



AB KLAIPĖDOS NAFTA

**INTERIM CONDENSED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS,
PREPARED ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS,
AS ADOPTED BY THE EUROPEAN UNION**

FOR THE TWELVE MONTHS PERIOD ENDED 31 DECEMBER 2022 (UNAUDITED)



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STATEMENT OF FINANCIAL POSITION

| | Notes | Group | | Company | |
|---|-------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|
| | | 31-12-2022 <i>(unaudited)</i> | 31-12-2021 <i>(audited)</i> | 31-12-2022 <i>(unaudited)</i> | 31-12-2021 <i>(audited)</i> |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Intangible assets | | 793 | 456 | 645 | 279 |
| Property, plant and equipment | 3 | 145,800 | 150,686 | 145,683 | 150,565 |
| Right-of-use assets | 3 | 328,515 | 338,256 | 328,495 | 338,232 |
| Long-term receivables | | 575 | - | 465 | - |
| Investment in subsidiaries | | - | - | 4,578 | 4,578 |
| Investment in associates | | 261 | 226 | 261 | 226 |
| Deferred income tax asset | | 5,030 | 3,616 | 5,030 | 3,616 |
| Total non-current assets | | 480,974 | 493,240 | 485,157 | 497,496 |
| Current assets | | | | | |
| Inventories | 5 | 2,120 | 1,798 | 2,120 | 1,796 |
| Trade receivables and other receivables | 6 | 14,741 | 11,643 | 13,972 | 10,636 |
| Contract assets | 7 | 328 | 612 | 328 | 612 |
| Other financial assets | 8 | 3,271 | 3,271 | 3,271 | 3,271 |
| Cash and cash equivalents | 9 | 72,423 | 61,517 | 66,848 | 57,148 |
| Total current assets | | 92,883 | 78,841 | 86,539 | 73,463 |
| Total assets | | 573,857 | 572,081 | 571,696 | 570,959 |

(cont'd on the next page)

Explanatory notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION (CONT'D)

| | Notes | Group | | Company | |
|--|-------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|
| | | 31-12-2022 <i>(unaudited)</i> | 31-12-2021 <i>(audited)</i> | 31-12-2022 <i>(unaudited)</i> | 31-12-2021 <i>(audited)</i> |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Share capital | 1 | 110,315 | 110,315 | 110,315 | 110,315 |
| Share premium | | 4,002 | 4,002 | 4,002 | 4,002 |
| Reserve | | 29,633 | 94,604 | 29,633 | 94,604 |
| Foreign currency translation reserve | | 130 | (82) | - | - |
| Retained earnings | | (4,557) | (64,126) | (6,229) | (64,971) |
| Total equity | | 139,523 | 144,713 | 137,721 | 143,950 |
| Non-current amounts payable and liabilities | | | | | |
| Non-current employee benefits | | 569 | 707 | 569 | 707 |
| Loans | 10 | 137,451 | 116,044 | 137,451 | 116,044 |
| Deferred government grants | 11 | 5,468 | 5,771 | 5,468 | 5,771 |
| Lease liabilities | 10 | 214,901 | 243,430 | 214,887 | 243,412 |
| Total non-current amounts payable and liabilities | | 358,389 | 365,952 | 358,375 | 365,934 |
| Current amounts payable and liabilities | | | | | |
| Current employee benefits | | 62 | 49 | 62 | 49 |
| Loans | 10 | 5,689 | 3,879 | 5,689 | 3,879 |
| Lease liabilities | 10 | 46,822 | 43,675 | 46,814 | 43,668 |
| Trade payables and other liabilities | 12 | 10,398 | 3,695 | 10,245 | 3,513 |
| Derivatives | | - | 15 | - | 15 |
| Payroll related liabilities | 13 | 2,936 | 2,669 | 2,752 | 2,517 |
| Provisions | | 5,663 | 3,596 | 5,663 | 3,596 |
| Contract liabilities | | 4,375 | 3,838 | 4,375 | 3,838 |
| Total current amounts payable and liabilities | | 75,945 | 61,416 | 75,600 | 61,075 |
| Total equity and liabilities | | 573,857 | 572,081 | 571,696 | 570,959 |

Explanatory notes are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

| | Notes | Group | | Group | |
|--|-------|--|---|--|---|
| | | For the twelve months period ended 31 December 2022 <i>(unaudited)</i> | For the three months period ended 31 December 2022 <i>(unaudited)</i> | For the twelve months period ended 31 December 2021 <i>(audited)</i> | For the three months period ended 31 December 2021 <i>(unaudited)</i> |
| Revenue from contracts with customers | 14 | 77,818 | 21,311 | 61,811 | 15,471 |
| Cost of sales | 15 | (57,477) | (16,594) | (53,109) | (13,261) |
| Gross profit | | 20,341 | 4,717 | 8,702 | 2,210 |
| Operating expenses | 16 | (8,158) | (2,356) | (61,928) | (2,487) |
| Other income and (expenses) | | 510 | 79 | 61 | 34 |
| Profit from operating activities | | 12,693 | 2,440 | (53,165) | (243) |
| Income from financial activities | 17 | 1,221 | 1,028 | 1,987 | 238 |
| Expenses from financial activities | 17 | (20,347) | 23,241 | (24,557) | (8,225) |
| Share of the associate's profit or (loss) | | 33 | 25 | (32) | 21 |
| Profit (loss) before tax | | (6,400) | 26,734 | (75,767) | (8,209) |
| Income tax (expenses) | | 921 | (3,237) | 11,756 | 1,814 |
| Profit (loss) for the year | | (5,479) | 23,497 | (64,011) | (6,395) |
| Other comprehensive income | | | | | |
| Items that will not be subsequently reclassified to profit or loss | | - | - | - | - |
| Items that may be subsequently reclassified to profit or loss | | - | - | - | - |
| Actuarial gain (losses) | | 92 | 49 | (63) | (63) |
| Exchange differences on translation of foreign operations | | 212 | (117) | (10) | 12 |
| Related taxes | | (14) | (8) | 9 | 9 |
| Total comprehensive income, net of tax | | (5,189) | 23,421 | (64,075) | (6,437) |
| Profit attributable to: | | | | | |
| The shareholders of the Company | | (5,479) | 23,497 | (64,011) | (6,395) |
| Non-controlling interests | | - | - | - | - |
| Total comprehensive income attributable to: | | | | | |
| The shareholders of the Company | | (5,189) | 23,421 | (64,075) | (6,437) |
| Non-controlling interests | | - | - | - | - |
| Basic and diluted earnings (losses) per share, in EUR | 18 | (0.01) | 0.06 | (0.17) | (0.02) |

Explanatory notes are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME (CONT'D)

| | Notes | Company | | Company | |
|--|-------|--|---|--|---|
| | | For the twelve months period ended 31 December 2022 <i>(unaudited)</i> | For the three months period ended 31 December 2022 <i>(unaudited)</i> | For the twelve months period ended 31 December 2021 <i>(audited)</i> | For the three months period ended 31 December 2021 <i>(unaudited)</i> |
| Revenue from contracts with customers | 14 | 74,722 | 40,264 | 58,633 | 14,670 |
| Cost of sales | 15 | (56,480) | (30,026) | (52,144) | (13,017) |
| Gross profit | | 18,242 | 10,238 | 6,489 | 1,653 |
| Operating expenses | 16 | (7,251) | (3,835) | (61,160) | (2,366) |
| Other income and (expenses) | | 510 | 143 | 61 | 34 |
| Profit from operating activities | | 11,501 | 6,546 | (54,610) | (679) |
| Income from financial activities | 17 | 1,058 | 1,030 | 1,969 | 199 |
| Expenses from financial activities | 17 | (20,327) | 845 | (24,456) | (8,146) |
| Share of the associate's profit or (loss) | | 33 | 25 | (32) | 21 |
| Profit (loss) before tax | | (7,735) | 8,446 | (77,129) | (8,605) |
| Income tax (expenses) | | 1,428 | (445) | 12,212 | 1,978 |
| Profit (loss) for the year | | (6,307) | 8,001 | (64,917) | (6,627) |
| Other comprehensive income | | | | | |
| Items that will not be subsequently reclassified to profit or loss | | - | - | - | - |
| Items that may be subsequently reclassified to profit or loss | | - | - | - | - |
| Actuarial gain (losses) | | 92 | 67 | (63) | (63) |
| Exchange differences on translation of foreign operations | | - | - | - | - |
| Related taxes | | (14) | (10) | 9 | 9 |
| Total comprehensive income, net of tax | | (6,229) | 8,058 | (64,971) | (6,681) |
| Basic and diluted earnings (loss) per share, in EUR | | - | - | - | - |

Explanatory notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

Group

| | Notes | Share capital | Share premium | Own shares (-) | Legal reserve | Reserve for own shares | Other reserves | Foreign currency translation reserve | Retained earnings | Total |
|---|-------|----------------|---------------|----------------|---------------|------------------------|----------------|--------------------------------------|-------------------|-----------------|
| Balance as of 31 December 2020 (audited) | | 110,505 | 4,002 | (267) | 11,048 | 15,929 | 41,970 | (72) | 33,211 | 216,326 |
| Net profit (loss) for the twelve months | | - | - | - | - | - | - | - | (64,011) | (64,011) |
| Other comprehensive income | | - | - | - | - | - | - | (10) | (54) | (64) |
| Total comprehensive income | | - | - | - | - | - | - | (10) | (64,065) | (64,075) |
| Dividends declared | | - | - | - | - | - | - | - | (7,538) | (7,538) |
| Decrease in share capital | 1 | (190) | - | 267 | - | - | - | - | (77) | - |
| Transfers between reserves | | - | - | - | 3 | - | 25,654 | - | (25,657) | - |
| Balance as of 31 December 2021 (audited) | | 110,315 | 4,002 | - | 11,051 | 15,929 | 67,624 | (82) | (64,126) | 144,713 |
| Balance as of 31 December 2021 (audited) | | 110,315 | 4,002 | - | 11,051 | 15,929 | 67,624 | (82) | (64,126) | 144,713 |
| Net profit (loss) for the twelve months | | - | - | - | - | - | - | - | (5,479) | (5,479) |
| Other comprehensive income | | - | - | - | - | - | - | 212 | 77 | 289 |
| Total comprehensive income | | - | - | - | - | - | - | 212 | (5,402) | (5,190) |
| Transfers between reserves | | - | - | - | - | - | (64,971) | - | 64,971 | - |
| Balance as of 31 December 2022 (unaudited) | | 110,315 | 4,002 | - | 11,051 | 15,929 | 2,653 | 130 | (4,557) | 139,523 |

Explanatory notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY (CONT'D)

Company

| | Notes | Share capital | Share premium | Own shares (-) | Legal reserve | Reserve for own shares | Other reserves | Retained earnings | Total |
|---|-------|----------------|---------------|----------------|---------------|------------------------|----------------|-------------------|----------------|
| Balance as of 31 December 2020 (audited) | | 110,505 | 4,002 | (267) | 11,048 | 15,929 | 41,970 | 33,272 | 216,459 |
| Net profit (loss) for the twelve months | | - | - | - | - | - | - | (64,917) | (64,917) |
| Other comprehensive income | | - | - | - | - | - | - | (54) | (54) |
| Total comprehensive income | | - | - | - | - | - | - | (64,971) | (64,971) |
| Dividends declared | | - | - | - | - | - | - | (7,538) | (7,538) |
| Transfers between reserves | | - | - | - | 3 | - | 25,654 | (25,657) | - |
| Decrease in share capital | 1 | (190) | - | 267 | - | - | - | (77) | - |
| Balance as of 31 December 2021 (audited) | | 110,315 | 4,002 | - | 11,051 | 15,929 | 67,624 | (64,971) | 143,950 |
| Balance as of 31 December 2021 (audited) | | 110,315 | 4,002 | - | 11,051 | 15,929 | 67,624 | (64,971) | 143,950 |
| Net profit (loss) for the twelve months | | - | - | - | - | - | - | (6,307) | (6,307) |
| Other comprehensive income | | - | - | - | - | - | - | 78 | 78 |
| Total comprehensive income | | - | - | - | - | - | - | (6,229) | (6,229) |
| Transfers between reserves | | - | - | - | - | - | (64,971) | 64,971 | - |
| Balance as of 31 December 2022 (unaudited) | | 110,315 | 4,002 | - | 11,051 | 15,929 | 2,653 | (6,229) | 137,721 |

Explanatory notes are an integral part of these financial statements.

CASH FLOW STATEMENT

| | Notes | Group | | Company | |
|---|-------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | | For the twelve months period ended | For the twelve months period ended | For the twelve months period ended | For the twelve months period ended |
| | | 31 December 2022 (unaudited) | 31 December 2021 (audited) | 31 December 2022 (unaudited) | 31 December 2021 (audited) |
| Cash flows from operating activities | | | | | |
| Net profit (loss) | | (5,479) | (64,011) | (6,307) | (64,917) |
| Adjustments for non-cash items | | | | | |
| Depreciation and amortization | 3 | 22,665 | 25,646 | 22,566 | 25,565 |
| Impairment of property, plant and equipment | | 27 | 54,338 | 27 | 54,338 |
| Change in vacation reserve | 13 | (49) | (312) | (44) | (319) |
| Change in provisions | | 2,067 | 1,887 | 2,067 | 1,887 |
| Change in non-current liabilities for employees | | (32) | 18 | (32) | 18 |
| Contract assets | 7 | 175 | 1,048 | 285 | 1,048 |
| Income tax expenses | | (921) | (11,756) | (1,428) | (12,212) |
| Share of (profit) or loss of equity-accounted investees | | (33) | 32 | (33) | 32 |
| Change in allowance for doubtful trade and other receivables | | 12 | (711) | 12 | (711) |
| Interest income | 17 | (31) | (13) | (31) | (13) |
| Interest expenses | 17 | 2,796 | 2,279 | 2,796 | 2,278 |
| Other financial expenses | | (15) | (1,898) | (15) | (1,898) |
| Currency impact from lease liabilities | 17 | 17,382 | 22,073 | 17,380 | 22,073 |
| Other non-cash adjustments | | 920 | 943 | 652 | 923 |
| | | 39,484 | 29,563 | 37,895 | 28,092 |
| Changes in working capital | | | | | |
| (Increase) decrease in inventories | 5 | 101 | 617 | 100 | 600 |
| Decrease (increase) in trade and other accounts receivable | 6 | (2,607) | (1,610) | (3,127) | (1,392) |
| Increase (decrease) in trade and other payables | 12 | 7,130 | (4,377) | 7,590 | (4,231) |
| Increase (decrease) in contract liabilities | | 537 | 28 | 537 | 28 |
| Increase (decrease) in payroll related liabilities | 13 | (797) | (672) | (781) | (735) |
| | | 43,848 | 23,549 | 42,214 | 22,362 |
| Income tax (paid) | | (359) | (440) | - | - |
| Interest received | | 31 | 13 | 31 | 13 |
| Net cash flows from (used in) operating activities | | 43,520 | 23,122 | 42,245 | 22,375 |
| Cash flows from investing activities | | | | | |
| (Acquisition) of property plant equipment and intangible assets | 4 | (4,823) | (9,030) | (4,761) | (8,989) |
| Income from sales of non-current assets | | 186 | 27 | 186 | 27 |
| Short term deposits (placed)/received | | - | 24,000 | - | 24,000 |
| (Acquisition) of other investments | | (2) | (2) | (2) | (27) |
| Grants, subsidies received | | 89 | 302 | 89 | 302 |
| Net cash flows from (used in) investing activities | | (4,550) | 15,297 | (4,488) | 15,313 |

AB KLAIPEDOS NAFTA CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS PERIOD ENDED ON 31 DECEMBER 2022 (UNAUDITED)

(all amounts are in EUR thousand unless otherwise stated)

| | Notes | Group | | Company | |
|---|-------|--|--------------------------------------|--|--------------------------------------|
| | | For the twelve months period ended | For the twelve months period ended | For the twelve months period ended | For the twelve months period ended |
| | | 31 December 2022 <i>(unaudited)</i> | 31 December 2021 <i>(audited)</i> | 31 December 2022 <i>(unaudited)</i> | 31 December 2021 <i>(audited)</i> |
| Loans received | | 26,829 | 26,829 | 26,829 | 26,829 |
| Loans (paid) | | (3,901) | (3,492) | (3,901) | (3,492) |
| Interest and fee related to loans (paid) | | (759) | (255) | (759) | (255) |
| Guarantee fees (paid) | | (606) | (146) | (606) | (146) |
| Dividends (paid) | | - | (7,538) | - | (7,538) |
| Lease liabilities (paid) | 10 | (47,901) | (41,459) | (47,895) | |
| Interest on lease liabilities (paid) | | (1,726) | (1,917) | (1,725) | (1,916) |
| Net cash flows from (used in) financing activities | | (28,064) | (27,978) | (28,057) | (27,973) |
| Net increase (decrease) in cash flows | | 10,906 | 10,441 | 9,700 | 9,715 |
| Cash and cash equivalents on 1 January | 9 | 61,517 | 51,076 | 57,148 | 47,433 |
| Cash and cash equivalents on 31 December | 9 | 72,423 | 61,517 | 66,848 | 57,148 |

Explanatory notes are an integral part of these financial statements.

EXPLANATORY NOTES TO FINANCIAL STATEMENTS

1 GENERAL INFORMATION

AB Klaipėdos nafta (hereinafter “the Parent Company” or “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”).

The subsidiaries are these:

- UAB SGD logistika, a subsidiary (hereinafter “the subsidiary UAB SGD logistika”). The address is as follows: Burių g. 19, 92276 Klaipėda, Lithuania.
- UAB SGD terminalas, a subsidiary (hereinafter “the subsidiary UAB SGD terminalas”). The address is as follows: Burių g. 19, 92276 Klaipėda, Lithuania.
- UAB SGD SPB, a subsidiary of UAB SGD logistika (hereinafter “the subsidiary UAB SGD SPB”). The address is as follows: Burių g. 19, 92276 Klaipėda, Lithuania.
- KN Acu Servicos de Terminal de GNL LTDA (hereinafter “the subsidiary KN Acu Servicos de Terminal de GNL LTDA”). The address is as follows: F66 Fazenda Saco Dantas s/n, Distrito Industrial, Area 1 and Area 2, 28200-000 São João da Barra, State of Rio de Janeiro.

The main activities of the Group and the Company include operation of oil terminal, oil products transshipment services and other related services, as well as operation of the liquefied natural gas terminal (hereinafter referred to as “LNGT”) primarily dedicated to receive and store liquefied natural gas, regasify it and supply it to Gas Grid.

National Energy Regulatory Council (hereinafter referred to as “NERC”) issued Natural Gas Regasification License to the Company on 27 November 2014.

As at 11 January 2021 a new version of the Company’s Articles of Association was registered within the Register of Legal Entities of the Republic of Lithuania following the decrease of the authorised capital of the Company, which is now equal to EUR 110,315,009.65 and divided into 380,396,585 units of shares, which grant 380,396,585 votes.

The Company has not acquired any own shares and has arranged no deals regarding acquisition or transfer of its own shares during the twelve months of the year 2022 and 2021.

The Company’s shares are listed in the Baltic Main List on the NASDAQ Vilnius Stock Exchange (ISIN code LT0000111650, abbreviation KNF1L).

As of 31 December 2022 and 31 December 2021 the shareholders of the Company were:

| | 31 December 2022 | | 31 December 2021 | |
|---|----------------------------------|-----------------------|----------------------------------|-----------------------|
| | 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 (Gediminas av, 38/2, Vilnius, 302308327) | 275,687 | 72.47 | 275,687 | 72.47 |
| Concern UAB Achemos grupė (Vykinto str. 14, Vilnius, 156673480) | 39,663 | 10.43 | 39,663 | 10.43 |
| Other (less than 5 per cent each) | 65,047 | 17.10 | 65,047 | 17.10 |
| Total | 380,397 | 100.00 | 380,397 | 100.00 |

The Parent Company controls subsidiary UAB SGD logistika, which activities are these: expansion of operation of international LNG terminal activities, LNG transportation activities and other economic activities. The Company owns 100% of voting rights of this subsidiary.

The Parent Company also controls subsidiary UAB SGD terminalas. The purpose of is to perform activities of operating and managing a whole structure of LNG terminal in Klaipėda. The subsidiary is currently inactive. The Company owns 100% of voting rights of this subsidiary.

The subsidiary UAB SGD SPB became part of the Group in October 2019. The purpose of UAB SGD SPB is to participate in the projects of liquefied natural gas. This subsidiary may carry out expansion of operation activities of international LNG terminals by investing and establishing other companies in Lithuania and abroad. UAB SGD SPB owned by 100% UAB SGD logistika.

On 13 December 2019 the subsidiary of UAB SGD logistika (90%) and UAB SGD SPB (10%) – limited liability company – KN Açu Servicos de Terminal de GNL LTDA was established in Federal Republic of Brazil. The purpose of KN Açu Servicos de Terminal de GNL LTDA is to provide operations and maintenance services for liquefied natural gas terminal at the port of Açu. KN Açu Servicos de Terminal de GNL LTDA started its activities in 2020.

The average number of employees of the Group on 31 December 2022 was 360 (388 – on 31 December 2021).

The average number of employees of the Company on 31 December 2022 was 328 (355 – on 31 December 2021).

2 ACCOUNTING PRINCIPLES

The financial statements are presented in Euro and all values are rounded to the nearest thousand (EUR 000), except when otherwise indicated. The financial statements of the Group and Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (hereinafter the EU).

The Group and Company applies the same accounting policies and the same calculation methods in preparing Interim Financial Statements as they have been used for the Annual Financial Statements of the year 2021. The principles used in preparation of financial statements were presented in more detail in the Notes to the Financial Statements for 2021.

These financial statements have been prepared on a historical cost basis, unless otherwise stated in the accounting policies below.

The financial year of the Company coincides with the calendar year.

The numbers in tables may not coincide due to rounding of particular amounts to EUR thousand, such rounding errors are not material in these financial statements.

3 NON-CURRENT TANGIBLE ASSETS

Part of the Group's and the Company's property, plant and equipment with the acquisition cost of EUR 42,529 thousand as at 31 December 2022 was completely depreciated (EUR 40,537 thousand on 31 December 2021), however, it was still in operation.

The Group's and the Company's depreciation of property, plant and equipment amounts to EUR 8,482 thousand and EUR 8,410 thousand for the year 2022, respectively (EUR 11,408 thousand and EUR 11,378 thousand – in 2021). In 2022 the depreciation EUR 388 thousand was reduced by amortisation of related grant (EUR 348 thousand – in 2021). EUR 8,376 thousand and EUR 8,303 thousand of depreciation charge has been included into cost of sales of the Group and the Company, respectively (EUR 11,199 thousand and EUR 11,169 thousand – in 2021). The remaining amount EUR 107 thousand (EUR 209 thousand – in 2021) has been included into operating expenses in the Statement of comprehensive income of both, the Group and the Company.

The Group's and the Company's depreciation of right-of-use asset amounts to EUR 14,325 thousand and EUR 14,318 thousand for the year 2022, respectively (EUR 14,329 thousand and EUR 14,324 thousand in 2021). EUR 14,088 thousand of depreciation charge has been included into cost of sales of both, the Group and the Company (EUR 14,052 thousand in 2021) and the remaining amount of EUR 218 thousand and EUR 211 thousand has been included into operating expenses in the Statement of comprehensive income of the Group and the Company, respectively (EUR 277 thousand and EUR 272 thousand in 2021).

Impairment of property, plant and equipment and right of use asset attributed to Klaipėda oil terminal assets

At each reporting date, the Group and the Company makes assessments in order to determine whether there is any indication that the carrying amounts of its property, plant and equipment, intangible assets and other non-current assets recorded at acquisition cost could possibly be impaired.

If any indications exist, the Group and the Company estimates the recoverable amount of such property, plant and equipment and non-current assets to assess impairment. For impairment assessment purposes, assets are grouped at the lowest separate business segment levels for which separate cash flows could be identified and estimated (cash-generating units, CGU).

During 2022 significant changes in economic environment and financial markets have raised an indication of potential impairment, related to external sources – increase in market interest rates and other factors having an impact on the weighted average cost of capital used for discounting of CGU's future pre-tax cash flows.

Pre-tax discount rate of 10.27% was estimated and used for determining value in use of CGU as at 31 December 2022 (31 December 2021 – 6.65%).

As at 31 December 2022 the management of the Group and the Company did not identify any other negative significant events or changes in the circumstances. Whereas CGU's future cash-flows have been reviewed in the light of current market conditions and management's expectations for the future performance.

Taking into account the changes in impairment testing assumptions, the result of impairment testing of Klaipėda oil terminal's assets did not indicate any potential impairment as at 31 December 2022.

4 OPERATING SEGMENTS

The management of the Group and the Company has identified the following business segments:

- LNGT – LNG terminal in Klaipėda which receives and stores liquefied natural gas, regasifies and supplies it to Gas Main pipeline;
- OT – Oil terminal in Klaipėda and Subačius oil terminal in Kupiškis who are providing oil products transshipment, services of long-term storage of oil products and other services related to oil products transshipment;
- comLNG – LNG commercial activities - includes LNG reloading station and execution of other LNG projects.

4 OPERATING SEGMENTS

Main indicators of the business segments of the Group included into the statement of comprehensive income for the twelve months of 2022 and statement of financial position as of 31 December 2022, are described below:

Group

| For the twelve months period ended 31 December 2022 | LNGT | OT | comLNG | Total |
|---|----------|---------|--------|---------|
| Revenues from contracts with customers | 44,614 | 27,817 | 5,387 | 77,818 |
| Profit (loss) before income tax | (10,411) | 3,471 | 540 | (6,400) |
| Segment net profit (loss) | (8,554) | 3,043 | 32 | (5,479) |
| Interest revenue | 31 | - | 72 | 103 |
| Loan interest expense | 966 | - | 7 | 973 |
| Interest on financial lease liabilities | 1,423 | 365 | 43 | 1,831 |
| Depreciation and amortisation | 2,487 | 4,647 | 1,206 | 8,340 |
| Depreciation of right-of-use-assets | 13,740 | 436 | 149 | 14,325 |
| Impairment of non-current asset (reversal) | - | 12 | 15 | 27 |
| Acquisitions of tangible and intangible assets | 123 | 4,200 | 40 | 4,363 |
| Segment total assets* | 362,642 | 113,107 | 25,685 | 501,434 |
| Loan and related liabilities | 143,202 | (20) | (42) | 143,140 |
| Lease liabilities | 241,326 | 18,340 | 2,057 | 261,723 |
| Segment total liabilities | 400,365 | 25,884 | 8,085 | 434,334 |

Main indicators of the business segments of the Group included into the statement of comprehensive income for the twelve months of 2021 and statement of financial position as of 31 December 2021, are described below:

Group

| For the twelve months period ended 31 December 2021 | LNGT | OT | comLNG | Total |
|---|----------|----------|--------|----------|
| Revenues from contracts with customers | 34,831 | 21,427 | 5,553 | 61,811 |
| Profit (loss) before income tax | (20,584) | (55,700) | 517 | (75,767) |
| Segment net profit (loss) | (16,510) | (47,563) | 62 | (64,011) |
| Interest revenue | - | 13 | - | 13 |
| Loan interest expense | 481 | - | - | 481 |
| Interest on financial lease liabilities | 1,484 | 303 | 13 | 1,800 |
| Depreciation and amortisation | 3,172 | 6,737 | 1,408 | 11,317 |
| Depreciation of right-of-use-assets | 13,745 | 464 | 120 | 14,329 |
| Impairment of non-current asset (reversal) | - | 54,338 | - | 54,338 |
| Acquisitions of tangible and intangible assets | 210 | 8,764 | 97 | 9,071 |
| Segment total assets* | 377,049 | 106,872 | 26,643 | 510,564 |
| Loan and related liabilities | 119,985 | (20) | (42) | 119,923 |
| Lease liabilities | 270,594 | 14,872 | 1,639 | 287,105 |
| Segment total liabilities | 398,655 | 20,782 | 7,931 | 427,368 |

*Segment total assets** - total assets of the Group, excluded Cash and cash equivalents and short-term deposits at the period end.

5 INVENTORIES

| | Group | | Company | |
|---|------------|------------|------------|------------|
| | 31-12-2022 | 31-12-2021 | 31-12-2022 | 31-12-2021 |
| Oil products for sale | 355 | 23 | 355 | 23 |
| Diesel fuel for the LNG Terminal purpose | 257 | 234 | 257 | 234 |
| Emission allowances | 133 | - | 133 | - |
| Fuel for transport and other equipment | 47 | 48 | 47 | 48 |
| Liquefied natural gas | 46 | 47 | 46 | 47 |
| Spare parts, construction materials and other inventories | 1,374 | 1,446 | 1,374 | 1,444 |
| Write-down of inventories | (92) | - | (92) | - |
| | 2,120 | 1,798 | 2,120 | 1,796 |

As of 31 December 2022, the Group and the Company accounted the write-off of inventories in the amount of EUR 92 thousand that have been written down to the net realizable value. No write down to net realisable value accounted as at 31 December 2021.

6 TRADE RECEIVABLES AND OTHER RECEIVABLES

| | Group | | Company | |
|------------------|---------------|---------------|---------------|---------------|
| | 31-12-2022 | 31-12-2021 | 31-12-2022 | 31-12-2021 |
| Trade receivable | 11,879 | 9,411 | 11,336 | 8,939 |
| Prepayments | 796 | 553 | 765 | 523 |
| Other receivable | 2,066 | 1,679 | 1,871 | 1,174 |
| Total | 14,741 | 11,643 | 13,972 | 10,636 |

Trade and other receivables are non-interest bearing and are generally settled on 6 - 15 days payment terms.

Trade receivable disclosed below:

| | Group | | Company | |
|--|---------------|--------------|---------------|--------------|
| | 31-12-2022 | 31-12-2021 | 31-12-2022 | 31-12-2021 |
| Receivables from LNG terminal activities | 8,521 | 7,435 | 8,521 | 7,435 |
| Receivables for transshipment of oil products and other related services | 4,261 | 2,902 | 4,261 | 2,902 |
| Receivable for operating and management services | 620 | 585 | 77 | 113 |
| Less: impairment allowance | (1,523) | (1,511) | (1,523) | (1,511) |
| Total | 11,879 | 9,411 | 11,336 | 8,939 |

The Group and the Company has recognized impairment allowance in the amount of EUR 1,523 thousand on 31 December 2022 (EUR 1,511 thousand on 31 December 2021).

Change in allowance for trade receivables for 2022, amounting to EUR 12 thousand (for 2021 – reverse of allowance accounted amounting to EUR (711) thousand) has been included into operating expenses in the statement of the comprehensive income.

Other receivables disclosed below:

| | Group | | Company | |
|----------------------------|--------------|--------------|--------------|--------------|
| | 31-12-2022 | 31-12-2021 | 31-12-2022 | 31-12-2021 |
| VAT receivable | 983 | 354 | 983 | 354 |
| Excise duty receivable | 860 | 820 | 860 | 820 |
| Other receivable taxes (1) | 195 | 505 | - | - |
| Other receivables | 28 | - | 28 | - |
| Total | 2,066 | 1,679 | 1,871 | 1,174 |

(1) Other receivable taxes related to subsidiary KN Acu Servicos de Terminal de GNL Ltda receivable social security taxes (INSS). Any employee on a Brazilian payroll is subject to social security contributions. According to the current legislation, the monthly social security contribution in Brazil is due on the total amount of the remuneration at rates of 7.5% up to 14%.

7 CONTRACT ASSETS

The Group and the Company

| | 31-12-2022 | 31-12-2021 |
|---------------------------------|------------|------------|
| Current contract assets: | | |
| Accrued rent income (1) | - | 349 |
| Accrued income (2) | 328 | 263 |
| | 328 | 612 |

- (1) Subačius fuel storage reservoirs rent agreement signed with the Lithuanian petroleum products Agency in 2012 for the duration of 10 years is treated. The rent tariffs are different for the first 5 years and for the remaining period. Therefore, the income is recognized on a straight-line basis over the term of an agreement, i.e., the income is calculated on average tariff of all agreement term (10 years). As at 31 December 2022 agreement amount is fully depreciated, balance as at 31 December 2021 amounted to EUR 349 thousand.
- (2) Accrued income for storage of oil products as of 31 December 2022 and 31 December 2021 calculated as percentage of completion based on expenses incurred from the total estimated cost of contracted services. Upon completion of transshipment of oil products and acceptance by the customer, the amounts initially recognized as contract assets are reclassified as trade receivables.

8 OTHER FINANCIAL ASSETS

The Group and the Company

| | 31-12-2022 | 31-12-2021 |
|----------------------------------|--------------|--------------|
| Excise duty guarantee receivable | 3,271 | 3,271 |
| | <u>3,271</u> | <u>3,271</u> |

In 2020 the Group and the Company paid a guarantee to the Excise Administration Department for tax which may arise from the movement of excise goods under suspension of excise duty. The additional excise duty guarantee paid in September 2021 for the amount of EUR 2,000 thousand. The guarantee agreement is without a fixed term.

9 CASH AND CASH EQUIVALENTS

| | Group | | Company | |
|--------------|------------|------------|------------|------------|
| | 31-12-2022 | 31-12-2021 | 31-12-2022 | 31-12-2021 |
| Cash at bank | 72,423 | 61,517 | 66,848 | 57,148 |

Calculated values of cash and cash equivalents are denominated in the following currencies:

| Currency | Group | | Company | |
|----------|---------------|---------------|---------------|---------------|
| | 31-12-2022 | 31-12-2021 | 31-12-2022 | 31-12-2021 |
| EUR | 66,687 | 60,827 | 61,909 | 57,145 |
| USD | 4,939 | 3 | 4,939 | 3 |
| BRL | 797 | 687 | - | - |
| | <u>72,423</u> | <u>61,517</u> | <u>66,848</u> | <u>57,148</u> |

The 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 | |
|------|---------------|---------------|---------------|---------------|
| | 31-12-2022 | 31-12-2021 | 31-12-2022 | 31-12-2021 |
| A+ | 26,784 | 6,061 | 22,006 | 2,379 |
| A- | 17,000 | - | 17,000 | - |
| AA- | 27,842 | 27,337 | 27,842 | 27,337 |
| BBB+ | - | 27,432 | - | 27,432 |
| BB- | 797 | 687 | - | - |
| | <u>72,423</u> | <u>61,517</u> | <u>66,848</u> | <u>57,148</u> |

10 LOANS AND LEASE LIABILITIES

Loans

The Group and the Company

| | 31-12-2022 | 31-12-2021 |
|---|----------------|----------------|
| Nordic Investment Bank's loan | 96,102 | 70,733 |
| European Investment Bank's loan | 46,703 | 49,175 |
| Guarantee payment to the Ministry of Finance to the Republic of Lithuania | (130) | (132) |
| Payable loan interest | 465 | 147 |
| | <u>143,140</u> | <u>119,923</u> |

Lease liabilities

| | Group | | Company | |
|-------------------|------------|------------|------------|------------|
| | 31-12-2022 | 31-12-2021 | 31-12-2022 | 31-12-2021 |
| Lease liabilities | 261,723 | 287,105 | 261,701 | 287,080 |

10 LOANS AND LEASE LIABILITIES (CONT'D)

Lease liabilities as at 31 December 2022 can be specified as follows:

Group

| | FSRU lease | Land rent | Jetty rent | Other* | Total |
|------------------------------|------------|-----------|------------|--------|---------|
| Long term lease liabilities | 190,259 | 19,231 | 4,934 | 477 | 214,901 |
| Short term lease liabilities | 46,049 | 443 | 77 | 253 | 46,822 |
| | 236,308 | 19,674 | 5,011 | 730 | 261,723 |

Company

| | FSRU lease | Land rent | Jetty rent | Other* | Total |
|------------------------------|------------|-----------|------------|--------|---------|
| Long term lease liabilities | 190,259 | 19,231 | 4,934 | 463 | 214,887 |
| Short term lease liabilities | 46,049 | 443 | 77 | 245 | 46,814 |
| | 236,308 | 19,674 | 5,011 | 708 | 261,701 |

Lease liabilities as of 31 December 2021 can be specified as follows:

Group

| | FSRU lease | Land rent | Jetty rent | Other* | Total |
|------------------------------|------------|-----------|------------|--------|---------|
| Long term lease liabilities | 222,380 | 15,966 | 5,011 | 73 | 243,430 |
| Short term lease liabilities | 43,119 | 352 | 75 | 129 | 43,675 |
| | 265,499 | 16,318 | 5,086 | 202 | 287,105 |

Company

| | FSRU lease | Land rent | Jetty rent | Other* | Total |
|------------------------------|------------|-----------|------------|--------|---------|
| Long term lease liabilities | 222,380 | 15,966 | 5,011 | 55 | 243,412 |
| Short term lease liabilities | 43,119 | 352 | 75 | 122 | 43,668 |
| | 265,499 | 16,318 | 5,086 | 177 | 287,080 |

* Other comprises of transport vehicles, office rent.

11 DEFERRED GOVERNMENT GRANTS

The Group and the Company

| | 31-12-2022 | 31-12-2021 |
|---|--------------|--------------|
| Balance at the beginning of the period | 5,771 | 5,817 |
| Received during the period | 89 | 302 |
| Reclassification | (4) | - |
| Amortisation | (388) | (348) |
| Balance at the end of the period | 5,468 | 5,771 |

12 TRADE PAYABLES AND OTHER LIABILITIES

| | Group | | Company | |
|--|------------|------------|------------|------------|
| | 31-12-2022 | 31-12-2021 | 31-12-2022 | 31-12-2021 |
| Trade payables | 8,121 | 3,053 | 8,089 | 3,045 |
| Other payables and current liabilities | 2,277 | 642 | 2,156 | 468 |
| | 10,398 | 3,695 | 10,245 | 3,513 |

Trade payables disclosed below:

| | Group | | Company | |
|-----------------------------------|------------|------------|------------|------------|
| | 31-12-2022 | 31-12-2021 | 31-12-2022 | 31-12-2021 |
| Payables for FSRU operating lease | 4,067 | - | 4,067 | - |
| Other payments related FSRU | 1,640 | 322 | 1,640 | 322 |
| Payable for rent of land | 458 | 257 | 458 | 257 |
| Payables to contractors | 184 | 740 | 184 | 740 |
| Payable for railway services | 99 | 86 | 99 | 86 |
| Payable for gas supply | - | 313 | - | 313 |
| Other trade payables | 1,673 | 1,335 | 1,641 | 1,327 |
| | 8,121 | 3,053 | 8,089 | 3,045 |

On 31 December 2022 trade payables of EUR 5,437 thousand were denominated in USD (on 31 December 2021 – EUR 3 thousand).

Trade payables are non-interest bearing and are normally settled on 30-day payment terms.

Other payables and current liabilities disclosed below:

| | Group | | Company | |
|----------------------------------|------------|------------|------------|------------|
| | 31-12-2022 | 31-12-2021 | 31-12-2022 | 31-12-2021 |
| Accrued expenses and liabilities | 909 | 327 | 909 | 327 |
| Guarantee payable | 880 | - | 880 | - |
| Real estate tax payable | 126 | 90 | 126 | 90 |
| Other taxes payable | 120 | 205 | - | 31 |
| Other liabilities | 242 | 20 | 241 | 20 |
| | 2,277 | 642 | 2,156 | 468 |

13 PAYROLL RELATED LIABILITIES

| | Group | | Company | |
|---------------------------|------------|------------|------------|------------|
| | 31-12-2022 | 31-12-2021 | 31-12-2022 | 31-12-2021 |
| Accrual of annual bonuses | 1,210 | 977 | 1,130 | 930 |
| Accrued vacation reserve | 769 | 818 | 715 | 759 |
| Salaries payable | 500 | 451 | 500 | 450 |
| Social insurance payable | 265 | 262 | 228 | 217 |
| Income tax payable | 190 | 158 | 177 | 158 |
| Other deductions | 2 | 3 | 2 | 3 |
| | 2,936 | 2,669 | 2,752 | 2,517 |

14 REVENUE FROM CONTRACTS WITH CUSTOMERS

| | Group | | Company | |
|---|---|---|---|---|
| | For the twelve months period ended 31 December 2022 | For the twelve months period ended 31 December 2021 | For the twelve months period ended 31 December 2022 | For the twelve months period ended 31 December 2021 |
| Income from LNGT regasification services collected directly from LNGT users (1) | 33,586 | 6,795 | 33,586 | 6,795 |
| Sales of oil transshipment services | 25,137 | 19,066 | 25,137 | 19,066 |
| Income from LNGT services included in security supplement (2) | 10,729 | 27,732 | 10,729 | 27,732 |
| Other sales related to LNG terminals activity | 5,407 | 5,636 | 2,262 | 2,255 |
| Other sales related to transshipment | 1,023 | 1,066 | 1,023 | 1,066 |
| Sales of oil products | 1,669 | 1,303 | 1,669 | 1,304 |
| Sales of consulting services | 267 | 213 | 316 | 415 |
| | <u>77,818</u> | <u>61,811</u> | <u>74,722</u> | <u>58,633</u> |

- (1) The significant factor, which has influenced the increase in Group's and Company's revenue in 2022, is higher regasification volumes compared to the previous year.

Income from LNGT services contains income from LNG regasification service and LNG reloading service. The tariffs of this services are adjusted annually and regulated by NERC. Regasification and reloading income are collected directly from the clients after services are provided based on quantities.

In 2022 the Company has implemented Klaipėda LNG terminal allocation and tariffication model in order to reduce the additional security supplement price for the natural gas consumers. From May 2022 the regasification tariff for LNG terminal users was increased according to the upper limit of the Company's LNG revenue. After these changes it was possible to decrease the security supplement and to collect all revenue directly from LNG terminal users.

- (2) 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 income is lower in 2022 compared to 2021 due to implemented allocation and tariffication model when regasification tariff was increased and security supplement from May 2022 was 0 EUR/(MWh/day/year).

15 COST OF SALES

| | Group | | Company | |
|--|---|---|---|---|
| | For the twelve months period ended 31 December 2022 | For the twelve months period ended 31 December 2021 | For the twelve months period ended 31 December 2022 | For the twelve months period ended 31 December 2021 |
| Depreciation of right-of-use asset | (14,088) | (14,052) | (14,088) | (14,052) |
| Depreciation and amortisation (incl. amortisation of grants) | (8,198) | (11,076) | (8,107) | (11,001) |
| Wages, salaries and social security | (7,991) | (7,720) | (7,361) | (7,177) |
| Expenses related to FSRU rent (OPEX element, management, crew costs) | (7,471) | (5,641) | (7,471) | (5,641) |
| Tax on environmental pollution and Emission allowances | (5,686) | (4,274) | (5,686) | (4,274) |
| Port charges | (1,536) | (1,541) | (1,536) | (1,541) |
| Natural gas supply | (3,942) | (2,184) | (3,942) | (2,184) |
| Electricity supply | (1,831) | (1,314) | (1,831) | (1,314) |
| Cost of oil products sold | (1,019) | (599) | (1,019) | (599) |
| Railway services | (1,240) | (934) | (1,240) | (934) |
| Other | (4,475) | (3,774) | (4,199) | (3,427) |
| Natural gas supply | <u>(57,477)</u> | <u>(53,109)</u> | <u>(56,480)</u> | <u>(52,144)</u> |

16 OPERATING EXPENSES

| | Group | | Company | |
|---|---|---|---|---|
| | For the twelve months period ended 31 December 2022 | For the twelve months period ended 31 December 2021 | For the twelve months period ended 31 December 2022 | For the twelve months period ended 31 December 2021 |
| | Wages, salaries and social security | (5,024) | (4,963) | (4,659) |
| Consulting and legal costs | (598) | (930) | (501) | (839) |
| Telecommunication and IT expenses | (395) | (384) | (330) | (355) |
| Depreciation of right-of-use assets | (237) | (277) | (230) | (272) |
| Administration of bank accounts | (209) | (277) | (201) | (270) |
| Salaries and other related expenses to governing bodies | (185) | (161) | (185) | (161) |
| Operating tax expense | (179) | (227) | (85) | (68) |
| Depreciation and amortization | (141) | (241) | (141) | (240) |
| Training costs | (134) | (87) | (134) | (81) |
| Impairment of assets | (27) | (54,338) | (27) | (54,338) |
| Reversal of trade debtors' impairment | (12) | 711 | (12) | 711 |
| Other | (1,017) | (754) | (746) | (580) |
| | (8,158) | (61,928) | (7,251) | (61,160) |

17 INCOME (EXPENSES) FROM FINANCIAL AND INVESTMENT ACTIVITIES

| | Group | | Company | |
|--|---|---|---|---|
| | For the twelve months period ended 31 December 2022 | For the twelve months period ended 31 December 2021 | For the twelve months period ended 31 December 2022 | For the twelve months period ended 31 December 2021 |
| | Interest income | 103 | 13 | 31 |
| Fines income | 56 | 30 | 56 | 30 |
| Gain from derivatives | - | 1,898 | - | 1,898 |
| Other financial income | 1,062 | 46 | 971 | 28 |
| Financial activity income, total | 1,221 | 1,987 | 1,058 | 1,969 |
| Losses from currency exchange on the lease liabilities | (17,380) | (22,073) | (17,380) | (22,073) |
| Interest on the lease liabilities | (1,831) | (1,800) | (1,829) | (1,798) |
| Interest expenses | (973) | (481) | (965) | (479) |
| Losses from currency exchange | (88) | (174) | (81) | (105) |
| Loss from financial derivatives | (72) | - | (72) | - |
| Fines and penalties expenses | - | (19) | - | - |
| Other financial activity expenses | (3) | (10) | - | (1) |
| Financial activity expenses, total | (20,347) | (24,557) | (20,327) | (24,456) |

18 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 | For the twelve months period ended 31 December 2022 | For the twelve months period ended 31 December 2021 |
|---|---|---|
| Net profit (losses) attributable to shareholders | (5,479) | (64,011) |
| Weighted average number of ordinary shares (thousand) | 380,397 | 380,416 |
| Earnings (loss) and reduced earnings (loss) (in EUR) | (0.01) | (0.17) |

19 RELATED PARTY TRANSACTIONS

The parties are considered related when one party has a possibility to control the other one or has significant influence over the other party in making financial and operating decisions,

The related parties of the Group and the Company and transactions with them during the twelve months of 2022 and 2021 were as follows:

Transactions with Lithuanian State controlled enterprises and institutions and other related parties

Group

| | | Purchases | Sales | Receivables | Payables |
|---|--------------------|-----------|--------|-------------|----------|
| State Enterprise Klaipeda State Seaport Authority | 2022 twelve months | 2,503 | - | - | 458 |
| | 2021 twelve months | 2,442 | - | - | 257 |
| AB "Amber Grid" | 2022 twelve months | - | 10,729 | 3,975 | - |
| | 2021 twelve months | - | 27,732 | 7,005 | - |
| UAB „Ignitis“ | 2022 twelve months | - | 10,530 | 1,103 | - |
| | 2021 twelve months | 4 | 1,930 | 339 | - |
| Public Institution Lithuanian Energy Agency | 2022 twelve months | - | 3,365 | - | - |
| | 2021 twelve months | - | 3,329 | - | - |
| Energijos skirstymo operatorius, AB | 2022 twelve months | 287 | - | - | 35 |
| | 2021 twelve months | 429 | - | - | 55 |
| AB LTG CARGO | 2022 twelve months | 1,430 | - | - | 99 |
| | 2021 twelve months | 966 | - | - | 86 |
| Other related parties | 2022 twelve months | 59 | - | - | 3 |
| | 2021 twelve months | 31 | - | - | 1 |
| Transactions with related parties, in total: | 2022 twelve months | 4,279 | 24,624 | 5,078 | 595 |
| | 2021 twelve months | 3,872 | 32,991 | 7,344 | 399 |

Company

| | | Purchases | Sales | Receivables | Payables |
|---|--------------------|-----------|--------|-------------|----------|
| State Enterprise Klaipeda State Seaport Authority | 2022 twelve months | 2,503 | - | - | 458 |
| | 2021 twelve months | 2,442 | - | - | 257 |
| AB "Amber Grid" | 2022 twelve months | - | 10,729 | 3,975 | - |
| | 2021 twelve months | - | 27,732 | 7,005 | - |
| UAB „Ignitis“ | 2022 twelve months | - | 10,530 | 1,103 | - |
| | 2021 twelve months | 4 | 1,930 | 339 | - |
| Public Institution Lithuanian Energy Agency | 2022 twelve months | - | 3,365 | - | - |
| | 2021 twelve months | - | 3,329 | - | - |
| Energijos skirstymo operatorius, AB | 2022 twelve months | 287 | - | - | 35 |
| | 2021 twelve months | 429 | - | - | 55 |
| AB LTG CARGO | 2022 twelve months | 1,430 | - | - | 99 |
| | 2021 twelve months | 966 | - | - | 86 |
| KN Acu Servicios de Terminal de GNL Ltda | 2022 twelve months | - | 151 | 37 | - |
| | 2021 twelve months | - | 294 | 15 | - |
| Other related parties | 2022 twelve months | 59 | - | - | 3 |
| | 2021 twelve months | 31 | - | - | 1 |
| Transactions with related parties, in total: | 2022 twelve months | 4,279 | 24,775 | 5,115 | 595 |
| | 2021 twelve months | 3,872 | 33,285 | 7,359 | 399 |

19 RELATED PARTY TRANSACTIONS (CONT'D)

Management salaries and other payments

The Group's management consists of the Chief Executive Officer (CEO), Directors and Managers of the subsidiaries.

The Company's management consists of the Chief Executive Officer (CEO) and Directors.

| | Group | | Company | |
|-----------------------|---|---|---|---|
| | For the twelve months period ended 31 December 2022 | For the twelve months period ended 31 December 2021 | For the twelve months period ended 31 December 2022 | For the twelve months period ended 31 December 2021 |
| Payroll related costs | 689 | 648 | 598 | 570 |
| Number of managers | 10 | 10 | 6 | 6 |

During the twelve months of 2022 and the twelve months of 2021 the management of the Group and the Company did not receive any loans, guarantees, or any other payments or property transfers were made or accrued.

20 SUBSEQUENT EVENTS

No significant events have occurred after the date of financial statements.

CONFIRMATION OF RESPONSIBLE PERSONS

Following 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 Lithuanian Securities Commission, we, Darius Šilenskis, Chief Executive Officer of AB Klaipėdos nafta, Mindaugas Kvekšas, Chief Financial Officer of AB Klaipėdos nafta, and Rasa Tamaliūnaitė, Chief Accountant hereby confirm that to the best of our knowledge the above-presented unaudited Interim condensed consolidated and separate Financial Statements of AB Klaipėdos nafta For the twelve months period ended on 31 December 2022, prepared in accordance with the International Financial Reporting Standards as adopted to be used in the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss and cash flows of AB Klaipėdos nafta.

Chief Executive Officer

Darius Šilenskis

Chief Financial Officer

Mindaugas Kvekšas

Chief Accountant

Rasa Tamaliūnaitė