**
Non-current liabilities							
Deferred income tax liability	22	214	-	-	214	-	-
Employee benefit obligations	13	832	694	569	832	694	569
Borrowings	14	301,400	158,827	137,451	301,400	158,827	137,451
Deferred government grants	2.19	4,942	5,115	5,468	4,942	5,115	5,468
Lease liabilities	3,14	24,413	24,459	216,941	24,413	24,450	216,927
Total non-current liabilities		**331,801**	**189,095**	**360,429**	**331,801**	**189,086**	**360,415**
Current post-employment benefits	13	161	122	62	161	122	62
Borrowings	14	18,952	5,556	5,689	18,952	5,556	5,689
Lease liabilities	3,14	1,253	185,623	46,126	1,246	185,613	46,118
Income tax payable		344	3	-	-	-	-
Trade payables and other liabilities	15	4,973	5,432	5,871	4,937	5,144	5,721
Payroll related liabilities	16	3,765	3,568	3,437	3,549	3,401	3,252
Provisions	17	6,783	7,363	5,663	6,783	7,363	5,663
Contract liabilities	26	4,014	4,053	4,375	4,014	4,053	4,375
Total current liabilities		**40,245**	**211,720**	**71,223**	**39,642**	**211,252**	**70,880**
Total equity and liabilities		**535,174**	**554,063**	**571,789**	**530,590**	**550,863**	**569,628**

* Part of the amounts do not correspond with the financial statements issued for the year ended 31 December 2023 due to a computational error in calculating Right-of-use asset and Lease liability for the Floating Storage and Regasification Unit (FSRU). The error resulted in a material overstatement of Right-of-use assets and Lease liabilities. See more information disclosed in Note 3.

Notes are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

	Notes	GROUP		COMPANY	
		2024	2023	2024	2023
Revenue from contracts with customers	18	93,655	83,525	89,407	80,356
Cost of sales	19	(54,518)	(60,024)	(53,386)	(58,949)
Gross profit		**39,137**	**23,501**	**36,021**	**21,407**
Distribution costs and administrative expenses	20	(14,765)	(10,963)	(13,923)	(10,057)
Other gains/(losses)		158	164	142	164
Operating profit		**24,530**	**12,702**	**22,240**	**11,514**
Finance income	21	2,375	9,141	2,060	8,959
Finance costs	21	(7,553)	(5,964)	(7,420)	(5,890)
Share of the associate's profit or (loss)		(8)	93	(8)	93
Profit before tax		**19,344**	**15,972**	**16,872**	**14,676**
Income tax expenses	22	(3,978)	(2,746)	(3,075)	(2,306)
Profit for the year		**15,366**	**13,226**	**13,797**	**12,370**
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Remeasurement of post-employment benefit obligations		(206)	(210)	(206)	(210)
Items that may be reclassified to profit or loss:					
Exchange differences on translation of foreign operations		(311)	63	-	-
Income tax impact		31	32	31	32
Other comprehensive income for the period, net of tax		**(486)**	**(115)**	**(175)**	**(178)**
Total comprehensive income, net of tax		**14,880**	**13,111**	**13,622**	**12,192**
Profit attributable to:					
The shareholders of the Company		15,366	13,226	13,797	12,370
Non-controlling interests		-	-	-	-
Total comprehensive income attributable to:					
The shareholders of the Company		14,880	13,111	13,622	12,192
Non-controlling interests		-	-	-	-
Basic and diluted earnings (losses), in EUR	23	0.04	0.04	-	-

Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

GROUP	Notes	Share capital	Share premium	Legal reserve	Reserve for own share	Other reserves	Foreign currency translation reserve	Retained Earnings	Total
Balance as at 1 January 2023		**110,315**	**4,002**	**11,051**	**15,929**	**2,653**	**131**	**(4,981)**	**139,100**
Correction of prior period errors	3	-	-	-	-	-	-	1,037	1,037
Restated* balance as at 1 January 2023		**110,315**	**4,002**	**11,051**	**15,929**	**2,653**	**131**	**(3,944)**	**140,137**
Net profit (loss) for the period		-	-	-	-	-	-	13,226	13,226
Other comprehensive income (loss)		-	-	-	-	-	63	(178)	(115)
Total comprehensive income (loss)		**-**	**-**	**-**	**-**	**-**	**63**	**13,048**	**13,111**
Transfers between reserves	12	-	-	-	(4,001)	(2,653)	-	6,654	-
Restated* balance as at 31 December 2023		**110,315**	**4,002**	**11,051**	**11,928**	**-**	**194**	**15,758**	**153,248**
Net profit (loss) for the period		-	-	-	-	-	-	15,366	15,366
Other comprehensive income (loss)		-	-	-	-	-	(311)	(175)	(486)
Total comprehensive income (loss)		**-**	**-**	**-**	**-**	**-**	**(311)**	**15,191**	**14,880**
Dividends declared	24	-	-	-	-	-	-	(5,000)	(5,000)
Transfers between reserves	12	-	-	-	-	7,192	-	(7,192)	-
Balance as at 31 December 2024		**110,315**	**4,002**	**11,051**	**11,928**	**7,192**	**(117)**	**18,757**	**163,128**

COMPANY	Notes	Share capital	Share premium	Legal reserve	Reserve for own share	Other reserves	Foreign currency translation reserve	Retained earnings	Total
Balance as at 1 January 2023		**110,315**	**4,002**	**11,051**	**15,929**	**2,653**	**-**	**(6,654)**	**137,296**
Correction of prior period errors	3	-	-	-	-	-	-	1,037	1,037
Restated* balance as at 1 January 2023		**110,315**	**4,002**	**11,051**	**15,929**	**2,653**	**-**	**(5,617)**	**138,333**
Net profit (loss) for the period		-	-	-	-	-	-	12,370	12,370
Other comprehensive income (loss)		-	-	-	-	-	-	(178)	(178)
Total comprehensive income (loss)		**-**	**-**	**-**	**-**	**-**	**-**	**12,192**	**12,192**
Transfers between reserves	12	-	-	-	(4,001)	(2,653)	-	6,654	-
Restated* balance as at 31 December 2023		**110,315**	**4,002**	**11,051**	**11,928**	**-**	**-**	**13,229**	**150,525**
Net profit (loss) for the period		-	-	-	-	-	-	13,797	13,797
Other comprehensive income (loss)		-	-	-	-	-	-	(175)	(175)
Total comprehensive income (loss)		**-**	**-**	**-**	**-**	**-**	**-**	**13,622**	**13,622**
Dividends declared	24	-	-	-	-	-	-	(5,000)	(5,000)
Transfers between reserves	12	-	-	-	-	7,192	-	(7,192)	-
Balance as at 31 December 2024		**110,315**	**4,002**	**11,051**	**11,928**	**7,192**	**-**	**14,659**	**159,147**

* See Note 3 for details regarding the restatement as a result of an error.

Notes are an integral part of these financial statements.

STATEMENT OF CASH FLOW

	Notes	GROUP		COMPANY	
		31-12-2024	31-12-2023	31-12-2024	31-12-2023
Cash flows from operating activities					
Net profit (loss)		15,366	13,226	13,797	12,370
Adjustments for non-cash items:					
Depreciation and amortization	4	24,308	23,041	24,195	22,937
Impairment of property, plant and equipment		500	-	500	-
Net gains on foreign exchange derivatives	22	(8,054)	-	(8,054)	-
Change in vacation reserve	16	201	107	180	114
Change in provisions	17	(580)	1,700	(580)	1,700
Contract assets	9	247	(119)	247	(229)
Income tax expenses	22	3,978	2,746	3,075	2,306
Share of (profit) or loss of equity-accounted investees		8	(93)	8	(93)
Interest income	21	(2,305)	(1,514)	(2,000)	(1,344)
Interest expenses	21	7,314	5,784	7,313	5,781
Other financial expenses		(22)	-	(22)	-
Currency impact from lease liabilities	21	7,734	(7,368)	7,734	(7,368)
Other non-cash adjustments		1,380	1,662	1,684	1,541
		50,075	**39,172**	**48,077**	**37,715**
Changes in working capital					
(Increase) decrease in inventories	7	(329)	420	(329)	420
Decrease (increase) in trade and other accounts receivable	8	(5,895)	2,006	(6,087)	1,925
Increase (decrease) in trade and other payables	15	(2,747)	(657)	(2,053)	(407)
Increase (decrease) in contract liabilities	26	(39)	(322)	(39)	(322)
Increase (decrease) in payroll related liabilities	16	(1,223)	(1,551)	(1,251)	(1,482)
		39,842	**39,068**	**38,318**	**37,849**
Cash collateral (payment)	10	(170)	(50)	(170)	(50)
Income tax (paid)		(308)	(236)	-	-
Interest received		2,192	412	1,959	313
Net cash flows from (used in) operating activities		**41,556**	**39,194**	**40,107**	**38,112**

	Notes	GROUP		COMPANY	
		31-12-2024	31-12-2023	31-12-2024	31-12-2023
Cash flows from investing activities					
(Acquisition) of property, plant, equipment and intangible assets	4	(14,522)	(3,974)	(14,509)	(3,952)
Income from sales of non-current assets		24	67	24	67
Short term deposits (placed)/received	10	12,200	(57,500)	13,000	(53,000)
(Acquisition) of other investments		-	(2)	(20)	(2)
Dividends received	1	83	150	83	150
Grants, subsidies received	2.19	186	-	186	-
Net cash flows from (used in) investing activities		**(2,029)**	**(61,259)**	**(1,236)**	**(56,737)**
Cash flows from financing activities					
Dividends paid		(5,000)	-	(5,000)	-
Loans received	14	164,929	26,829	164,929	26,829
Loans paid	14	(8,813)	(5,445)	(8,813)	(5,445)
Interest and fee related to loans (paid)	14	(5,998)	(3,990)	(5,998)	(3,990)
Guarantee fees (paid)	14	(242)	(144)	(242)	(144)
Lease liabilities (paid)	14	(185,433)	(46,487)	(185,422)	(46,482)
Interest on leasing liabilities paid	14	(1,302)	(1,586)	(1,301)	(1,586)
Net cash flows from (used in) financing activities		**(41,859)**	**(30,823)**	**(41,847)**	**(30,818)**
Net increase (decrease) in cash flows		**(2,332)**	**(52,888)**	**(2,976)**	**(49,443)**
Cash and cash equivalents on 1 January	11	19,535	72,423	17,405	66,848
Cash and cash equivalents on 31 December	11	17,203	19,535	14,429	17,405

Notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENT

1 GENERAL INFORMATION

AB KN Energies (hereinafter - "the Company") is a public limited liability company registered in the Republic of Lithuania. The address of its registered office is as follows: Burių str. 19, 92276 Klaipėda, Lithuania. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as "the Group").

1.1. The subsidiaries

Company name	Ownership part	Address
UAB KN Global Terminals	100%	Burių g. 19, 92276 Klaipėda, Lithuania
UAB KN New Energy Solutions*	100%	Burių g. 19, 92276 Klaipėda, Lithuania
UAB SGD SPB	100% owned by UAB KN Global Terminals	Burių g. 19, 92276 Klaipėda, Lithuania
KN Acu Servicos de Terminal de GNL LTDA	90% owned by UAB KN Global Terminals and 10% owned by UAB SGD SPB	F66 Fazenda Saco Dantas s/n, Distrito Industrial, Area 1 and Area 2, 28200-000 São João da Barra, State of Rio de Janeiro
KN Energies Deutschland GmbH	100% owned by UAB KN Global Terminals	Emsstraße 20, 26382 Wilhelmshaven, Germany

* In December, 2024 Group Company's name was changed from UAB SGD Terminalas to UAB KN New Energy Solutions.

1.2. The associates

Name of entity	Place of Business	Part of ownership		Nature of Relationship	Measurement method	Carrying amount (EUR thousand)	
		2024	2023			2024	2023
Sarmatia Sp. z o.o. (1)	Poland	1%	1%	Associate	Equity method	1	3
UAB BALTPOOL (2)	Lithuania	33%	33%	Associate	Equity method	114	204
						115	**207**

(1) Sarmatia Sp. z o.o. main activity is analysis and engineering of possibilities to construct oil pipeline between Asian states and the Baltic Sea.
(2) UAB BALTPOOL is a Lithuanian energy exchange operator that administers the country's biomass and heat auctions, facilitating transparent and efficient trading of energy resources. Additionally, it manages the National Energy Regulatory Council's (NERC) public service obligations (PSO) funds, ensuring proper allocation and use of these resources within the energy sector. The Group and the Company is entitled to appoint one of five board members to the management thus it can have significant influence.

Sarmatia Sp. z o.o.	2024	2023
Carrying value as at 1 January	**3**	**1**
Acquisition during the year	-	3
Change in value (impairment)*	(2)	(1)
Dividends	-	-
Carrying value as at 31 December	**1**	**3**

*Total accumulated impairment for Sarmatia Sp. z o.o. as at 31-12-2024 is EUR 70 thousand (EUR 68 thousand as at 31-12-2023).

UAB BALTPOOL	2024	2023
Carrying value as at 1 January	**204**	**260**
Acquisition during the year	-	-
Change in value (impairment)*	(7)	94
Dividends	(83)	(150)
Carrying value as at 31 December	**114**	**204**

*Total accumulated increase in value for UAB BALTPOOL as at 31-12-2024 is EUR 300 thousand and total accumulated dividends are EUR 376 thousand (total increase in value as at 31-12-2023 EUR 307 thousand, total dividends EUR 293 thousand).

1.3. The main activity of the Group and the Company

The main activities of the Group and the Company include operation of liquid energy products terminal, transshipment services and other related services, as well as operation of the liquefied natural gas terminal (hereinafter referred to as "LNGT") primarily dedicated to accept and store liquefied natural gas. Activity also includes regassification of LNG for gas supply into Gas Grid.

National Energy Regulatory Council (hereinafter referred to as "NERC") issued Natural Gas Regasification License to the Company on 27 November 2014.

1.4. Issued capital of the Group and the Company

As at 31 December 2024 and 31 December 2023 authorised capital was equal to EUR 110,315,009.65, divided into 380,396,585 units of shares with nominal value EUR 0.29 each and each carrying one vote.

During the years 2024 and 2023, the Company did not acquire any of its own shares.

The Company's shares are listed on the Baltic Main List on the NASDAQ Vilnius Stock Exchange (ISIN code LT0000111650, abbreviation KNE1L).

As at 31 December 2024 and 31 December 2023 the shareholders of the Company were:

	31 December 2024		31 December 2023	
	Number of shares held (thousand)	Part of ownership (%)	Number of shares held (thousand)	Part of ownership (%)
State of Lithuania represented by the Ministry of Energy (Gedimino av. 38/2, Vilnius, 302308327)	275,687	72.47	275,687	72.47
UAB koncernas Achemos grupė (Vykinto st. 14, Vilnius, 156673480)	39,663	10.43	39,663	10.43
Other (less than 5% each)	65,047	17.10	65,047	17.10
Total	**380,397**	**100.00**	**380,397**	**100.00**

1.5. Other general information

The average number of employees of the Group in 2024 was 378 (358 in 2023).

The average number of employees of the Company in 2024 was 344 (329 in 2023).

The financial statements of the Group and the Company are presented in Euro and all values are rounded to the nearest thousand (EUR 000), except when otherwise indicated.

2 MATERIAL ACCOUNTING POLICIES

The financial statements of the Group and the Company have been prepared on a historical cost basis.

The financial year of the Group and the Company coincides with the calendar year.

The numbers in tables may not coincide due to rounding of specific amounts to EUR thousand. However, these rounding differences are not material to the financial statements.

2.1. Basis for preparation of the financial statements

Statement of compliance

Annual financial statements of the Group and the Company have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (hereinafter the EU). They were authorized for issuance by the management on 3 April 2025 and are subject to the approval of the shareholders. The shareholders of the Company have the power to reject these financial statements and request for the new ones to be prepared.

IFRSs and their interpretations, as announced and adopted by the European Union, are effective for the current reporting period.

A number of new standards (or interpretations) are effective as of 1 January 2024; however, the effect of these standards or interpretations on the Group's and Company's financial statements is not significant.

- Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current (Amendments to IAS 1);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

Standards and Interpretations in issue not yet adopted

At the date of authorisation of these financial statements the following standards, amendments to existing standards and interpretations were issued, however the Group and the Company do not plan to adopt these standards early.

- Lack of Exchangeability (Amendments to IAS 21);
- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7);
- Subsidiaries without Public Accountability: Disclosures (Amendments to IFRS 19)
- Presentation and Disclosure in Financial Statements (IFRS 18 will replace IAS1 as of 1 January 2027)

Management is currently assessing the detailed implications of applying the new standards on the Group's and the Company's financial statements.

2.2. Foreign currency

Functional currency

The amounts shown in these consolidated and separate financial statements are measured and presented in local currency, euro (EUR), which is the functional currency of the Group and the Company.

The Group and the Company have opted to use the Euro (EUR) as their functional currency, taking into account the composition of revenue, costs, equity, and debt instruments. Significant portion of the Groups and the Company's revenues and costs are in EUR. The Company's equity is denominated in EUR. Furthermore, the pricing and costs of most of the Group's and the Company's products and services are influenced by the competitive factors within Lithuania and other Eurozone countries. From 2019 to 2024, a significant portion of the Company's lease liabilities was denominated in US dollars. However, in December 2024, the Company acquired the previously leased Floating Storage Regasification Unit. As a result, the Group and the Company no longer have any lease liabilities in USD, significantly reducing the impact of currency exchange rate fluctuations in future periods.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains or losses arising from the settlement of these transactions and from the conversion of monetary assets and liabilities denominated in foreign currencies, utilizing the exchange rate available at the reporting date, are recognized in the statement of comprehensive income as finance income or costs. The Group and the Company present the net result of foreign exchange gains or losses in either the finance income or finance costs. The net result of derivative financial instruments used to mitigate the effects of currency exchange rate fluctuations is also presented in a separate line in either finance income or finance costs depending on the result of the underlying transaction. The Group and the Company do not include any foreign exchange gains or losses in cost of sales or operating expenses.

Group companies

Upon consolidation, the assets and liabilities of foreign subsidiaries are translated into euros using the exchange rate prevailing at the reporting date, while their statements of profit or loss and comprehensive income are translated at the average exchange rates observed during the reporting period. Any exchange differences arising from translation for consolidation are recognized in other comprehensive income.

2.3. Going concern

Management has assessed the Group and the Company's ability to continue as a going concern. Based on its analysis of financial projections, access to financing, and anticipated economic conditions, management is confident in the Group's and the Company's ability to operate for the foreseeable future. This assessment considered factors such as liquidity, capital adequacy, debt obligations, and potential risks. Therefore, the financial statements have been prepared on a going concern basis.

2.4. Basis for consolidation

Subsidiaries are fully consolidated from the date of acquisition, which is the date when the Company or the Group obtains control, and they continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions, and dividends are eliminated in full.

2.5. Operating segments

Operating segment is a separated business constituent part, the business risks and profitability of which differ from other business constituent parts. Chief executive officer of the Group evaluates the results of each operating segment and is responsible for making strategic decisions for distribution of the Company's resources.

The management of the Group has identified the following segments in accordance with the new Group strategy (Note 5):

- Liquid energy terminals in Klaipėda and Subačius which are providing services of liquid energy products transshipment, long-term storage of liquid energy products, and other services related to liquid energy products transshipment;
- LNG activities that include Klaipėda LNG terminal and global LNG activities:
    - LNG terminal in Klaipėda which receives, and stores liquefied natural gas, regasifies and supplies it to Gas Main pipeline;
    - LNG commercial activities – includes LNG reloading station and execution of other global LNG projects;

2.6. Investment in subsidiaries and associates

Investments in subsidiaries are carried at cost, less impairment in separate financial statements of the Company. The Company determines at each reporting date whether there is any objective evidence that the investment in the subsidiary is impaired. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiary and it's carrying value and recognises the amount in the statement of comprehensive income.

The Group and the Company accounts for investments in associates using the equity method. An associate is an entity in which the Group and the Company has significant influence, but no control over the financial and operating policies. Significant influence is presumed to exist when the Group and the Company holds between 20% and 50% of the voting rights of another company.

2.7. Intangible assets

Separately acquired intangible assets are measured at cost on initial recognition. Following the initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. The Group and the Company did not have assets with indefinite useful lives neither at 31 December 2024 nor at 31 December 2023. Intangible assets with finite lives are amortized over the useful economic lives of 3-15 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation periods and methods for intangible assets with finite useful lives are reviewed at least at each financial year-end. Calculation of amortization is discontinued as at the first day of the next month after the disposal of asset or when the whole acquisition cost is expensed or reclassified as a part of another asset.

Costs associated with maintaining computer software programs are recorded as an expense as incurred.

2.8. Property, plant and equipment

Property, plant and equipment are stated at cost less the accumulated depreciation and impairment losses. The initial cost of property, plant and equipment comprises its purchase price, including non-refundable purchase taxes, capitalised borrowing costs and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property, plant and equipment have been put into operation, such as repair and maintenance costs, are normally charged to profit or loss in the period the costs are incurred.

Where parts of an item of the property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The useful lives, residual values and depreciation method are reviewed periodically to ensure that the period of depreciation and other estimates including borrowing costs are consistent with the expected pattern of the economic benefits to be received from the items of the property, plant and equipment. In case the external and (or) internal impairment indications exist at the date of the statement of financial position, the Group and the Company perform detailed impairment testing in order to ensure that the property, plant and equipment are accounted for at the value not higher than their recoverable amount.

Construction-in-progress is stated at cost. This includes the cost of construction, plant and equipment and other directly attributable costs including borrowing cost. Construction-in-progress is not depreciated until the relevant assets are completed and available for their intended use. The Group and the Company determine at each reporting date whether there is any objective evidence that the construction-in-progress is impaired. The Group and the Company calculate the amount of impairment for suspended construction-in-progress.

When property, plant and equipment are retired or otherwise disposed, the cost and related depreciation are removed from the financial statements and any related gains or losses are included in the statement of comprehensive income. Gains and losses on disposal of property, plant and equipment are determined as a difference between proceeds and the carrying amount of the property, plant and equipment disposed and recorded in profit or loss.

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

The process of FSRU dry-docking refers to when the FSRU is taken to the service yard and brought to dry land so that submerged portions of the hull can be cleaned and inspected. This work is both preventative as well as requirement within the industry. Following IAS 16, the actual costs of the inspection are capitalised and depreciated over the period to the next inspection. The institution performing dry-dock works issues a certificate valid for five years. Additionally, according to the laws of the Republic of Lithuania, dry-docking must be carried out every five years for vessels of this type. For these reasons, the Group and the Company accounts for dry-dock depreciation over a five-year period.

The estimated useful life (in years) of different groups of property, plant and equipment is as follows:

Group and Company

Description	Depreciation method	Estimated useful life
Property, plant and equipment		
Buildings and structures	Straight-line method	10-60
Machinery, plant and equipment	Straight-line method	5-55
Other non-current assets	Straight-line method	4-15
FSRU dry-docking expenses	Straight-line method	5

2.9. Financial instruments

2.9.1. Financial assets

Initial recognition and measurement

The Group and the Company qualify financial assets to one of the following categories:
a. measured at amortised cost;
b. instruments measured at fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the contractual cash flow characteristics of the financial asset's and the Group's and the Company's business model for managing them. Except for trade receivables that do not contain a significant financing component, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price determined under IFRS 15 "Revenue from Contracts with Customers".

A regular way purchases of financial assets are recognised on the trade date, i.e., the date that the Company commits to purchase the asset.

Subsequent measurement

After the initial recognition, the Group and the Company measure a financial asset at:
a. Amortised cost;
b. Fair value through profit or loss.

Financial assets at amortised cost

This category is the most relevant to the Group and the Company. The Group's and the Company's financial assets at amortised cost include trade, other current and non-current receivables and contract assets.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the statement of comprehensive income when the asset is derecognised, modified or impaired.

Impairment of financial assets

The Group and the Company perform the assessment for all debt instruments individually. The management considers a financial asset in default (credit impaired) when:

a. contractual payments are long overdue (the number of days to be considered as long overdue is determined for each customer individually);
b. indications exist that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments;
c. the probability that the debtors or a group of debtors will enter bankruptcy or other financial reorganisation;
d. observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The lifetime expected credit losses of loans receivable and trade receivables are recognised in profit or loss through the contrary account of doubtful receivables. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Further disclosures relating to impairment of financial assets are also provided in the Note 8 "Trade and other receivables", Note 10 "Other financial assets", and Note 11 "Cash and cash equivalents".

2.9.2. Financial liabilities

Financial liabilities are measured at fair value through profit or loss (FVTPL) or at amortised costs.

The Group's and the Company's financial liabilities measured at amortised costs include trade and other payables, borrowings and finance lease liabilities. The financial liabilities measured at fair value through profit or loss include derivative financials instruments.

2.10. Employee benefits

Social security contributions

The Group and the Company pay social security contributions to the State Social Security Fund (hereinafter the Fund) on behalf of its employees based on the legally defined contribution plan in accordance with the local legal requirements. A defined contribution plan is a plan under which the Group and the Company pay fixed contributions into the Fund and will have no legal or constructive obligations to pay further contributions if the Fund does not hold sufficient assets to pay all employees benefits related to employee service in the current and prior period. The social security contributions are recognised as an expense on an accrual basis and are included in "Wages, salaries and social security" in both operating expenses and cost of sales.

Non-current employee benefits

Each Company employee at retirement age is entitled to receive a payment of 2 monthly salaries upon retirement and, according to the collective agreement, the Company's employee is also entitled to an additional payment depending on the length of service. Such obligation is recognized in the statement of financial position and reflects the present value of these benefits on the preparation date of the statement of financial position. 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 recognized in other comprehensive income.

2.11. Inventories

Inventories are stated at the lower of cost and net realisable value. Net realizable value is estimated taking the selling price in the ordinary course of business, less the costs of completion, marketing and distribution. The cost of inventories consists of purchase price, transport, and other costs directly attributable to the cost of inventories. The costs of inventories are determined by the first-in, first-out (FIFO) method.

2.12. Cash and cash equivalents

Cash includes cash in the bank accounts. 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 (Note 11).

For the purposes of the cash flow statement, cash and cash equivalents comprise cash, deposits held at call with banks, and other short-term highly liquid investments with maturities of less than three months.

2.13. Short-term deposits

Short-term deposits include short-term bank deposits at the commercial banks with maturity of more than 3 months. Initially short-term bank deposits are recognised at cost. Subsequently, short-term deposits are stated at acquisition cost less any allowance for impairment. Short-term deposits are classified under "Other financial assets" in the Statement of Financial Position.

2.14. Lease

The Group and the Company recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term unless the lease transfers ownership of the underlying asset to the Group and the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Group and the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically , if any, adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using incremental borrowing rate of the Group and the Company as the discount rate.

The Group and the Company determine the incremental borrowing rate by obtaining interest rates from various external financing sources.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments (payments that may, in form, contain variability but that, in substance, are unavoidable);
- The exercise price under a purchase option that the Group and the Company are reasonably certain to exercise, lease payments in an optional renewal period if the Group and the Company are reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group and the Company are reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when:

- there is a change in the future lease payments arising from a change in an index or rate;
- the Group and the Company change its assessment of lease extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases (less than EUR 5 thousand), including IT equipment. The Group and the Company recognise the lease payments associated with such leases as expenses on a straight-line basis over the lease term.

2.15. Income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, including adjustments in respect of prior years. The tax rates used to compute the amount are those that are enacted by the date of the Statement of Financial position.

Income tax charge is based on profit for the year and considers deferred taxation. Income tax is calculated based on the Lithuanian tax legislation.

The standard corporate income tax rate in the Republic of Lithuania is 15% as at 31 December 2024 and 31 December 2023. Starting January 1, 2025, amendments to the corporate income tax legislation come into effect increasing the income tax charge from 15% to 16%. Updated income tax is applicable when calculating deferred income tax for 2024 and will be applicable when calculating the corporate income tax for the financial year 2025 and further . The Group's subsidiary KN Açu Serviços de Terminal de GNL Ltda applies Brazilian Tax System and subsidiary´s administration has elected the Real Profit Regime that is calculated on quarterly basis. The official rates are 25% for Income tax and 9% Social Contribution on Net Profit. Another Group's subsidiary KN Energies Deutschland GmbH applies German Tax System where the official tax rates are 15% for Income Tax which is then subject to a surcharge of 5.5% (solidarity surcharge). In addition, the subsidiary is subject to a municipal trade tax which is 14%. The combined tax rate is 29.83%.

2.16. Dividends

Dividends are recorded in the financial statements when they are declared by the Annual General Shareholders' meeting.

2.17. Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to the shareholders by the weighted average of ordinary registered shares issued. Provided that the number of shares changes without causing a change in the economic resources, the weighted average of ordinary registered shares is adjusted in proportion to the change in the number of shares as if this change took place at the beginning of the previous period presented. Since there are no instruments reducing profit or loss per share, there is no difference between the basic and diluted earnings per share.

2.18. Provisions

General

Provisions are recognised when the Group and the Company have a present legal or constructive obligation in respect of the past events and it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Where the Group and the Company expect the provision to be reimbursed the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Expenses related to provisions are recorded in the statement of comprehensive income.

Greenhouse gas (GHG) emissions

The Company applies a 'net liability' approach in accounting for the emission rights received. It records the emission allowances granted to it at a nominal (null) amount, as it is allowed by IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance". Liabilities for emissions are recognised only as emissions are made (i.e. provisions are never made on the basis of expected future emissions) and only when the reporting entity has made emissions in excess of the rights held. Costs of allowances are recorded under cost of sales in the statement of comprehensive income. The net liability as at the date of the financial statements is determined using the spot rate prevailing on that date and presented in Note 17 "Provisions".

2.19. Deferred government grants

Asset-related grants

Asset-related government and the European Union grants, and third-party compensations comprise grants received in the form of non-current assets or intended for the acquisition of non-current assets. Grants are initially recognised at fair value of the asset received and subsequently accounted for in the statement of comprehensive income by reducing the depreciation charge of related asset over the expected useful life of the asset.

The Group and the Company	2024	2023
Balance as at 1 January	**5,115**	**5,468**
Received during the year	186	-
Amortisation	(345)	(344)
Compensation of costs	(14)	(9)
Balance as at 31 December	**4,942**	**5,115**

Amortisation of grants related to assets of EUR 345 thousand for 2024 (EUR 344 thousand for 2023) has been included in the cost of sales in the statement of comprehensive income.

The Group and the Company has no unfulfilled conditions or contingencies attached to these grants as at 31 December 2024 and as at 31 December 2023.

Income-related grants

Government and the European Union grants received as a compensation for the expenses or unearned income of the current or previous reporting period, also, all other grants, which are not asset-related grants, are treated as income-related grants. 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. These grants are recognised in the statement of comprehensive income, net of related expenditure.

2.20. Revenue recognition

The Group and the Company have the following main revenue streams:

1. **Income from LNGT services (49% from the total consolidated revenue in 2024, 55% in 2023)**
   One performance obligation exists – to receive and store liquefied natural gas, regasify and supply it to the main gas pipeline. The Group and the Company act as principal in the service provision. Revenue is recognized over time when the services are rendered due to the following reasons:
   - The customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the benefits are created;
   - The Group's and the Company's performance does not create an asset with an alternative use to the Group and the ownership of the LNG belongs to the customer with exceptions where the Group and the Company assume temporary use of the LNG for the purpose of intersystem technical balancing.
   - The Group and the Company has an enforceable right to payment for performance completed to date: loss of the terminal capacities due to reasons outlined in the terminal regulations does not relieve the customer from the obligation to pay for the terminal services under the same conditions as having fully used to terminal capacities.

   <u>*Income from liquefied natural gas terminal services regulated by National Energy Regulatory Council (NERC)*</u>

   Income from LNGT services is regulated by NERC. Based on LNG terminal law clause 5.2, all users of the natural gas transmission system, including final consumers, are obliged to pay the additional Security Supplement together with their other payments for the natural gas transmission service.

   The revenue of the LNG terminal activity comprises from:
   i) LNG regasification service fixed part which is collected through additional Security Supplement;
   ii) LNG regasification service variable part;
   iii) LNG reloading service.

   Regasification and reloading revenues are collected directly from the clients after services are provided based on quantities. For the actual tariffs see the chapter "Services of The LNG Terminal" in the management report. The LNG Security Supplement is collected by the transmission service operator (hereinafter referred to as "TSO") either directly from the users or from suppliers of natural gas in case the users have no direct contractual obligations to the TSO. The additional Security Supplement is calculated by NERC on an annual basis in proportion to the planned natural gas consumption capacities as set out in National legislation in relation to gas market.

   Prices set for the LNGT services for the year 2024 and 2023:

   - LNG regasification service price fixed part is approved by NERC based on the LNG revenue cap. LNG revenue cap is set by NERC and adjusted annually according to the necessary costs of the LNG terminal and determined return on investment. The fixed part of the price is included into the additional Security Supplement to the natural gas transmission price, when the Company is not able to cover the set revenue level from LNG regasification service price variable part directly from LNG terminal users.
   - LNG regasification service price variable part is calculated based on the upper limit of LNG revenue divided by LNG terminal capacity per unit:
     - price of the variable part for the year 2024 set by resolution No. O3E-715 on 29 May 2023, was 1.83 EUR/MWh.
     - price of variable part for the year 2023 set by resolution No. O3E-799 on 31 May 2022, was 1.41 EUR/MWh.
   - NERC on 15 November 2023 adopted decision on reloading service prices for the year 2024. Differentiated LNG reloading tariff was set based on size of LNG cargos to be reloaded:
     - Small scale cargos up to 15,000 m^3 LNG – 0.72 EUR/MWh (0.62 EUR/MWh in 2023);
     - Medium scale cargos from 15,000 up to 50,000 m^3 LNG – 0.56 EUR/MWh (0.48 EUR/MWh in 2023);
     - Large scale cargos from 50,000 m^3 LNG – 0.40 EUR/MWh (0.35 EUR/MWh in 2023).

2. **Liquid energy products transshipment services (29% from the total consolidated revenue in 2024, 33% in 2023)**
   One performance obligation exists – to provide liquid energy product loading service for which the loading rate is specified. The Company acts as a principal in the service provision. Revenue is recognized over time due to the following reasons:
   - By providing the services of loading of liquid energy products, the Group and the Company do not create an alternative use of the assets, which could be sold as goods;

- The Group and the Company shall have the unconditional right to compensation for the performed share of loading services. In the event the client does not perform or is behind the schedule in performing his obligations, the Company, having notified the client, has the right to suspend the provision of services and/or to detain the liquid energy products within the terminal until the client's obligations are fulfilled. All the consequences and losses arising from the detention of liquid energy products and/or suspension of the provision of services shall be borne by the client. With the client's delay in dispatching the liquid energy products from the terminal, additional storage fees shall be applied. This way the Group and the Company shall not only be compensated for the expenses of storage of liquid energy products, but also earn income;
- If the customer unilaterally terminates the contract, he is usually obliged to pay the Take-or-Pay fee, if such was provided for in the contract, or the difference between the planned minimum annual amount to be loaded and the amount actually loaded.

Calculation of the percentage of completeness of performance obligation at year end is calculated in the following way. The Group and the Company recognise revenues from liquid energy products transshipment considering the level of fulfilment of a service. The level of fulfilment of service is measured as the percentage of transshipment cost expenses already incurred from the total cost of services. In the case where a reliable evaluation of the service agreement is impossible, the revenues are recognised only as a part of expenses incurred that can be recoverable. Service provided at certain level of completion is already received and consumed by the customer and the customer benefits from it (the customer would not incur the whole loading service cost if the service was performed again), therefore the management believes that percentage of completion accounting method applied by the Group and the Company is in line with IFRS 15 requirements.

3. **Income from other LNG terminal activities (13% from the total consolidated revenue in 2024, 10% in 2023). Such income include:**

- Small-scale LNG reloading station in Klaipėda:

Small-scale LNG reloading station activities have one performance obligation – to provide LNG reloading station services. Company acts as a principal in the service provision. Revenues are recognized over time when services are rendered.

- The Group and the Company have an enforceable right to payment for the rendered LNG reloading station services to date;
- The customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the benefits are created.

- Operation of LNG terminal in Açu port in Brazil:

Operation of LNG terminal in Açu port in Brazil has one performance obligation – to provide LNG terminal management and operation services. The Group and the Company act as principal in the service provision. Revenues are recognized over time based on services provided:

- The customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the benefits are created;
- The Groups and the Company's performance enhances the assets controlled by the customer;
- The Group and the Company has an enforceable right to payment for performance completed to date.

- Operation of LNG terminal in Wilhelmshaven port in Germany:

Operation of LNG terminal in Wilhelmshaven port in Germany has one performance obligation – to provide LNG terminal management and operation services. The Group and the Company act as principal in the service provision. Revenues are recognized over time based on services provided:

- The customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the benefits are created;
- The Groups and the Company's performance enhances the assets controlled by the customer;
- The Group and the Company has an enforceable right to payment for performance completed to date.

4. **Other revenue**

Revenues from other activities consist of sales of goods and other services rendered (mainly storage of liquid energy products, consulting services). The Group and the Company act as a principal in the service provision. Revenues from sales of goods are recognized when the control of the goods is passed to the customer (at a point in time), revenues from other services – when the services are provided (over the period of time).

Revenues are recorded in the statement of comprehensive income under the item "Revenues from contracts with customers", and the assets resulting from contracts with customers are accounted for as short-term assets under the item "contract assets" in the statement of financial position. Related costs are accounted for in the statement of comprehensive income under the item "Cost of sales".

Due to the Group's and the Company's business nature the management did not make any other significant accounting judgments, estimates or assumptions relating to revenue from contracts with customers recognition except for Take-or-Pay transactions described before.

The Group and the Company do not provide the customers with any post-sale services and do not provide customers with the ability to purchase a service warranty separately; therefore, the Group and the Company do not identify any related performance obligations and do not recognise any deferred revenue related to warranties.

The Group and the Company provide the customers with the assurance-type warranties where the customer is provided the assurance that the related product or service will comply with agreed-upon specifications. The Group and the Company do not recognize a general provision for warranty obligations. Instead, provisions are recorded on a case-by-case basis when a customer submits a claim and after a detailed assessment of the defect or issue. Provisions are measured based on estimated repair or replacement costs and recognized in accordance with IAS 37 (Provisions, Contingent Liabilities, and Contingent Assets).

2.21. Impairment of non-financial assets

The Group and the Company review at least at each reporting date the carrying amounts of non-financial assets, excluding inventories and deferred income tax assets, to assess whether an indication of impairment exists. If such indication exists, the Group and the Company estimate the asset's recoverable amount.

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the 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 profit (loss). 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 in the same caption of the profit or loss as the impairment loss.

Recoverable amount of an asset or a cash-generating unit is its value in use or fair value less costs to sell depending on which is greater. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For impairment testing the asset that cannot be assessed individually is grouped into the minimum asset's group generating cash inflows during continuous use and that is independent from other asset or asset's groups generating cash flows (cash generating unit or CGU).

Where the carrying amount of an asset exceeds its recoverable amount the impairment loss is recognised in the profit or loss. Impairment losses related to the value of CGU are proportionally attributed to decrease the carrying amount of the asset, prescribed to the unit (unit group).

Previously recognised impairment losses are reversed only if there is any indication that such losses no longer exist or have decreased. The reversal is limited so that the carrying amount of the asset does not exceed the carrying amount that would have been determined net of depreciation or amortisation had no impairment loss been recognised for the asset in prior years. The reversal is accounted in the same caption of the profit or loss as the impairment loss.

2.22. Use of estimates and judgements

The preparation of the financial statements in accordance with IFRS as adopted by the EU, requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

2.22.1. Significant accounting judgements

Information about judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Provision for acquisition of emission allowances (Note 17);
- The deferred tax (Note 22).

2.22.2. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties as at 31 December 2024 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Impairment evaluation of property, plant and equipment and right of use asset: key assumptions underlying recoverable amounts of identified cash generating units (Note 4);
- Useful life of property, plant and equipment and intangible assets (Note 4);
- Residual value and useful life of FSRU (Note 4);
- Impairment evaluation of investments to subsidiaries: key assumptions underlying recoverable amounts (Note 6);
- Net realisable value of inventory (Note 7)
- Assessment of expected credit losses and impairment losses on receivable amounts: key assumptions determining the impairment allowance (Note 8);
- Measurement of non-current employee benefits: key actuarial assumptions (Note 13);
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (Note 26).

2.23. Fair value

The objective of using a valuation technique is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. Three widely used valuation techniques are: the market approach, the cost approach and the income approach.

3 RESTATEMENT OF COMPARATIVE FIGURES DUE TO CORRECTION OF ERROR

In 2019, with the implementation of the new IFRS standard "Leases", the Group and the Company recognized Right-of-use assets and Lease liabilities for lease of FSRU, which was previously classified as an operating lease. Under IFRS, the initial measurement of the right-of-use asset and lease liability includes the present value of all lease payments that are not yet paid as of that date.

When preparing the 2024 financial statements, a computational error was identified in the calculation of future lease payments. The signed lease contract was for a 10-year period, covering the period from 6 December 2014 to 6 December 2024. However, in the lease calculations, the Group and the Company mistakenly included an amount equivalent to a full month's December 2024 payment, instead of just required 6 days.

This error led to an overstatement of Right-of-Use assets and Lease liabilities as at 31 December 2023 and prior financial years on the statement of financial position. The error has been corrected by restating each of the affected financial statement lines items for the periods as follows:

GROUP	31-12-2023	Increase/ (Decrease)	31-12-2023 (Restated)	01-01-2023	Increase/ (Decrease)	01-01-2023 (Restated)
Statement of financial position (extract):						
Right-of-use assets	314,927	(2,047)	**312,880**	328,515	(2,144)	**326,371**
Retained earnings	14,721	1,037	**15,758**	(4,981)	1,037	**(3,944)**
Non-current lease liabilities	24,459	-	**24,459**	220,122	(3,181)	**216,941**
Current lease liabilities	188,707	(3,084)	**185,623**	46,126	-	**46,126**

COMPANY	31-12-2023	Increase/ (Decrease)	31-12-2023 (Restated)	01-01-2023	Increase/ (Decrease)	01-01-2023 (Restated)
Statement of financial position (extract):						
Right-of-use assets	314,908	(2,047)	**312,861**	328,495	(2,144)	**326,351**
Retained earnings	12,192	1,037	**13,229**	(6,654)	1,037	**(5,617)**
Non-current lease liabilities	24,450	-	**24,450**	220,108	(3,181)	**216,927**
Current lease liabilities	188,697	(3,084)	**185,613**	46,118	-	**46,118**

Further, relevant amounts were restated in Notes 4, 5, 14 and 25.

The impact of overstated depreciation of right-of-use assets and lease interest expenses to the statement of comprehensive income is considered insignificant. This restatement did not affect the figures presented in the cash flow statement for 2023.

4 PROPERTY, PLANT AND EQUIPMENT

GROUP	Land	Buildings and structures	Machinery, plant and equipment	Other non-current assets	FSRU and related equipment	Construction in progress	Total
Acquisition cost							
Balance as at 31 December 2022	**38**	**182,320**	**193,169**	**26,416**	**-**	**11,270**	**413,213**
Acquisitions	-	213	838	652	-	1,823	3,526
Advance payments	-	-	4	3	-	-	7
Retirements and disposals	-	-	(100)	(287)	-	-	(387)
Transfer from construction in progress	-	3,616	6,951	714	-	(11,307)	(26)
Reclassification	-	-	182	(145)	-	-	37
Effect of foreign currency translation	-	-	3	7	-	-	10
Balance as at 31 December 2023	**38**	**186,149**	**201,047**	**27,360**	**-**	**1,786**	**416,380**
Acquisitions	-	118	1,636	2,777	7,886	3,773	16,190
Transfer from Right-of-use-asset	-	-	-	-	390,049	-	390,049
Advance payments	-	-	-	2	-	-	2
Retirements and disposals	-	-	(170)	(444)	-	-	(614)
Transfer from construction in progress	-	1,529	358	-	-	(1,887)	-
Reclassification	-	-	285	(285)	-	-	-
Effect of foreign currency translation	-	-	-	(35)	-	-	(35)
Balance as at 31 December 2024	**38**	**187,796**	**203,156**	**29,375**	**397,935**	**3,672**	**821,972**
Accumulated depreciation and impairment:							
Balance as at 31 December 2022	**-**	**118,187**	**128,029**	**18,305**	**-**	**2,892**	**267,413**
Depreciation for the year	-	3,125	4,284	1,191	-	-	8,600
Retirements and disposals	-	-	(100)	(244)	-	-	(344)
Reclassifications	-	702	1,296	48	-	(2,048)	(2)
Effect of foreign currency translation		-	1	3	-	-	4
Balance as at 31 December 2023	**-**	**122,014**	**133,510**	**19,303**	**-**	**844**	**275,671**
Depreciation for the year	-	3,164	4,350	1,587	789	-	9,890
Retirements and disposals	-	-	(169)	(377)	-	-	(546)
Impairment for the year (reversal)	-	-	-	500	-	-	500
Transfer from Right-of-use-asset	-	-	-	-	109,727	-	109,727
Effect of foreign currency translation	-	-	-	(22)	-	-	(22)
Balance as at 31 December 2024	**-**	**125,178**	**137,691**	**20,991**	**110,516**	**844**	**395,220**
Net book value as at 31 December 2022	**38**	**64,133**	**65,140**	**8,111**	**-**	**8,378**	**145,800**
Net book value as at 31 December 2023	**38**	**64,135**	**67,537**	**8,057**	**-**	**942**	**140,709**
Net book value as at 31 December 2024	**38**	**62,618**	**65,465**	**8,384**	**287,419**	**2,828**	**426,752**

COMPANY	Land	Buildings and structures	Machinery, plant and equipment	Other non-current assets	FSRU and related equipment	Construction in progress	Total
Acquisition cost							
Balance as at 31 December 2022	38	182,320	193,102	26,279	-	11,270	413,009
Acquisitions	-	213	835	652	-	1,823	3,523
Advance payments	-	-	4	3	-	-	7
Retirements and disposals	-	-	(100)	(287)	-	-	(387)
Transfer from construction in progress	-	3,616	6,951	714	-	(11,307)	(26)
Reclassification	-	-	182	(145)	-	-	37
Balance as at 31 December 2023	**38**	**186,149**	**200,974**	**27,216**	**-**	**1,786**	**416,163**
Acquisitions	-	118	1,636	2,766	7,886	3,773	16,179
Transfer from Right-of-use-asset	-	-	-	-	390,049	-	390,049
Advance payments	-	-	-	2	-	-	2
Retirements and disposals	-	-	(170)	(433)	-	-	(603)
Transfer from construction in progress	-	1,529	358	-	-	(1,887)	-
Reclassification	-	-	285	(285)	-	-	-
Balance as at 31 December 2024	**38**	**187,796**	**203,083**	**29,266**	**397,935**	**3,672**	**821,790**
Accumulated depreciation and impairment:							
Balance as at 31 December 2022	**-**	**118,187**	**128,004**	**18,243**	**-**	**2,892**	**267,326**
Depreciation for the year	-	3,125	4,273	1,162	-	-	8,560
Retirements and disposals	-	-	(100)	(244)	-	-	(344)
Reclassifications	-	702	1,296	48	-	(2,048)	(2)
Balance as at 31 December 2023	**-**	**122,014**	**133,473**	**19,209**	**-**	**844**	**275,540**
Depreciation for the year	-	3,164	4,350	1,551	789	-	9,854
Retirements and disposals	-	-	(169)	(369)	-	-	(538)
Impairment for the year (reversal)	-	-	-	500	-	-	500
Transfer from Right-of-use-asset	-	-	-	-	109,727	-	109,727
Balance as at 31 December 2024	**-**	**125,178**	**137,654**	**20,891**	**110,516**	**844**	**395,083**
Net book value as at 31 December 2022	**38**	**64,133**	**65,098**	**8,036**	**-**	**8,378**	**145,683**
Net book value as at 31 December 2023	**38**	**64,135**	**67,501**	**8,007**	**-**	**942**	**140,623**
Net book value as at 31 December 2024	**38**	**62,618**	**65,429**	**8,375**	**287,419**	**2,828**	**426,707**

The depreciation of property, plant and equipment

	GROUP		COMPANY	
	2024	2023	2024	2023
Cost of sales	9,707	8,532	9,707	8,492
Operating expenses	183	68	147	68
Total	**9,890**	**8,600**	**9,854**	**8,560**

In 2024 the depreciation EUR 345 thousand was reduced by amortisation of related grant (EUR 344 thousand – in 2023).

Part of the Group's and the Company's property, plant and equipment with the acquisition cost of EUR 42,052 thousand as at 31 December 2024 was completely depreciated (EUR 43,150 thousand on 31 December 2023), however, it was still in operation.

The Group and the Company did not capitalize any borrowing costs as there were no qualifying assets under development in the year of 2024 and 2023.

The Group's and the Company's property, plant and equipment (PPE) pledged to the Ministry of Finance of Republic of Lithuania:

	31-12-2024	31-12-2023
PPE attributed to LNGT pledged for the guarantee given to European Investment Bank and Nordic Investment Bank (more on Note 14)	34,651	36,212
PPE attributed to Subačius liquid energy terminal pledged for the guarantee given to Nordic Investment Bank	3,970	4,089

Impairment of property, plant and equipment and right-of-use assets attributed LNG reloading station assets

The management of the Group and the Company has assessed the internal and external indications of impairment for property, plant and equipment attributed to LNG reloading station as at 31 December 2024.

During 2024, significant changes in the economic environment and financial markets did not take place on both regional and global scales. As at 31 December 2024, the management of the Group and the Company did not identify any other negative significant events or changes in circumstances that would indicate potential impairment of assets attributed to the LNG reloading station.

Impairment of property, plant and equipment and right-of-use assets attributed to Klaipėda liquid energy terminal assets

During 2024, significant changes in the economic environment and financial markets did not occur at both regional and global scales. As at 31 December 2024, the management of the Group and the Company did not identify any other negative significant events or changes in circumstances that would indicate potential impairment of assets attributed to the Klaipėda liquid energy terminal. The CGU future cash flows have been reviewed in light of current market conditions and management's expectations for future performance, along with a reassessment of the WACC used for discounting future pre-tax cash flows.

The CGU's cash flows were projected for the period of 2025-2049 based on the estimated remaining useful life of key assets. Additionally, the segment operates in an asset-heavy and stable industry, relying on long-term contracts, allowing for the execution of long-term cash flow projections.

Restorative and maintenance investments into Klaipėda liquid energy terminal assets were assumed to reach EUR 100,501 thousand during the forecasted period.

Operating assumptions used in cash flow calculations are projected based on global oil market forecasts from the year 2030, while income and expense assumptions for the remaining periods are projected based on a long-term 2% growth rate, aiming for inflation target maintenance.

To determine the value in use of the CGU, future pre-tax cash flows are calculated and discounted with a pre-tax discount rate representing the current market valuation of the time value of money as well as the significant risks allocated to related assets.

The discount rate was calculated as the weighted average cost of capital using data based on listed oil/gas distribution sector company performance during 2024, as well as other commonly used indicators such as the risk-free rate of Lithuanian government bonds, country risk premium, corporate credit spread, and effective tax rate reflecting the market that the CGU is generally based in. To reflect risks and uncertainties arising from the Group's and the Company's business environment, an additional risk premium of 1.93% was estimated and added directly to the pre-tax WACC estimate. Accordingly, the pre-tax discount rate was estimated at 8.67% and used for determining the value in use of the CGU as at December 31, 2024 (compared to 9.71% as at December 31, 2023).

Considering the changes in impairment testing assumptions, the result of the impairment testing of Klaipėda liquid energy terminal's assets did not indicate any potential impairment as at 31 December 2024.

Right-of-use assets

GROUP	Land	Buildings and structures	Machinery, plant and equipment	Other non-current assets	Total
Acquisition cost					
Balance as at 1 January 2023 (restated)*	26,381	1,861	390,122	45	418,409
Acquisitions / disposals	74	345	-	385	804
Balance as at 31 December 2023 (restated)*	26,455	2,206	390,122	430	419,213
Acquisitions / disposals	35	875	37	20	967
Reclassification to PPE	-	-	(390,049)	-	(390,049)
Effect of foreign currency translation	-	(7)	-	-	(7)
Balance as at 31 December 2024	26,490	3,074	110	450	30,124
Accumulated depreciation and impairment:					
Balance as at 1 January 2023 (restated)*	7,917	1,194	82,882	45	92,038
Depreciation for the year	540	257	13,453	43	14,293
Effect of foreign currency translation	-	2	-	-	2
Balance as at 31 December 2023 (restated)*	8,457	1,453	96,335	88	106,333
Depreciation for the year	542	296	13,451	135	14,424
Reclassification to PPE	-	-	(109,727)	-	(109,727)
Effect of foreign currency translation	-	(3)	-	-	(3)
Balance as at 31 December 2024	8,999	1,746	59	223	11,027
Net book value as at 1 January 2023 (restated)*	**18,464**	**667**	**307,240**	**-**	**326,371**
Net book value as at 31 December 2023 (restated)*	**17,998**	**753**	**293,787**	**342**	**312,880**
Net book value as at 31 December 2024	**17,491**	**1,328**	**51**	**227**	**19,097**

* See Note 3 for details regarding the restatement as a result of an error.

COMPANY	Land	Buildings and structures	Machinery, plant and equipment	Other non-current assets	Total
Acquisition cost					
Balance as at 1 January 2023 (restated)*	26,381	1,828	390,122	45	418,376
Acquisitions / disposals	74	337	-	385	796
Balance as at 31 December 2023 (restated)*	26,455	2,165	390 122	430	419,172
Acquisitions / disposals	35	871	37	20	963
Reclassification to PPE	-	-	(390,049)	-	(390,049)
Balance as at 31 December 2024	26,490	3,036	110	450	30,086
Accumulated depreciation and impairment:					
Balance as at 1 January 2023 (restated)*	7,917	1,182	82,881	45	92,025
Depreciation for the year	540	250	13,453	43	14,286
Balance as at 31 December 2023 (restated)*	8,457	1,432	96,334	88	106,311
Depreciation for the year	542	281	13,451	135	14,409
Reclassification to PPE	-	-	(109,727)	-	(109,727)
Balance as at 31 December 2024	8,999	1,713	58	223	10,993
Net book value as at 1 January 2023 (restated)*	**18,464**	**646**	**307,241**	**-**	**326,351**
Net book value as at 31 December 2023 (restated)*	**17,998**	**733**	**293,788**	**342**	**312,861**
Net book value as at 31 December 2024	**17,491**	**1,323**	**52**	**227**	**19,093**

* See Note 3 for details regarding the restatement as a result of an error.

On 6 December 2024 the Floating Storage and Regasification Unit (hereinafter – the FSRU) Independence has been transferred to the ownership of the Company and registered in the Lithuanian Seagoing Register. Until recently, the LNG terminal FSRU Independence was leased from the Norwegian company Höegh Evi and classified under Right-of-use assets, with corresponding Lease liabilities reported on the statement of financial position. The Law on Liquefied Natural Gas Terminal of the Republic of Lithuania provided the obligation to acquire and own the FSRU by the end of 2024 and to ensure her operation until 31 December 2044. The takeover of the vessel on this date is the result of the decision of the General Meeting of Shareholders in 2022 and the FSRU Independence sale and purchase agreement concluded in spring 2024. The transaction value is EUR 138.04 million (USD 153.50 million).

Depreciation of right-of-use assets

	GROUP		COMPANY	
	2024	**2023**	**2024**	**2023**
Cost of sales	12,447	14,098	12,447	14,098
Operating expenses	1,977	292	1,962	285
Total	**14,424**	**14,390**	**14,409**	**14,383**

Since right-of-use assets do not generate separate cash flow, the management of the Group and the Company have assessed the internal and external indications of impairment of right-of-use assets along with other tangible assets as common CGU as at 31 December 2024 and 31 December 2023. The management did not identify additional impairment of the right-of-use assets as at 31 December 2024.

5 INFORMATION ABOUT SEGMENTS

The management of the Group and the Company has identified the following segments following the new Group's strategy, where the names of the segments were changed; however, these changes did not have an impact on the grouping:

- **LET** – Liquid energy terminals in Klaipėda and Subačius, offering transshipment services for liquid energy products, long-term storage solutions for such products, and other related services;
- LNG business that includes LNGT and comLNG segments:
  - **LNGT** – LNG terminal in Klaipėda which receives and stores liquefied natural gas, regasifies and supplies it to Gas Main pipeline;
  - **comLNG** – LNG commercial activities – include LNG reloading station and execution of other global LNG projects.

The Group includes its investments in subsidiaries and associates to the specific segments according to which activities these entities are involved in: UAB KN Global Terminals, UAB SGD SPB and KN Açu Servicos de Terminal de GNL LTDA, KN Energies Deutschland GmbH – comLNG, UAB KN New Energy Solutions – LNGT, BALTPOOL UAB and Sarmatia Sp. z. o. o. – LET.

As at 31 December 2024, there were four customers each of which generated revenues exceeding 10% of the total the Group's and the Company's revenues and in total amounted to EUR 52,508 thousand:

- Customer A – EUR 14,858 thousand (LNGT);
- Customer B – EUR 14,699 thousand (LET);
- Customer C – EUR 11,799 thousand (LNGT);
- Customer D – EUR 11,152 thousand (LNGT).

As at 31 December 2023, there were three customers each of which generated revenues exceeding 10% of the total the Group's and the Company's revenues and in total amounted to EUR 38,220 thousand:

- Customer A – EUR 15,388 thousand (LET);
- Customer B – EUR 11,795 thousand (LNGT);
- Customer C – EUR 11,037 thousand (LNGT).

Main indicators of the segments of the Group included in the statement of comprehensive income and statement of financial position for the financial year 2024 and 2023 are described below:

GROUP For the year ended 31 December 2024	LET	LNG LNGT	 comLNG	Total
Revenues from contracts with customers	26,660	55,806	11,189	**93,655**
Profit (loss) before income tax	3,025	10,811	5,508	**19,344**
Income tax expense	(23)	3,097	904	**3,978**
Segment net profit (loss)	3,048	7,714	4,604	**15,366**
Interest revenue	1,855	145	305	**2,305**
Loan interest expense	-	6,095	(2)	**6,093**
Interest on financial lease liabilities	364	812	43	**1,219**
Depreciation and amortisation	5,552	3,213	1,118	**9,883**
Depreciation of right-of-use-assets	538	13,708	179	**14,425**
Acquisitions of tangible and intangible assets	5,992	10,320	41	**16,353**
Segment total assets*	107,385	340,892	24,394	**472,671**
Loan and related liabilities	(20)	320,414	(42)	**320,352**
Lease liabilities	18,385	4,924	2,357	**25,666**
Segment total liabilities	25,294	338,686	8,066	**372,046**

GROUP For the year ended 31 December 2023	LET	LNG LNGT (restated)**	 comLNG	Total (restated)**
Revenues from contracts with customers	27,919	48,743	6,863	**83,525**
Profit (loss) before income tax	4,896	9,717	1,359	**15,972**
Income tax expense	489	1,815	442	**2,746**
Segment net profit (loss)	4,407	7,902	917	**13,226**
Interest revenue	1,262	82	170	**1,514**
Loan interest expense	-	4,220	1	**4,221**
Interest on financial lease liabilities	366	1,155	43	**1,564**
Depreciation and amortisation	5,262	2,189	1,200	**8,651**
Depreciation of right-of-use-assets	481	13,762	147	**14,390**
Acquisitions of tangible and intangible assets	3,233	413	93	**3,739**
Segment total assets*	108,697	344,116	24,215	**477,028**
Loan and related liabilities	(20)	164,445	(42)	**164,383**
Lease liabilities	18,604	189,429	2,049	**210,082**
Segment total liabilities	24,731	371,321	7,847	**403,899**

* Segment total assets - total assets of the Group, excluded Cash and cash equivalents and short-term deposits at the period end.

** See Note 3 for details regarding the restatement as a result of an error.

Reconciliation of information on reportable segments to the amounts reported in the financial statements:

	Total for reportable segments	Consolidated	Total for reportable segments (restated)**	Consolidated (restated)**
	2024	**2024**	**2023**	**2023**
Revenues	93,655	93,655	83,525	83,525
Profit (loss) before tax	19,344	19,344	15,972	15,972
Net profit (loss)	15,366	15,366	13,226	13,226
Interest on financial lease liabilities	1,219	1,219	1,564	1,564
Depreciation and amortization	9,883	9,883	8,651	8,651
Depreciation of ROU assets	14,425	14,425	14,390	14,390
Acquisitions of tangible and intangible assets	295,469	295,469	3,739	3,739
Assets*	472,671	472,671	477,028	477,028
Loan and related liabilities	320,352	320,352	164,383	164,383
Lease liabilities	25,666	25,666	210,082	210,082
Liabilities	372,046	372,046	403,899	403,899

* Segment total assets – total assets of the Group, excluding Cash and cash equivalents and short-term deposits at the period end.
** See Note 3 for details regarding the restatement as a result of an error.

The Group's and Company's customers are both Lithuanian and foreign. Revenue by geography is as follows:

	GROUP		COMPANY	
	2024	**2023**	**2024**	**2023**
Lithuanian clients	55,714	49,033	55,714	49,033
Foreign clients	37,941	34,492	33,693	31,323
Total	**93,655**	**83,525**	**89,407**	**80,356**

Majority of property, plant and equipment is located in Lithuania and only less than 1% - in Brazil.

6 INVESTMENT IN SUBSIDIARIES

Company	Ownership	31-12-2024	31-12-2023
Cost of shares of UAB KN Global Terminals	100%	4,540	4,540
Cost of shares of UAB KN New Energy Solutions	100%	58	38
Total		**4,598**	**4,578**

The Company indirectly controls subsidiaries UAB SGD SPB, KN Açu Servicos de Terminal de GNL LTDA, and KN Energies Deutschland GmbG.

UAB KN Global Terminals

The subsidiary was registered on 20 November 2015. The main activity – expansion of operation of international LNG terminal activities, LNG transportation activities, other economic activities.

The authorized capital of UAB KN Global Terminals is EUR 4,540,000, divided into 4,540,000 shares, each with a nominal value of EUR 1.00, granting 4,540,000 votes.

On 13th of December 2019, when the Company was appointed as the operator of the liquefied natural gas (LNG) terminal in the Brazilian Port of Açu, UAB KN Global Terminals together with UAB SGD SPB established KN Acu Servicos de Terminal de GNL LTDA. According to the long-term contract with Gas Natural Açu (GNA), KN, through its subsidiary, assumes the responsibility for the provision of safe, reliable and efficient operations, including maintenance of the jetty and its installations, gas pipeline and gas metering stations as well as support for the commissioning of the LNG Terminal.

On 17th of September 2024, UAB KN Global Terminals has registered a German subsidiary KN Energies Deutschland GmbH. KN through this subsidiary is responsible for the smooth execution of its commitments to the German state-owned company, Deutsche Energy Terminal GmbH (DET), by providing technical operation and maintenance services for the second floating LNG import terminal at Wilhelmshaven (Wilhelmshaven 2).

The management of the Company has reassessed indications of impairment of its investment in the subsidiary and found no indications as of 31 December 2024.

Unaudited financial position of UAB KN Global Terminals is as follows:

UAB KN Global Terminals	2024	2023
Non-current assets	176	151
Current assets	6,752	5,808
Current liabilities	53	55
Equity	6,875	5,904

Unaudited comprehensive income of UAB KN Global Terminals is, as follows:

UAB KN Global Terminals	2024	2023
Revenue	1,066	1,156
(Expenses)	(105)	(68)
Profit (loss)	961	1,088

UAB KN New Energy Solutions

The subsidiary UAB KN New Energy Solutions (Burių str. 19, 92276 Klaipėda, 304139242) was established and registered on 27 December 2018. UAB KN New Energy Solutions objective is to invest in development, implementation, and management of infrastructure both in Lithuania and abroad for transportation, short-term storage, and transshipment of carbon dioxide and other new energy sources.

The authorized capital of UAB KN New Energy Solutions is EUR 58,000, divided into 58,000 shares, each with a nominal value of EUR 1.00, granting 58,000 votes.

Unaudited financial position of UAB KN New Energy Solutions is as follows:

UAB KN New Energy Solutions	2024	2023
Current assets	34	20
Current liabilities	1	1
Equity	33	19

Unaudited comprehensive income of UAB KN New Energy Solutions is as follows:

UAB KN New Energy Solutions	2024	2023
Revenue	-	-
(Expenses)	(6)	(4)
Profit (loss)	(6)	(4)

7 INVENTORIES

	GROUP		COMPANY	
	31-12-2024	31-12-2023	31-12-2024	31-12-2023
Spare parts, construction materials and other inventories	1,130	1,082	1,130	1,082
Diesel fuel for the LNG Terminal purpose	439	359	439	359
Emission allowances	204	8	204	8
Fuel for transport and other equipment	118	113	118	113
Liquefied natural gas	46	46	46	46
Total	**1,937**	**1,608**	**1,937**	**1,608**

No write down of inventories to net realisable value accounted as at 31 December 2024 and 31 December 2023. In 2024 the Group and the Company recognised inventories for EUR 2,191 thousand (in 2023: EUR 3,068 thousand) in cost of sales and EUR 77 thousand in operating expenses (in 2023: EUR 114 thousand). Inventories recognised as costs during the year were included into following captions under costs of sales and operating expenses:

	2024	2023
Inventories recognised under cost of sales:		
Natural gas	1,091	1,941
Services for tankers	504	111
Repair and maintenance of assets	276	380
Emission allowances	252	216
Transport	51	41
Work safety costs	16	23
Liquid energy products	0	355
Other	1	1
	2,191	**3,068**
Inventories recognised under operating expenses:		
Expenses for transport	38	33
Other	39	81
	77	**114**

8 TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	31-12-2024	31-12-2023	31-12-2024	31-12-2023
Trade receivables	14,422	10,556	13,739	9,830
Other receivables	3,643	1,404	3,404	1,193
Total	**18,065**	**11,960**	**17,143**	**11,023**

Trade and other receivables are non-interest bearing and are generally settled on 2 - 20 days payment terms.

Trade receivable disclosed below:

	GROUP		COMPANY	
	31-12-2024	31-12-2023	31-12-2024	31-12-2023
Receivables from LNG terminal activities	11,024	7,854	11,024	7,855
Receivables for transshipment of liquid energy products and other related services	3,502	3,410	3,502	3,410
Receivable for operating and management services	1,408	804	725	77
Less: impairment allowance	(1,512)	(1,512)	(1,512)	(1,512)
Total	**14,422**	**10,556**	**13,739**	**9,830**

	GROUP		COMPANY	
	31-12-2024	31-12-2023	31-12-2024	31-12-2023
Receivables from third-party customers	8,847	5,583	8,153	4,839
Receivables from related parties (Note 27)	5,575	4,973	5,586	4,991
Total	**14,422**	**10,556**	**13,739**	**9,830**

The Group and the Company has recognized impairment allowance in the amount of EUR 1,512 thousand on 31 December 2024 (EUR 1,512 thousand on 31 December 2023).

No change in impairment allowance (reversal) for trade receivables for 2024 (for 2023 – impairment allowance (reversal), amounting to EUR 11 thousand has been included into the operating expenses in the statement of comprehensive income).

Movements in the impairment allowance in respect to trade receivables

The movement in the impairment allowance in respect to trade receivables during the year was as follows:

GROUP and COMPANY	31-12-2024	31-12-2023
Balance at 1 January	**1,512**	**1,523**
Reversal of impairment	-	(11)
Balance at 31 December	**1,512**	**1,512**

The age analysis of trade receivables of the Group and the Company as at 31 December 2024 and 2023 is as follows:

Group

		Trade receivables past due but not impaired							
	Trade neither past due nor impaired	Less than 30 days	30 – 59 days	60 – 89 days	90 – 179 days	180 – 279 days	280 – 359 days	More than 360 days	Total
2024	9,840	385	78	96	47	-	-	3,976	14,422
2023	4,946	1,575	49	-	-	-	-	3,986	10,556

Company

		Trade receivables past due but not impaired							
	Trade neither past due nor impaired	Less than 30 days	30 – 59 days	60 – 89 days	90 – 179 days	180 – 279 days	280 – 359 days	More than 360 days	Total
2024	9,157	385	78	96	47	-	-	3,976	13,739
2023	4,220	1,575	49	-	-	-	-	3,986	9,830

The performance of 100% of Company's financial liabilities is ensured by the State Guarantee and aligned with EU commission. The Finance Ministry of the Republic of Lithuania, being issuer of the state aid guarantee, takes all existent and future receivables from security supplement as collateral. The pledge of receivables from security supplement was signed on 20 February 2025.

Other receivables disclosed below:

	GROUP		COMPANY	
	31-12-2024	31-12-2023	31-12-2024	31-12-2023
Excise duty receivable	992	979	992	979
VAT receivable	199	214	199	214
Other receivable taxes (1)	227	211	-	-
Other receivables (2)	2,225	-	2,213	-
Total	**3,643**	**1,404**	**3,404**	**1,193**

(1) Other receivable taxes relate to subsidiary KN Acu Servicos de Terminal de GNL Ltda receivable social security taxes (INSS). INSS retention is a mandatory withholding of social security contributions on certain service invoices in Brazil. When KN Acu Servicos de Terminal de GNL Ltda issues invoices to its clients, the clients are required to withhold 11% of the service value and pay it directly to the tax office. Withheld tax can be used to offset future social security contributions payable by the company.

(2) At the end of August 2024, the Company's client Bioenergy World Trade OU, using an independent inspector, conducted quality tests on the product which was stored in the Company's storage tank as per the contract with the client. Having found discrepancies in the quality standard, the Company conducted an internal investigation and determined that the quality of the client's product had changed. The change in product quality occurred due to technical circumstances related to the quality of the damper during the testing of the tank's fire protection system. The client submitted a claim to the Company, which in turn applied to the insurance company. The tripartite agreement was signed, and the insurance company has paid a one-time EUR 2.2 million compensation to the client on behalf of KN in 2025 as well as EUR 224 thousand to KN for losses incurred. As at 31 December 2024, the Company has recognized EUR 2.2 million as other receivables, with an equivalent EUR 2.2 million provision for claim liability.

9 CONTRACT ASSETS

GROUP and COMPANY	31-12-2024	31-12-2023
Current contract assets:	**309**	**556**
Accrued income	309	556

Accrued income for storage of liquid energy products as of 31 December 2024 and 31 December 2023 calculated as percentage of completion based on expenses incurred from the total estimated cost of contracted services. Upon completion of transshipment of liquid energy products and acceptance by the customer, the amounts initially recognized as contract assets are reclassified as trade receivables.

10 OTHER FINANCIAL ASSETS

	GROUP		COMPANY	
	31-12-2024	31-12-2023	31-12-2024	31-12-2023
Short-term deposits (1)	45,300	57,500	40,000	53,000
Receivable interests from short-term deposits	1,120	1,037	1,071	1,029
Deposit for tax obligations (2)	3,321	3,321	3,321	3,321
Other guarantees (3)	658	465	658	465
Total	**50,399**	**62,323**	**45,050**	**57,815**

(1) As at 31 December 2024, the Group had 6 short-term deposits at banks, amounted to EUR 45,300 thousand, with maturity of more than 3 months, the Company had 2 short-term deposits at banks, amounted to EUR 40,000 thousand, with maturity of more than 3 months. Annual interest rate was from 2.65% to 3.65% for agreements signed.

(2) In 2020-2021 the Group and the Company made a deposit to the State tax inspection for tax which may arise from the movement of excise goods under suspension of excise duty. No additional excise duty cash collateral was deposited during 2024. The use of the deposit is indefinite (returned within 5 working days from the submission of the request).

(3) On 29 March 2024 the Company had provided credit support (bank guarantees) on behalf of KN Acu Servicos de Terminal de GNL LTDA to its clients UTE GNA I GERAÇÃO DE ENERGIA S.A. and UTE GNA II GERAÇÃO DE ENERGIA S.A.. As at 31 December 2024 the aggregated amount of credit support is EUR 658 thousand (USD 687 thousand). The guarantees were issued from deposited funds.

Management of the Group and the Company considered potential impairment losses on other financial assets as per IFRS 9 requirements. Based on management's assessment performed and best estimate, the carrying amount of other financial assets approximates fair value and no indications of impairment exist as at 31 December 2024 and 31 December 2023.

11 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	31-12-2024	31-12-2023	31-12-2024	31-12-2023
Cash at banks	17,203	19,535	14,429	17,405

Cash and cash equivalents are not pledged as at 31 December 2024 and 31 December 2023. The Group and the Company didn't have restricted cash as at 31 December 2024 and 31 December 2023.

Calculated values of cash and cash equivalents are denominated in the following currencies showed in EUR:

	GROUP		COMPANY	
Currency	31-12-2024	31-12-2023	31-12-2024	31-12-2023
EUR	15,812	14,049	14,389	12,628
USD	40	4,777	40	4,777
BRL	1,351	709	-	-
Total	**17,203**	**19,535**	**14,429**	**17,405**

Management of the Group and the Company considered potential impairment losses on cash held in banks as per IFRS 9 requirements. Assessment is based on official Standard & Poor's long–term credit ratings:

	GROUP		COMPANY	
	31-12-2024	31-12-2023	31-12-2024	31-12-2023
A+	5,963	7,276	4,944	5,855
A	2,072	-	2,072	-
A-	-	5,962	-	5,962
AA-	7,413	5,588	7,413	5,588
BB-	1,351	709	-	-
N/A	404	-	-	-
Total	**17,203**	**19,535**	**14,429**	**17,405**

Based on management's assessment performed and best estimate, the carrying amount of cash and its equivalents approximates fair value and no indications of cash impairment exist as at 31 December 2024 and 31 December 2023.

12 ISSUED CAPITAL AND RESERVES

The Company's authorised capital is EUR 110,315,009.65, divided into 380,396,585 shares, each with one voting right. All shares are paid. 72.47% of the shares (275,687,444 shares) are owned by the State of Lithuania, represented by the Ministry of Energy.

The Company has not acquired any of its own shares and has arranged no deals regarding acquisition or transfer of its own shares during the year 2024 and 2023.

	Legal reserves	Reserve for own shares	Other reserves
Balance as at 1 January 2023	**11,051**	**15,929**	**2,653**
Transfer between reserves	-	(4,001)	(2,653)
Balance as at 31 December 2023	**11,051**	**11,928**	**-**
Transfer between reserves	-	-	7,192
Balance as at 31 December 2024	**11,051**	**11,928**	**7,192**

A legal reserve is a compulsory reserve under Lithuanian legislation. Annual transfers of not less than 5% of net profit, calculated in accordance with International Financial Reporting Standards, are compulsory until the reserve reaches 10% of the share capital. The legal reserve is fully formed as at 31 December 2024 and 31 December 2023.

Other reserves are formed based on the decision of the General Shareholders' Meeting on profit distribution. According to the Group's and the Company's dividend policy, dividends for the years 2021-2024 are calculated by eliminating from the distributable profit unrealised foreign exchange rates impact and other unrealised gains (losses). While setting amounts of the dividends, the Board of the Group and the Company also considers funds necessary for strategic investment projects, financial and non-financial liabilities, and other relevant factors. The remaining profit (loss) is distributed to other reserves which can be further used only for the purposes approved by the General Shareholders' Meeting.

13 NON-CURRENT EMPLOYEE BENEFITS

Provisions for non-current employee benefits represent payable amounts calculated in accordance with the Lithuanian laws. Each employee at retirement age is entitled to receive a payment of 2 monthly salaries upon retirement. As at 31 December 2024 and 31 December 2023 the Company and the Group has recognized employee benefits related to the length of service of employees, which is described in the collective agreement. Depending on time spent in the Company, the employer is entitled to a higher benefit payment than the one prescribed by the law.

As at 31 December 2024 and 31 December 2023, the Company and the Group reclassified a portion of non-current employee benefits under short term liabilities. The short-term portion of retirement benefits represents obligations expected to be settled within 12 months from the reporting date. This includes benefits for employees who will retire within the next financial year.

On 31 December 2024 the liabilities related to the defined benefit obligations to the employees terminating the employment on the normal retirement date were EUR 993 thousand (EUR 816 thousand – in 2023) as follows:

GROUP and COMPANY	31-12-2024	31-12-2023
Start of period	**816**	**631**
Calculated per year	206	210
Paid per year	(29)	(25)
End of period	**993**	**816**
Current	161	122
Non-current	832	694

The main preconditions applied to assess long-term employee benefit liability are presented below:

GROUP and COMPANY	31-12-2024	31-12-2023
Discount rate	3.30%	3.91%
Staff turnover rate	6.32%	7.94%
Future salary increases	6.00%	7.90%

14 LOANS AND LEASE LIABILITIES

Loans

GROUP and COMPANY	31-12-2024	31-12-2023
Nordic Investment Bank's loan (b, c, d)	281,678	121,525
European Investment Bank's loan (a)	38,729	42,853
Guarantee payment to the Ministry of Finance to the Republic of Lithuania	(258)	(126)
Payable loan interest	203	131
Total	**320,352**	**164,383**

(a) A credit contract dated on 9 July 2013 was concluded by the Company with European Investment Bank (EIB) to grant a credit up to EUR 87,000 thousand to implement LNGT project. According to the contract, EIB financed up to 50% of necessary funds for the project implementation. According to the contract, credit tenure is up to 20 years (5 years grace period, 15 years linear repayment scheme applied), interest rate is variable comprising bank margin with inclusion of 3 months EURIBOR rate. The contract also provided that minimum credit tranche was EUR 15,000 thousand, and the whole credit sum had to be paid out to the Company over no more than 6 tranches.

The performance of 100% Company's contractual financial liabilities is ensured by the State Guarantee and aligned with EU commission. The Finance ministry of the Republic of Lithuania being issuer of the state aid guarantee has pledge on all property, plant and equipment created during LNGT project (Note 4).

Above credit was facilitated in several tranches:

i. First tranche. On 20 December 2013, the 1st tranche amounting to EUR 15,000 thousand was received with full principal amortization till 20 December 2033. During 2024 the principal amount of EUR 1,017 thousand was repaid. First tranche loan balance as at 31 December 2024 – EUR 8,842 thousand (as at 31 December 2023 – EUR 9,859 thousand).

ii. Second tranche. On 28 November 2014, the 2nd tranche amounting to EUR 15,000 thousand was received with full principal amortization till 28 November 2034. During 2024 the principal amount of EUR 999 thousand was repaid. Second tranche loan balance as at 31 December 2024 – EUR 9,844 thousand (as at 31 December 2023 – EUR 10,843 thousand).

iii. Third tranche. On 15 December 2017, the 3rd tranche amounting to EUR 24,700 thousand was received with full principal amortization till 20 September 2034. During 2024 the principal amount of EUR 2,108 thousand was repaid. Third tranche loan balance as at 31 December 2024 – EUR 20,043 thousand (as at 31 December 2023 – EUR 22,151 thousand).

The Company must meet the financial requirements of the bank according to the Contract with EIB. The Borrower shall ensure that the ratio of EBITDA to Interest in respect of the period of twelve months ending on the last day of each of the Borrower's financial years shall not fall below 4.0:1.0. The Company complied with covenants prescribed in the loan agreement as at 31 December 2024 and as at 31 December 2023.

(b) On 27 November 2014, the Company has concluded the Credit Agreement with the Nordic Investment Bank (NIB) regarding granting a credit of up to EUR 34,755 thousand for the implementation of the LNGT project (the same). According to the contract, credit tenor is up to 20 years (5 years grace period, 15 years linear repayment scheme applied, interest: floating, which rate was provided in the NIB disbursement offer (a fixed margin + 6 months EURIBOR). The loan contract also provided that the minimal payable amount of credit was EUR 7,000 thousand, and all the credit had to be paid out to the Company in no more than 5 tranches.

On 10 November 2015 there was signed NIB loan agreement amendment to reduce the loan principle to EUR 22,000 thousand.

On 31 August 2017, the Company withdrew the amount of EUR 22,000 thousand. Resulting in requirement of full principal amortization till 19 June 2034. During 2024 the principal amount of EUR 867 thousand was repaid. NIB loan balance as at 31 December 2024 – EUR 13,320 thousand (as at 31 December 2023 – EUR 14,187 thousand).

The performance of 100% Company's contractual financial liabilities is ensured by the State Guarantee and aligned with EU commission. The Finance ministry of the Republic of Lithuania being issuer of the state aid guarantee has pledge on property, plant and equipment created during LNGT project.

(c) On 19 November 2019, the Company concluded the Credit Agreement with the Nordic Investment Bank (NIB) regarding granting a credit of up to EUR 134,145 thousand for restructuring of the lease payments of the FSRU. According to the loan contract, the term of the credit is up to 25 years (5 years grace period, 20 years linear repayment scheme), interest: floating (a fixed margin + 6 months EURIBOR). The loan contract also provides that the minimal payable amount of credit is EUR 5,000 thousand with the annual tranche cap EUR 26,829 thousand (making total 5 annual tranches). Loan balance as at 31 December 2024 – EUR 133,911 thousand (as at 31 December 2023 – EUR 107,338 thousand).

The performance of 100% Company's contractual financial liabilities is ensured by the State Guarantee and aligned with EU commission. The Finance ministry of the Republic of Lithuania being issuer of the state aid guarantee has following collateral structure: Subačius liquid energy terminal and all existent and future receivables from security supplement till 2044. For issuance of the state guarantee, likewise historically, a guarantee administration payment of 0.1% to the Ministry of Finance of the Republic of Lithuania was incurred.

On 31 March 2024, the Company withdrew the amount of EUR 6,707 thousand, followed by three consecutive tranches on 28 June 2024, 30 September 2024, and 28 November 2024 respectively, each amounting to EUR 6,707 thousand. The withdrawal schedule in 2023 was the same as in 2024: on 31 March 2023, the Company withdrew the amount of EUR 6,707 thousand, followed by three consecutive tranches on 30 June 2023, 30 September 2023 and 31 December 2023 respectively, each amounting to EUR 6,707 thousand.

(d) On 9 March 2020, the Company concluded the Credit Agreement with the Nordic Investment Bank (NIB) regarding granting a credit of up to EUR 160,000 thousand for FSRU acquisition. According to the loan contract, the term of the credit is up to 25 years (5 years grace period, 20 years linear repayment scheme), interest: floating (a fixed margin + 6 months EURIBOR). The contract also provided that minimum credit tranche was EUR 20,000 thousand, and the whole credit sum had to be paid out to the Company over no more than 4 tranches.

On 13 February 2024 the Company send a request to NIB to reduce the loan amount to EUR 138,400 thousand due to the Maximum Guarantee amount provided by the Republic of Lithuania.

On 28 November 2024, the Company withdrew the amount of EUR 138,100 thousand with full principal amortization till 31 December 2044. During 2024 the principal amount of EUR 3,653 thousand was repaid. NIB loan balance as at 31 December 2024 – EUR 134,447 thousand.

The performance of 100% Company's contractual financial liabilities is ensured by the State Guarantee and aligned with EU commission. The Finance ministry of the Republic of Lithuania being issuer of the state aid guarantee has following collateral structure: Subačius liquid energy terminal and all existent and future receivables from security supplement till 2044. For issuance of the state guarantee, likewise historically, a one-time guarantee administration payment of 0.1% to the Ministry of Finance to the Republic of Lithuania was incurred.

Lease liabilities

	GROUP		COMPANY	
	31-12-2024	31-12-2023 (restated)*	31-12-2024	31-12-2023 (restated)*
Lease liabilities	25,666	210,082	25,659	210,063

Lease liabilities as at 31 December 2024 can be specified as follows:

GROUP	FSRU lease	Land rent	Jetty rent	Other**	Total
Long term lease liabilities	-	18,426	4,776	1,211	24,413
Short term lease liabilities	-	667	124	462	1,253
Total	**-**	**19,093**	**4,900**	**1,673**	**25,666**

COMPANY	FSRU lease	Land rent	Jetty rent	Other**	Total
Long term lease liabilities	-	18,426	4,776	1,211	24,413
Short term lease liabilities	-	667	124	455	1,246
Total	**-**	**19,093**	**4,900**	**1,666**	**25,659**

Lease liabilities as at 31 December 2023 can be specified as follows:

GROUP	FSRU lease (restated)*	Land rent	Jetty rent	Other**	Total
Long term lease liabilities	-	18,851	4,856	752	24,459
Short term lease liabilities	184,426	661	122	414	185,623
Total	**184,426**	**19,512**	**4,978**	**1,166**	**210,082**

COMPANY	FSRU lease (restated)*	Land rent	Jetty rent	Other**	Total
Long term lease liabilities	-	18,851	4,856	743	24,450
Short term lease liabilities	184,426	661	122	404	185,613
Total	**184,426**	**19,512**	**4,978**	**1,147**	**210,063**

* See Note 3 for details regarding the restatement as a result of an error.

** Other comprises of lease of transport vehicles, office rent.

The interest rate for lease liabilities varies from 0.5% to 2% as at 31 December 2024 and as at 31 December 2023. The main characteristics of rent agreements by asset group, as well as the movement of the lease liability can be presented as follows:

GROUP, denominated in euros

	Currency	Year of maturity	Carrying amount as at 31-12-2023 (restated)*	Interests	Interest payments	Payments	Reassessment	Net gains on foreign exchange derivatives	Additional disbursement	Exchange rate effect	Carrying amount as at 31-12-2024
FSRU lease	USD	2024	184,426	715	(794)	(184,485)	-	(8,054)	-	8,192	-
Land rent	EUR	2055	19,512	380	(382)	(450)	34	-	-	-	19,093
Jetty rent	EUR	2065	4,978	97	(98)	(78)	-	-	-	-	4,900
Other	EUR	2024	1,166	27	(28)	(420)	(151)	-	1,080	-	1,673
			210,082	**1,219**	**(1,302)**	**(185,433)**	**(118)**	**(8,054)**	**1,080**	**8,192**	**25,666**

COMPANY, denominated in euros

	Currency	Year of maturity	Carrying amount as at 31-12-2023 (restated)*	Interests	Interest payments	Payments	Reassessment	Net gains on foreign exchange derivatives	Additional disbursement	Exchange rate effect	Carrying amount as at 31-12-2024
FSRU lease	USD	2024	184,426	715	(794)	(184,485)	-	(8,054)	-	8,192	-
Land rent	EUR	2055	19,512	380	(382)	(450)	34		-	-	19,093
Jetty rent	EUR	2065	4,978	97	(98)	(78)	-		-	-	4,900
Other	EUR	2024	1,147	27	(27)	(409)	(151)		1,080	-	1,666
			210,063	**1,219**	**(1,301)**	**(185,422)**	**(118)**	**(8,054)**	**1,080**	**8,192**	**25,659**

As at 31 December 2024 and 31 December 2023 the Group and the Company did not have residual value guarantees related to lease agreements or leases not yet commenced to which the Group and the Company is committed.

*See Note 3 for details regarding the restatement as a result of an error.

** The exchange rate effect includes a EUR 7,734 thousand loss from translating lease liabilities at the exchange rate on the FSRU purchase date and a EUR 458 thousand loss from the exchange rate difference between the FSRU invoice date and payment date.

RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

In accordance with IAS 7 Disclosure Initiative requirements, the following table provides disclosure that enable users of financial statements to evaluate changes in liabilities arising from financing activities (loans taken), including both changes arising from cash flows and non-cash changes:

	GROUP		COMPANY	
	Loans	Lease liabilities (restated)*	Loans	Lease liabilities (restated)*
Non-current interest-bearing loans and borrowings, including interest payable as at 1 January 2023	**143,140**	**263,067**	**143,140**	**263,045**
Additional loan disbursements (Cash flows)	26,829	-	26,829	-
Additional disbursement	-	382	-	382
Loan repayments (Cash flows)	(5,445)	-	(5,445)	-
Repayment of lease liabilities (Cash flows)	-	(46,487)	-	(46,482)
Interest and loan administration fee charged	3,993	1,550	3,993	1,548
Interest and loan administration fee paid (Cash flows)	(3,990)	(1,586)	(3,990)	(1,586)
Guarantee payments (Cash flows)	(144)	-	(144)	-
The effect of changes in foreign exchange rates	-	(7,257)	-	(7,257)
Other payments / reclassifications	-	413	-	413
Non-current interest-bearing loans and borrowings, including interest payable as at 1 January 2024	**164,383**	**210,082**	**164,383**	**210,063**
Additional loan disbursements (Cash flows)	164,929	-	164,929	-
Additional disbursement	-	1,080	-	1,080
Loan repayments (Cash flows)	(8,813)	-	(8,813)	-
Repayment of lease liabilities (Cash flows)	-	(185,433)	-	(185,422)
Net gains on foreign exchange derivatives	-	(8,054)	-	(8,054)
Interest and loan administration fee charged	6,093	1,219	6,093	1,219
Interest and loan administration fee paid (Cash flows)	(5,998)	(1,302)	(5,998)	(1,301)
Guarantee payments (Cash flows)	(242)	-	(242)	-
The effect of changes in foreign exchange rates	-	8,192	-	8,192
Reassessment	-	(118)	-	(118)
Non-current interest-bearing loans and borrowings, including interest payable as at 31 December 2024	**320,352**	**25,666**	**320,352**	**25,659**

*See Note 3 for details regarding the restatement as a result of an error.

15 TRADE PAYABLES AND OTHER LIABILITIES

	GROUP		COMPANY	
	31-12-2024	31-12-2023	31-12-2024	31-12-2023
Trade payables	4,358	4,598	4,366	4,521
Other payables and current liabilities	615	834	571	623
Total	**4,973**	**5,432**	**4,937**	**5,144**

Trade payables disclosed below:

	GROUP		COMPANY	
	31-12-2024	31-12-2023	31-12-2024	31-12-2023
Payable for fixed assets	1,541	409	1,541	409
Other payments related FSRU	1,076	2,030	1,076	2,030
Payable to contractors	243	274	243	274
Contribution for NERC payable	167	153	167	153
Payable for gas services	165	255	165	255
Payable for electricity	112	112	112	112
Payable for railway services	101	79	101	79
Other trade payables	953	1,286	961	1,209
Total	**4,358**	**4,598**	**4,366**	**4,521**

On 31 December 2024 trade payables of EUR 912 thousand were denominated in USD (on 31 December 2023 – EUR 2,030 thousand).

Trade payables are non-interest bearing and are normally settled within 30-day payment terms.

Other payables and current liabilities disclosed below:

	GROUP		COMPANY	
	31-12-2024	31-12-2023	31-12-2024	31-12-2023
Accrued expenses and liabilities	212	411	205	411
Payable for insurance	130	35	130	35
Real estate tax payable	126	126	126	126
Accrued expenses related to FSRU	56	-	56	-
Other liabilities	65	74	54	51
Other taxes payable (1)	26	188	-	-
Total	**615**	**834**	**571**	**623**

(1) Part of payable taxes for the Group was reclassified from "Trade payables" to "Other payables and current liabilities" thus comparative numbers in 2023 were adjusted accordingly (by total of EUR 181 thousand).

16 PAYROLL RELATED LIABILITIES

	GROUP		COMPANY	
	31-12-2024	31-12-2023	31-12-2024	31-12-2023
Accrual of annual bonuses	1,219	1,577	1,219	1,517
Accrued vacation reserve	1,083	881	1,010	829
Salaries payable	761	589	739	589
Social insurance payable	377	268	318	258
Income tax payable	323	251	261	206
Other deductions	2	2	2	2
Total	**3,765**	**3,568**	**3,549**	**3,401**

17 PROVISIONS

GROUP and COMPANY	31-12-2024	31-12-2023
Emission allowances provisions (1)	4,583	6,419
Legal provision (2)	2,200	944
Total	**6,783**	**7,363**

(1) Greenhouse gas emission allowances in advance are distributed for the periods covering the next few years. The current period started from 2023 and will end in 2025. Liabilities for emissions are recognised only as emissions are made and only when the reporting entity has made emissions in excess of the rights held. The net liability as at 31 December 2024 is determined using the spot rate prevailing on that date.

Emission rights are accounted for when evaluating the deficit between the emission allowances allocated under the national allocation plan for emission allowances and the actual pollution for the particular year. The quantity of used emission allowances is audited by external auditors each year.

As at 31 December 2024, the Group and the Company has accounted for a provision of EUR 4,583 thousand regarding the emissions made which exceed available emission rights (as at 31 December 2023 – EUR 6,419 thousand).

Movement of provision:

The Group and the Company	2024	2023
Balance as at 1 January	**(6,419)**	**(5,663)**
Purchase of emission allowances	448	91
Unused emission allowances	(204)	-
Emission allowances used	5,700	6,526
Additional provision made	(4,108)	(7,373)
Balance as at 31 December	**(4,583)**	**(6,419)**

(2) At the end of August 2024, the Company's client Bioenergy World Trade OU, using an independent inspector, conducted quality tests on the product which was stored in the Company's storage tank as per the contract with the client. Having found discrepancies in the quality standard, the Company conducted an internal investigation and determined that the quality of the client's product had changed. The change in product quality occurred due to technical circumstances related to the quality of the damper during the testing of the tank's fire protection system. The client submitted a claim to the Company, which in turn applied to the insurance company. The tripartite agreement was signed, and the insurance company has paid a one-time EUR 2.2 million compensation to the client on behalf of KN in 2025 as well as EUR 224 thousand to KN for losses incurred. As at 31 December 2024, the Company has recognized EUR 2.2 million as other receivables, with an equivalent EUR 2.2 million provision for claim liability.

In January 2023 PGNiG Supply & Trading GmbH, users of the LNG terminal, submitted claims to the Company for a compensation, because during loading operations in December 2022, the LNG carrier ordered by PGNiG Supply & Trading GmbH experienced demurrage while loading liquefied natural gas to the Floating Storage Regasification Unit (FSRU). The demurrage of LNG carrier ordered by PGNiG Supply & Trading GmbH arose due to a technical malfunction of the equipment of the FSRU as of November 25, 2022, where the capacity of LNG regasification was partially limited, which in turn led to the fact that the mentioned LNG carrier exceeded the laytime while loading the LNG cargo. PGNiG Supply & Trading GmbH provided claim for compensation for demurrages and boil off in the amount of EUR 944 thousand. After evaluation of claims and legal/regulatory measures, the Company evaluated requested compensation claims as reasonable and agreed on its compensation through negotiations and settlement agreement.

Movement of provision:

The Group and the Company	2024	2023
Balance as at 1 January	**(944)**	**-**
Decrease in provision (paid)	944	-
Additional provision made	(2,200)	(944)
Balance as at 31 December	**(2,200)**	**(944)**

18 REVENUE FROM CONTRACTS WITH CUSTOMERS

	GROUP		COMPANY	
	2024	2023	2024	2023
Revenue from LNGT regasification services collected directly from LNGT users (1)	46,074	46,077	46,074	46,077
Sales of liquid energy products transshipment services	25,576	25,885	25,576	25,885
Other sales related to LNG terminals activity (2)	11,765	4,666	11,765	4,666
Sales of consulting services (3)	9,124	4,843	4,876	1,674
Other sales related to transshipment	1,116	1,697	1,116	1,697
Sales of inventories	-	357	-	357
Total	**93,655**	**83,525**	**89,407**	**80,356**

(1) Revenue from LNGT services contains revenue from LNG regasification service and LNG reloading service. The tariffs of this services are adjusted annually and regulated by NERC. Regasification and reloading revenue are collected directly from the clients after services are provided based on quantities. Revenue from LNGT services in 2024 is at the same level as previous year.

Security supplement – security of supply fee applied to natural gas transmission price paid by Lithuanian natural gas consumers. LNG terminal additional security supplement tariff is applied to Terminal users, who regasify gas via LNG terminal and use gas transmission system. LNG terminal additional security supplement tariff is set by NERC by the resolutions annually and is dedicated to cover operating costs of LNG terminal, its infrastructure and tie-in, independently from gas volumes regasified and submitted to gas transmission system.

Security supplement revenue was not recognized in 2024 due to implemented regasification model when regasification tariff was increased and security supplement from May 2022 was 0 EUR/(MWh/day/year).

(2) Other sales related to LNG terminals activity are higher mainly due to payments from clients for the unused allocated capacity.

(3) The growing role of KN in the international LNG market has increased revenues from sales of consulting services in 2024 comparing to the same period in 2023. In 2023, KN became the commercial operator of two LNG terminals in Germany. This success story enabled KN to take up the commercial operation of two more LNG terminals in 2024. Moreover, KN became the technical operator and maintenance of the second LNG terminal in Wilhelmshaven (Wilhelmshaven 2). Part of revenue for 2024 was reclassified from "Other sales related to LNG terminals activity" to "Sales of consulting services", comparative numbers from 2023 (EUR 3,406 thousand) were adjusted accordingly.

19 COST OF SALES

	GROUP		COMPANY	
	2024	2023	2024	2023
Depreciation of right-of-use asset	(12,448)	(14,098)	(12,448)	(14,098)
Wages, salaries and social security	(9,865)	(8,563)	(9,336)	(8,119)
Depreciation and amortisation (incl. amortisation of grants)	(9,536)	(8,438)	(9,536)	(8,341)
Expenses related to FSRU rent (OPEX element, management, crew cost)	(7,824)	(8,605)	(7,824)	(8,605)
Tax on environmental pollution and Emission allowances	(4,189)	(7,446)	(4,189)	(7,446)
Repair and maintenance of assets	(1,772)	(1,458)	(1,555)	(1,355)
Port charges	(1,578)	(1,533)	(1,578)	(1,533)
Natural gas	(1,087)	(1,890)	(1,087)	(1,890)
Insurance	(1,012)	(1,187)	(1,012)	(1,187)
Railway services	(984)	(1,180)	(984)	(1,180)
Electricity	(880)	(1,067)	(880)	(1,067)
Other	(3,343)	(4,559)	(2,957)	(4,128)
Total	**(54,518)**	**(60,024)**	**(53,386)**	**(58,949)**

20 OPERATING EXPENSES

	GROUP		COMPANY	
	2024	2023	2024	2023
Wages, salaries and social security	(6,891)	(6,053)	(6,502)	(5,866)
Depreciation of right-of-use asset	(1,977)	(292)	(1,962)	(285)
Consulting and legal costs (1)	(1,085)	(1,409)	(1,084)	(1,234)
Telecommunication and IT expenses	(870)	(521)	(851)	(496)
Advertising and external communication	(630)	(208)	(630)	(208)
Impairment of assets	(500)	-	(500)	-
Salaries and other related expenses to governing bodies	(427)	(348)	(427)	(348)
Depreciation and amortization	(347)	(213)	(250)	(213)
Expenses for business trips	(181)	(282)	(167)	(226)
Expenses for refresher courses	(171)	(166)	(165)	(165)
Operating tax expense	(140)	(299)	(142)	(84)
Other	(1,546)	(1,172)	(1,243)	(932)
Total	**(14,765)**	**(10,963)**	**(13,923)**	**(10,057)**

(1) Remuneration to auditors. Consulting and legal costs contain EUR 75 thousand expenses incurred for financial statutory audit performed by PricewaterhouseCoopers UAB of the Group and the Company for the year ended 31 December 2024 (by KPMG Baltics, UAB EUR 65 thousand – for the year ended 31 December 2023, respectively). Remuneration to the independent audit firms for regulated activity testing services amounts to EUR 14 thousand for both, the Group and the Company, (EUR 13 thousand – for the year ended 31 December 2023). Remuneration to the statutory auditor for services related to sustainability report (without issuing limited assurance conclusion) amounts to EUR 44 thousand for both, the Group and the Company, (EUR 0 thousand – for the year ended 31 December 2023).

21 FINANCE INCOME AND FINANCE COSTS

	GROUP		COMPANY	
	2024	2023	2024	2023
Interest income from financial assets held for cash management purposes	2,305	1,514	2,000	1,344
Net exchange gains on foreign currency exchange lease liabilities	-	7,368	-	7,368
Other finance income	70	259	60	247
Financial activity income, total	**2,375**	**9,141**	**2,060**	**8,959**
Net gains on foreign exchange derivatives (1)	8,054	-	8,054	-
Net exchange on foreign currency exchange lease liabilities	(7,734)	-	(7,734)	-
Interest expenses on borrowings	(6,093)	(4,221)	(6,093)	(4,219)
Interest expenses on lease liabilities	(1,219)	(1,564)	(1,219)	(1,562)
Losses from currency exchange	(80)	(114)	(43)	(103)
Other finance costs	(183)	(65)	(13)	(6)
Financial activity expenses, total	**(7,553)**	**(5,964)**	**(7,420)**	**(5,890)**

(1) On 20 August 2024 KN, in preparation for the acquisition of FSRU, conducted currency hedging transaction, fixing the exchange rate to mitigate the impact of exchange rate variation. KN, together with the Ministry of Energy and the National Energy Regulatory Council, initiated the necessary legislative changes to the "Law on Natural Gas of the Republic of Lithuania." As a result, KN was able to reduce the loan amount for the acquisition of FSRU by EUR 8 million and in turn reduce the cost to end-users of natural gas.

22 INCOME TAX

	GROUP		COMPANY	
	2024	2023	2024	2023
Current income tax expense	(903)	(440)	-	-
Deferred tax (expenses) income	(3,075)	(2,306)	(3,075)	(2,306)
Income tax (expense) income recorded in the profit (loss)	**(3,978)**	**(2,746)**	**(3,075)**	**(2,306)**

Reconciliation between income tax expense of the Group and Company and the result of taxable income of the Group and the Company multiplied by income tax rate for the years 2024 and 2023 is as follows:

GROUP	2024	2023
Accounting profit (loss) before tax	19,344	15,972
Applying 15% profit tax	2,902	2,396
Effect of tax rates in foreign jurisdictions	435	176
Tax effect of:		
Tax-exempt income	(9)	(24)
Non-deductible expenses of income tax	116	263
Income tax recognised in other comprehensive income	31	32
Adjustments in respect of prior years	(309)	(191)
Difference in FSRU residual value between financial and tax accounting	740	-
Adjusted Right of Use assets and Lease liabilities (previous years)	(6)	-
Effect of changes in tax rate	13	-
Other	65	94
Total	**3,978**	**2,746**

COMPANY	2024	2023
Accounting profit (loss) before tax	16,872	14,676
Applying 15% profit tax	2,531	2,201
Effect of tax rates in foreign jurisdictions	-	-
Tax effect of:		
Tax-exempt income	(9)	(24)
Non-deductible expenses of income tax	114	262
Income tax recognised in other comprehensive income	31	32
Adjustments in respect of prior years	(309)	(191)
Difference in FSRU residual value between financial and tax accounting	740	-
Adjusted Right of Use assets and Lease liabilities (previous years)	(6)	-
Effect of changes in tax rate	13	-
Other	(30)	26
Total	**3,075**	**2,306**

Movements of deferred tax balances:

Group and Company **Balance as at 31 December 2024**

2024	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Other	Net	Deferred tax assets	Deferred tax liabilities
Right-of-use asset	(48,041)	44,156	-	-	-	(3,885)	-	(3,885)
Lease liability	31,972	(27,867)	-	-	-	4,105	4,105	-
Accelerated depreciation for tax purposes	177	2	-	-	-	179	179	-
Vacation reserve	124	37	-	-	-	161	161	-
Accrued annual bonuses	227	(32)	-	-	-	195	195	-
Emission allowances	962	(229)	-	-	-	733	733	-
Other temporary differences	1	(1)	-	-	-	-	-	-
Impairment of non-current assets	7,212	103	-	-	-	7,315	7,315	-
Long-term employee benefit liability	123	5	31	-	-	159	159	-
Associates' equity method	8	15	-	-	-	23	23	-
Different depreciation rates of non-current assets	(1,174)	(21,795)	-	-	-	(22,969)	-	(22,969)
Accrued income	-	-	-	-	-	-	-	-
Accrued taxable losses	12,912	2,526	-	-	-	15,438	15,438	-
Investment incentive of non-current assets under the law previously in force	(1,673)	5	-	-	-	(1,668)	-	(1,668)
Tax assets (liabilities) before set-off	**2,830**	**(3,075)**	**31**	**-**	**-**	**(214)**	**28,308**	**(28,522)**
Set-off of tax		-	-	-	-	-	(28,308)	28,308
Net tax assets (liabilities)	**2,830**	**(3,075)**	**31**	**-**	**-**	**(214)**	**-**	**(214)**

Group and Company **Balance as at 31 December 2023**

2023	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Other	Net	Deferred tax assets	Deferred tax liabilities
Right-of-use asset	(50,105)	2,064	-	-	-	(48,041)	-	(48,041)
Lease liability (restated)*	39,255	(7,283)	-	-	-	31,972	31,972	-
Accelerated depreciation for tax purposes	187	(10)	-	-	-	177	177	-
Vacation reserve	107	17	-	-	-	124	124	-
Accrued annual bonuses	244	(17)	-	-	-	227	227	-
Emission allowances	849	113	-	-	-	962	962	-
Other temporary differences	77	(74)	-	-	-	3	3	-
Impairment of non-current assets	8,038	(826)	-	-	-	7,212	7,212	-
Long-term employee benefit liability	93	(2)	32	-	-	123	123	-
Associates' equity method	-	8	-	-	-	8	8	-
Different depreciation rates of non-current assets	(1,417)	243	-	-	-	(1,174)	-	(1,174)
Accrued income	(1)	1	-	-	-	-	-	-
Accrued taxable losses	9,561	3,351	-	-	-	12,912	12,912	-
Investment incentive of non-current assets under the law previously in force	(1,782)	109	-	-	-	(1,673)	-	(1,673)
Tax assets (liabilities) before set-off	**5,106**	**(2,306)**	**32**	**-**	**-**	**2,832**	**53,720**	**(50,888)**
Set-off of tax	-	-	-	-	-	-	(50,888)	50,888
Net tax assets (liabilities)	**5,106**	**(2,306)**	**32**	**-**	**-**	**2,832**	**2,832**	**-**

*See Note 3 for details regarding the restatement as a result of an error.

As at 31 December 2024 the Group and the Company did not recognise as deferred tax asset in total amounting to EUR 312 thousand: EUR 242 thousand from allowance of trade accounts receivable and EUR 70 thousand from Group companies' tax losses carried forward (UAB KN Global Terminals, UAB SGD SPB, UAB KN New Energy Solutions). As at 31 December 2023 the Group and the Company did not recognise as deferred tax asset in total amounting to EUR 306 thousand: EUR 227 thousand from allowance of trade accounts receivable and EUR 79 thousand from Group companies' tax losses carried forward (UAB KN Global Terminals, UAB SGD SPB, UAB KN New Energy Solutions).

As at 31 December 2024 and 31 December 2023 the Company's management's judgement was not to recognize as deferred tax asset from the investment incentive as the management does not expect to use the investment incentive to set off against taxable profit in the future.

In the Statement of Financial position deferred income tax liability and deferred income tax asset are set-off as they both are related to the same tax authority.

While assessing deferred income tax asset and liability components as at 31 December 2024 and 2023 the Company has used the domestic Lithuanian income tax rates of 16% and 15%, respectively. The Group's subsidiary KN Açu Serviços de Terminal de GNL Ltda applies Brazilian Tax System and subsidiary´s administration has elected the Real Profit Regime that is calculated on quarterly basis. The official rates for Income tax rate is 25% and Social Contribution on Net Profit is 9%. Another Group's subsidiary KN Energies Deutschland GmbH applies German Tax System where the official tax rates are 15% for Income Tax which is then subject to a surcharge of 5.5% (solidarity surcharge). In addition, the subsidiary is subject to a municipal trade tax which is 14%. This results in a total tax rate of 29.83%.

23 EARNINGS (LOSS) PER SHARE, BASIC AND DILUTED

Basic earnings per share are calculated by dividing net profit (loss) of the Group by the weighted average number of ordinary shares outstanding. Diluted earnings per share equal to basic earnings per share as the Group has no instruments issued that could dilute shares issued.

Basic and diluted earnings per share are as follows:

	GROUP	
	2024	2023
Net profit (loss) attributable to shareholders	15,471	13,226
Weighted average number of outstanding ordinary shares (thousand)	380,397	380,397
Earnings and reduced earnings (in EUR)	**0.04**	**0.04**

24 DIVIDENDS

	2024	2023
Dividends declared	5,000	-
Weighted average number of shares (thousand)	380,397	380,397
Dividends declared per share (expressed in EUR per share)	**0.01**	**-**

25 FINANCIAL ASSETS AND LIABILITIES AND RISK MANAGEMENT

Credit risk

The Group and The Company have significant concentration of trading counterparties. Trade receivables from the main customers are as follows:

- Client A accounted for approximately 26% as at 31 December 2024 (about 35% as at 31 December 2023) of the total Group's and Company's receivables from all its customers.
- Client B – as at 31 December 2024 accounted for approximately 14% (0% as at 31 December 2023) of the total Group's and Company's receivables from all its customers.
- Client C – as at 31 December 2024 accounted for approximately 10% (about 9% as at 31 December 2023) of the total Group's and Company's receivables from all its customers.
- Client D – as at 31 December 2024 accounted for approximately 10% (about 19% as at 31 December 2023) of the total Group's and Company's receivables from all its customers.
- Client E – as at 31 December 2024 accounted for approximately 9% (about 13% as at 31 December 2023) of the total Group's and Company's receivables from all its customers.

The average payment term for the main customers mentioned above varies from 10 to 20 calendar days, whereas the usual payment terms for all other customers is 5 business days. A possible credit risk for the Group's and the Company's customers is managed by a continuous monitoring of outstanding balances.

The Group's and the Company's procedures are in force to ensure on a permanent basis that services are provided to reliable customers and do not exceed an acceptable credit exposure limit. The Group and the Company trade only with reputable third parties, so there is no requirement for collateral.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, if any, in the Statement of Financial position. Consequently, the Group and the Company consider that its maximum exposure is reflected by the amount of trade receivables, net of allowance for doubtful accounts and cash and other short-term deposits recognized at the date of the Statement of Financial position. More information about the credit ratings for banks where the Group and the Company hold cash and cash equivalents is shown in Note 11. In the management's opinion there were no reasonably likely circumstances, which would raise additional obligations to the Group and the Company.

The following table provides information about the exposure to credit risk for trade receivables from the customers:

Group

31-12-2024	Gross carrying amount	Loss allowance	Credit impaired
Current (not past due)	9,841	-	No
1-30 days past due	385	-	No
31-59 days past due	78	-	No
60-89 days past due	96	-	No
90-179 days past due	47	-	No
180-279 days past due	-	-	-
More than 280 days past due	5,487	(1,512)	Yes
Total	**15,934**	**(1,512)**	

Company

31-12-2024	Gross carrying amount	Loss allowance	Credit impaired
Current (not past due)	9,158	-	No
1-30 days past due	385	-	No
31-59 days past due	78	-	No
60-89 days past due	96	-	No
90-179 days past due	47	-	No
180-279 days past due	-	-	-
More than 280 days past due*	5,487	(1,512)	Yes
Total	**15,251**	**(1,512)**	

*No impairment was recognised for the EUR 3,975 thousand receivable from AB Amber Grid, as it is offset by advance payments received (fines and penalties paid to the Company by AB Amber Grid) totalling EUR 4,002 thousand, resulting in a net payable of EUR 27 thousand. For more details on penalties and fines, see Note 26 Commitments and contingencies.

Group

31-12-2023	Gross carrying amount	Loss allowance	Credit impaired
Current (not past due)	4,946	-	No
1-30 days past due	1,575	-	No
31-59 days past due	49	-	No
60-89 days past due	-	-	-
90-179 days past due	-	-	-
180-279 days past due	-	-	-
More than 280 days past due	5,498	(1,512)	Yes
Total	**12,068**	**(1,512)**	

Company

31-12-2023	Gross carrying amount	Loss allowance	Credit impaired
Current (not past due)	4,220	-	No
1-30 days past due	1,575	-	No
31-59 days past due	49	-	No
60-89 days past due	-	-	No
90-179 days past due	-	-	No
180-279 days past due	-	-	No
More than 280 days past due	5,498	(1,512)	Yes
Total	**11,342**	**(1,512)**	

Interest rate risk

The Group's and the Company's income and operating cash flows are influenced by changes in market interest rates, which are linked to EURIBOR base. Overall, 83% of loan portfolio is exposed to floating interest rate risk and no hedging derivative instruments were used. Thus, such standing has implications on financial results.

EIB facility with 3 tranches is exposed to 3 months EURIBOR with zero-floor applicable on EURIBOR base. In contrast, NIB facilities are exposed to 6 months EURIBOR with no zero-floor applicable on EURIBOR base.

	Maturity date	Carrying amount as at 31-12-2024	Carrying amount as at 31-12-2023	Interest rate	Floating interest rate exposure
EIB loan:					
1st tranche	20-12-2033	8,842	9,859	fixed margin + 3 months EURIBOR	negative total interest rate is set at zero
2nd tranche	28-11-2034	9,844	10,843	fixed margin + 3 months EURIBOR	negative total interest rate is set at zero
3rd tranche	20-09-2034	20,043	22,151	fixed margin + 3 months EURIBOR	negative total interest rate is set at zero
NIB loan:					
LNG terminal infrastructure	19-06-2034	13,320	14,187	fixed margin + 6 months EURIBOR	negative interest accrued and offset on the repayment date as part of the loan
Security Supplement reduction	31-12-2044	133,911	107,338	fixed margin + 6 months EURIBOR	negative interest accrued and offset on the repayment date as part of the loan
FSRU acquisition	31-12-2044	134,447	-	fixed margin + 6 months Euribor	negative interest accrued and offset on the repayment date as part of the loan
		320,407	**164,378**		

The Group and the Company are constantly assessing possibilities to hedge interest rate risks on their loans.

The Group's and the Company's excess liquidity in forms of money and time deposits are distributed across the accounts of major Lithuanian banks, which are granted with The Standard and Poor's or equivalent long-term term borrowing BBB- or better external rating according to the foreign rating agencies. Partner bank's rating is assessed either on a stand-alone or applying a bank group logic into which exposure is present. Also, the Group and the Company are monitoring recommendation of the Central Bank of Lithuania.

Retrospectively, risk related to the funds security in banks was limited, because the Group and the Company carried out transactions with the banks that have high ratings provided by the foreign rating agents.

As at 31 December 2024 increase/decrease in EURIBOR interest rate by 90 basis points would increase/decrease yearly interest expenses amount by EUR 2,407 thousand (as at 31 December 2023 – EUR 1,002 thousand).

Exchange rate risk

The Group and the Company are exposed to foreign currency fluctuations primarily related to the U.S. dollar. Before the Group and the Company has acquired the Floating Storage and Regasification Unit (FSRU) the major part of exchange rate risk arose from lease liabilities recognized according to IFRS 16 "Leases". Other foreign exchange rate risks arise from future commercial transactions and already recognized liabilities.

Because the highest part of lease payments is denominated in US dollars, the result of exchange rate fluctuations is recorded in the statement of comprehensive income. The Group and the Company incurred the currency exchange loss amounting to EUR 7,734 thousand for 2024 arising from IFRS 16 "Leases" and gain amounting to EUR 7,368 thousand for 2023. To mitigate FX risk related to FSRU, the Company entered into FX hedge. During the reporting period, the FX hedge transaction resulted in a net gain of almost 8 million EUR, which is reflected in the statement of comprehensive income. The Company's FX risk management policy aims to minimize the impact of currency volatility on its financial results, ensuring greater stability and predictability in its financial planning.

Summary of exchange rates as at 31 December 2024 and 31 December 2023 to EUR:

	Exchange rate as at 31-12-2024	Average exchange rate in 2024	Exchange rate as at 31-12-2023	Average exchange rate in 2023
USD	1.0444	1.0823	1.1050	1.0814
BRL	6.4760	5.8245	5.3618	5.4026

Group (denominated in euro)

31-12-2024	EUR	USD	BRL	TOTAL
Cash and cash equivalents	15,812	40	1,351	17,203
Trade receivables	13,728	-	694	14,422
Lease liabilities	(25,659)	-	(7)	(25,666)
Trade payables	(3,357)	(953)	(48)	(4,358)
Total	**524**	**(913)**	**1,990**	**1,601**

Company (denominated in euro)

31-12-2024	EUR	USD	BRL	TOTAL
Cash and cash equivalents	14,389	40	-	14,429
Trade receivables	13,739	-	-	13,739
Lease liabilities	(25,659)	-	-	(25,659)
Trade payables	(3,413)	(953)	-	(4,366)
Total	**(944)**	**(913)**	**-**	**(1,857)**

Group (denominated in euro)

31-12-2023	EUR	USD	BRL	TOTAL
Cash and cash equivalents	14,049	4,777	709	19,535
Trade receivables	9,830	-	726	10,556
Lease liabilities (restated)*	(25,637)	(184,426)	(19)	(210,082)
Trade payables	(2,490)	(2,031)	(258)	(4,779)
Total	**(4,248)**	**(181,680)**	**1,158**	**(184,770)**

Company (denominated in euro)

31-12-2023	EUR	USD	BRL	TOTAL
Cash and cash equivalents	12,628	4,777	-	17,405
Trade receivables	9,830	-	-	9,830
Lease liabilities (restated)*	(25,637)	(184,426)	-	(210,063)
Trade payables	(2,490)	(2,031)	-	(4,521)
Total	**(5,669)**	**(181,680)**	**-**	**(187,349)**

*See Note 3 for details regarding the restatement as a result of an error.

As at 31 December 2024 increase in USD currency rate by 10 basis points would decrease yearly loss from currency exchange amount by EUR 1 thousand (as at 31 December 2023 – EUR 185 thousand).

As at 31 December 2024 increase in BRL currency rate by 10 basis points would increase yearly income from currency exchange amount by EUR 2 thousand (as at 31 December 2023 – EUR 6 thousand).

Liquidity risk

The Company's and Group's policy is to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of committed credit facilities to meet its commitments at a given date in accordance with its strategic plans.

	GROUP		COMPANY	
	31-12-2024	31-12-2023 (restated)*	31-12-2024	31-12-2023 (restated)*
Current ratio (1)	2.21	0.46	2.01	0.42
Quick ratio (2)	2.16	0.45	1.96	0.41

(1) Liquidity ratio = total current assets / total current liabilities
(2) Quick ratio = (total current assets - inventories) / total current liabilities

The increase in liquidity and quick ratios at the end of the year was driven by a decrease in short-term liabilities. The Company was obligated to acquire the FSRU by the end of 2024, as the lease contract included a purchase option, which the Company was reasonably certain to exercise.

In 2023, the exercise price of the purchase option was reclassified from long-term lease liabilities to short-term liabilities, leading to a significant decline in both the liquidity and quick ratios. However, on December 6, 2024, upon completion of the purchase, all FSRU-related lease liabilities were settled, restoring liquidity ratios to adequate levels.

The table below summarizes the maturity profile of the Group's and Company's financial liabilities as at 31 December 2024 assessed on contractual undiscounted payments:

GROUP	Carrying amount	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Trade and other payables	4,973	-	4,792	182	-	-	4,973
Lease liabilities	25,666	-	373	1,115	6,212	26,265	33,965
Loan and interest	320,352	-	1,300	25,547	102,751	267,560	397,158
Balance as at 31 December 2024	**351,497**	**-**	**6,802**	**26,850**	**108,963**	**293,825**	**436,440**

COMPANY	Carrying amount	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Trade and other payables	4,937	-	4,756	182	-	-	4,937
Lease liabilities	25,659	-	370	1,111	6,212	26,265	33,958
Loan and interest	320,352	-	1,300	25,547	102,751	267,560	397,158
Balance as at 31 December 2024	**350,948**	**-**	**6,426**	**26,839**	**108,963**	**293,825**	**436,053**

The table below summarizes the maturity profile of the Group's and Company's financial liabilities as at 31 December 2023 assessed on contractual undiscounted payments:

GROUP	Carrying amount	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Trade and other payables	5,435	-	5,381	159	-	-	5,540
Lease liabilities (restated)*	210,082	-	14,031	163,189	2,238	35,362	214,820
Loan and interest	164,383	-	2,310	9,306	70,269	198,851	280,736
Balance as at 31 December 2023	**379,900**	**-**	**21,722**	**172,654**	**72,507**	**234,213**	**501,096**

COMPANY	Carrying amount	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Trade and other payables	5,144	-	4,985	159	-	-	5,144
Lease liabilities (restated)*	210,063	-	13,996	163,183	2,232	35,395	214,806
Loan and interest	164,383	-	2,310	9,306	70,269	198,851	280,736
Balance as at 31 December 2023	**379,590**	**-**	**21,291**	**172,648**	**72,501**	**234,246**	**500,686**

*See Note 3 for details regarding the restatement as a result of an error.

Fair value of financial assets and liabilities

The Company's and Group's principal financial instruments not carried at fair value are trade and other receivables, trade and other payables, non-current and current borrowings.

Fair value is stated as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions are used to estimation the fair value of each class of financial assets and liabilities as at 31 December 2024:

GROUP	Carrying amount				Fair value			
	Fair value - hedging instruments	Financial assets at amortised cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value								
Trade receivables	-	14,422	-	14,422				
Cash	-	17,203	-	17,203				
Short-term deposits	-	45,300	-	45,300				
Contract assets	-	309	-	309				
	-	**77,234**	**-**	**77,234**				
Financial liabilities not measured at fair value								
Loan interest	-	-	(320,352)	(320,352)	-	-	(320,352)	(320,352)
Financial lease liabilities	-	-	(25,666)	(25,666)				
Trade payables	-	-	(4,358)	(4,358)				
	-	**-**	**(350,376)**	**(350,376)**				

COMPANY	Carrying amount				Fair value			
	Fair value - hedging instruments	Financial assets at amortised cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value								
Trade receivables	-	13,739	-	13,739				
Cash	-	14,429	-	14,429				
Short-term deposits	-	40,000	-	40,000				
Contract assets	-	309	-	309				
	-	**68,477**	**-**	**68,477**				
Financial liabilities not measured at fair value								
Loan interest	-	-	(320,352)	(320,352)	-	-	(320,352)	(320,352)
Financial lease liabilities	-	-	(25,659)	(25,659)				
Trade payables	-	-	(4,366)	(4,366)				
	-	**-**	**(350,377)**	**(350,377)**				

The following methods and assumptions are used to estimation the fair value of each class of financial assets and liabilities as at 31 December 2023:

GROUP	Carrying amount				Fair value			
	Fair value - hedging instruments	Financial assets at amortised cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value								
Trade receivables	-	10,556	-	10,556				
Cash	-	19,535	-	19,535				
Short-term deposits	-	57,500	-	57,500				
Contract assets	-	556	-	556				
	-	**88,147**	**-**	**88,147**				
Financial liabilities not measured at fair value								
Loan interest	-	-	(164,383)	(164,383)	-	-	(164,383)	(164,383)
Financial lease liabilities (restated)*	-	-	(210,082)	(210,082)				
Trade payables	-	-	(4,779)	(4,779)				
	-	**-**	**(379,244)**	**(379,244)**				

COMPANY	Carrying amount				Fair value			
	Fair value - hedging instruments	Financial assets at amortised cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value								
Trade receivables	-	9,830	-	9,830				
Cash	-	17,405	-	17,405				
Short-term deposits	-	53,000	-	53,000				
Contract assets	-	556	-	556				
	-	**80,791**	**-**	**80,791**				
Financial liabilities not measured at fair value								
Loan interest	-	-	(164,383)	(164,383)	-	-	(164,383)	(164,383)
Financial lease liabilities (restated)*	-	-	(210,063)	(210,063)				
Trade payables	-	-	(4,521)	(4,521)				
	-	**-**	**(378,967)**	**(378,967)**				

*See Note 3 for details regarding the restatement as a result of an error.

Capital management

The primary objectives of the Company's capital management are to ensure that the Company complies with externally imposed capital requirements. Capital includes equity attributable to equity holders.

The Company manages its capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of its activities. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company must keep its equity at least up to 50% of its share capital, as imposed by the Law on Companies of Republic of Lithuania as at 31 December 2024 and as at 31 December 2023.

The Company's activities are financed using its equity and loan capital.

26 COMMITMENTS AND CONTINGENCIES

The Customs of the Republic of Lithuania and the Tax Authorities have granted to the Company the exemption from the obligation to provide guarantees for possible tax liabilities. The total amount of exemptions amounts to EUR 581,940 thousand as at 31 December 2024 (EUR 420,321 thousand as at 31 December 2023).In January 2025 the Tax Authorities conducted a review to determine if the amount of exemptions to provide guarantees can be increased and concluded that the Company meets the relevant criteria and agreed to increase the amount to EUR 1,031,940 thousand.

Material contractual liabilities (acquisition of property, plant and equipment) amounted to EUR 3,561 thousand as at 31 December 2024 (EUR 1,864 thousand as at 31 December 2023).

The Company has taken out part of NIB loan on a quarterly basis until the end of 2024, fulfilling the legal obligation to reduce the security supplement until the acquisition of the Floating Storage Regasification Unit (FSRU) and to spread the costs of the LNG terminal over the expected period of its operation. The revenue cap of LNG terminal was reduced by the part of the loan taken. In accordance with the provision of the NERC Methodology, it is foreseen after the acquisition of the FSRU, the reduced income in 2020-2024 will be compensated to cover the loan repayments according to the loan schedule over the period 2025-2044.

Legal disputes

- The Company is defending an action brought in 2014 by UAB "Naftos grupė", which allegedly incurred loss in the amount of EUR 5 million and additionally aims to recover the surplus of oil products allegedly owned by UAB "Naftos grupė" and stored by the Company.

  Competition Council is involved in the process, however there is a lack of evidence for the Court and the case is suspended until the criminal case (described in the next bullet point) is resolved.

  Based on judgement of legal advisors, the management of the Company believes that the defence against the action will be successful, no provisions for this ongoing case have been formed in the preparation of the financial statements of 31 December 2024.

- The Company is a civil plaintiff in a criminal case on the accusations against the former managers of the Company and against companies UAB "Naftos grupė" and UAB "Artilona".

  In 2017 the court of the first instance issued a verdict to award the payment of EUR 20.9 million and 5% annual interest in favour of the Company and, additionally, to cover the court representation costs. However, all accused persons appealed against the first instance court decision and the case was transferred to the appellate instance, Court of Appeal of Lithuania.

  On 3 July 2024 Lithuanian Court of Appeal has examined the criminal case and adopted judgement in the criminal case and amended the judgement of 2017 of Klaipėda Regional Court by awarding the Company damages in the amount of EUR 603 thousand and compensation for the legal expenses in the amount of EUR 10 thousand. The Court has annulled the part of the judgement regarding Company's civil claim on the award of damages for the amount of EUR 20.9 million and 5 % annual interest and left this part of the civil claim unexamined.

  KN submitted cassation appeal to the Supreme Court of Lithuania and requested to uphold the verdict of the Klaipėda Regional Court of 15 April 2021 and the verdict of the Klaipėda Regional Court of 27 December 2017 by annulling the part of the verdict of the Court of Appeals in which it was decided to leave the civil claim of the civil claimant KN Energies AB for the award of EUR 20,9 million for property damage unheard, partially satisfying the civil claim of KN and awarding jointly and severally EUR 7,8 million.

  In January 2025, AB KN Energies received EUR 301 thousand – a partial payment of the amount awarded by the Lithuanian Court of Appeal in a criminal case on 3 July 2024 from natural persons and UAB Naftos grupė. However, on 20 February 2025 the Supreme Court of Lithuania reduced the amount of damages from EUR 603 thousand to EUR 105 thousand, therefore in March 2025 KN returned part of the recovered amount to the owners of these funds.

- Since 2015 the Company is involved as a third interested party in the legal cases with AB Achema, which has submitted multiple complaints regarding the resolutions of NERC to the court of whose 10 are not processed. AB Achema requests the court to annul NERC resolutions related to the additional security component of natural gas supply transmission price.

  AB Amber Grid, the natural gas transmission system operator, participates in legal proceedings with AB Achema. As a result of the ongoing disputes, AB Amber Grid calculates fine and interest for AB Achema for overdue payments for security supplement. As at 31 December 2024 the amount of the fine and interest calculated by AB Amber Grid and paid to the Company amounts to EUR 4,002 thousand (as at 31 December 2023 – EUR 4,002 thousand). The Company does not recognise the received payments for fines and interest as income until a court decision is rendered. Payments received are presented under Contract liabilities caption in the statement of financial position.

  In the opinion of the Company's management, the Company will not incur any significant additional costs related to this case, therefore no provisions for those ongoing cases have been formed in the preparation of the financial statements of 31 December 2024.

- On 5 April 2022 Vilnius Commercial Arbitration Court resolved the case based on the claim filed by the Company regarding the judgment of a debt of EUR 1,529 thousand and EUR 44 thousand interest from the VERUM PLUS AG. The claim has been satisfied. Bankruptcy proceedings to the VERUM PLUS AG has been initiated, however, the process has been suspended, because the defendant appealed the bankruptcy case.

  In the opinion of the Company's management, the proceedings from this case are not probable, therefore no assets for this ongoing case have been formed in the preparation of the financial statements of 31 December 2024.

27 RELATED PARTY TRANSACTIONS

A related party is defined in accordance with IAS 24 Related Party Disclosures. As at the date of approval of the financial statements, the following entities are considered related parties:

- Entities controlled by the State,
- Subsidiaries of the Company,
- Associates of AB "KN Energies".

Transactions with Lithuanian State controlled enterprises and institutions, and other related parties:

GROUP		Purchases	Revenue	Receivables	Payables
AB Klaipeda State Seaport Authority	2024	2,622	-	-	461
	2023	2,544	-	-	460
AB "Amber Grid"	2024	-	-	3,975	-
	2023	-	(789)	3,975	-
UAB „Ignitis"	2024	-	11,154	1,600	-
	2023	-	11,039	998	-
Public Institution Lithuanian Energy Agency	2024	-	4,084	-	-
	2023	-	3,359	-	-
Energijos skirstymo operatorius, AB	2024	313	-	-	34
	2023	675	-	-	19
AB LTG CARGO	2024	1,157	-	-	101
	2023	1,307	-	-	79
Other related parties	2024	64	-	-	-
	2023	96	1	-	7
Transactions with related parties, in total:	**2024**	**4,156**	**15,238**	**5,575**	**596**
	2023	**4,622**	**13,610**	**4,973**	**565**

COMPANY		Purchases	Revenue	Receivables	Payables
AB Klaipeda State Seaport Authority	2024	2,622	-	-	461
	2023	2,544	-	-	460
AB "Amber Grid"	2024	-	-	3,975	-
	2023	-	(789)	3,975	-
UAB „Ignitis"	2024	-	11,154	1,600	-
	2023	-	11,039	998	-
Public Institution Lithuanian Energy Agency	2024	-	4,084	-	-
	2023	-	3,359	-	-
Energijos skirstymo operatorius, AB	2024	313	-	-	34
	2023	675	-	-	19
AB LTG CARGO	2024	1,157	-	-	101
	2023	1,307	-	-	79
KN Acu Servicos de Terminal de GNL Ltda	2024	2	65	11	-
	2023	6	325	18	-
KN Energies Deutschland GmbH	2024	117	-	-	56
	2023	-	-	-	-
UAB KN Global Terminals	2024	140	-	-	53
	2023	-	-	-	-
Other related parties	2024	64	-	-	-
	2023	96	1	-	7
Transactions with related parties, in total:	2024	**4,415**	**15,303**	**5,586**	**705**
	2023	**4,628**	**13,935**	**4,991**	**565**

Other related parties are following: Toksika, UAB, State enterprise centre of registers, Nordic Metrology Science, UAB, GET Baltic, UAB, Smiltynės perkėla, AB, Lithuanian Mint, UAB, VĮ Regitra, Association of Lithuanian Stevedoring Companies, Lietuvos paštas, AB, LTG Link, UAB, Lithuanian Exhibition and Congress Center Litexpo, UAB, National Lithuanian energy association, Windward Ltd.

- Purchases from State Klaipėda State Seaport Authority include land rent, jetty usage and FSRU port fee.
- Interest and fines for AB Achema for delayed payments of the security component to the upper ceiling of the natural gas transmission price are recognized and accounted for as contract liabilities (Note 26).
- Revenue from UAB Ignitis include revenue from LNG regasification and reloading services as well as revenue from customs brokerage services.
- In 2024 and 2023 revenue from Public Institution Lithuanian Energy Agency include revenue from rent of tanks.
- Purchases from AB LTG Cargo comprise purchase of railway services.
- Purchases from AB Energijos skirstymo operatorius include acquisition of electricity power.
- Purchases from KN Acu for business trip expenses. Revenue from KN Acu include consulting services and bank guarantees.
- Purchases from KN Energies Deutschland GmbH include general and administrative services.
- Purchases from UAB KN Global Terminals include general and administrative services.

Management salaries and other payments

The Company's management consists of the Chief Executive Officer (CEO) and Directors.

The Groups' management consists of the Chief Executive Officer (CEO), Directors and Directors of subsidiaries.

	GROUP		COMPANY	
	2024	2023	2024	2023
Payroll related costs	1,223	1,022	1,106	945
Number of management	11	10	7	6

During 2024 and 2023 the management of the Group and the Company did not receive any loans, guarantees, and no other payments or property transfers occurred.

28 SUBSEQUENT EVENTS

On January 9, 2025, AB KN Energies has registered the mortgage for the acquisition of the FSRU. On 20 February 2025, all current and future receivables from security supplement collected were pledged to the Ministry of Finance of the Republic of Lithuania.

In January 2025, AB KN Energies received EUR 301 thousand – a partial payment of the amount awarded by the Lithuanian Court of Appeal in a criminal case on 3 July 2024 from natural persons and UAB Naftos grupė. However, on 20 February 2025 the Supreme Court of Lithuania reduced the amount of damages from EUR 603 thousand to EUR 105 thousand, therefore in March 2025 KN returned part of the recovered amount to the owners of these funds.

On 21 January 2025, AB KN Energies has signed a new agreement with AB Orlen Lietuva, part of the Polish capital group ORLEN, for loading at the Klaipėda liquid energy products terminal. As the ten-year transshipment contract term expires, new commitments for loading at the Klaipėda liquid energy products terminal have been signed for three years, with a possibility to extend them.

No other significant events have occurred after the date of financial statements that would require disclosure or amendment in the financial statements.

CONFIRMATION OF RESPONSIBLE PERSONS

3 April 2025

In accordance with the Law on Securities of the Republic of Lithuania and the Rules on Preparation and Submission of Periodic and Additional Information of the Bank of Lithuanian, Responsible Persons Darius Šilenskis, Chief Executive Officer of AB KN Energies, Tomas Tumėnas, Chief Financial Officer of AB KN Energies, and Rasa Tamaliūnaitė, Chief Accountant of AB KN Energies, hereby confirm that, to the best of our knowledge, the Consolidated Report of AB KN Energies for the year ended 31 December 2024 prepared in accordance with International Financial Reporting Standards as adopted by the European Union give a true and fair review of the financial position, assets, liabilities, profit or loss, and cash flows as well as the development and performance of the business and the description of the principle risks and uncertainties.

Chief Executive Officer	Darius Šilenskis
Chief Financial Officer	Tomas Tumėnas
Chief Accountant	Rasa Tamaliūnaitė