



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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022 (UNAUDITED)



CONTENT

Statement of financial position.....	3
Statement of comprehensive income.....	5
Statement of changes in equity.....	8
Cash flow statement.....	10
Explanatory notes to financial statements.....	12
Confirmation of responsible persons.....	23

STATEMENT OF FINANCIAL POSITION

	Notes	Group		Company	
		30-09-2022	31-12-2021	30-09-2022	31-12-2021
		<i>(unaudited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
ASSETS					
Non-current assets					
Intangible assets		854	456	684	279
Property, plant and equipment	3	146,466	150,686	146,336	150,565
Right-of-use assets	3	332,077	338,256	332,054	338,232
Long-term receivables		465	-	465	-
Investment in subsidiaries		-	-	4,578	4,578
Investment in associates		236	226	236	226
Deferred income tax asset		8,181	3,616	8,181	3,616
Total non-current assets		488,279	493,240	492,534	497,496
Current assets					
Inventories	5	2,260	1,798	2,260	1,796
Trade receivables and other receivables	6	15,817	11,643	14,654	10,636
Contract assets	7	332	612	332	612
Prepaid income tax		2	-	-	-
Other financial assets	8	3,271	3,271	3,271	3,271
Cash and cash equivalents	9	70,742	61,517	65,209	57,148
Total current assets		92,424	78,841	85,726	73,463
Total assets		580,703	572,081	578,260	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	
		30-09-2022 <i>(unaudited)</i>	31-12-2021 <i>(audited)</i>	30-09-2022 <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		248	(82)	-	-
Retained earnings		(28,096)	(64,126)	(29,633)	(64,971)
Total equity		116,102	144,713	114,317	143,950
Non-current amounts payable and liabilities					
Non-current employee benefits		607	707	607	707
Loans	10	132,454	116,044	132,454	116,044
Deferred government grants	11	5,523	5,771	5,523	5,771
Lease liabilities	10	246,673	243,430	246,657	243,412
Total non-current amounts payable and liabilities		385,257	365,952	385,241	365,934
Current amounts payable and liabilities					
Current employee benefits		75	49	75	49
Loans	10	5,743	3,879	5,743	3,879
Lease liabilities	10	51,320	43,675	51,312	43,668
Trade payables and other liabilities	12	10,655	3,695	10,288	3,513
Derivatives		-	15	-	15
Payroll related liabilities	13	2,418	2,669	2,151	2,517
Provisions		3,671	3,596	3,671	3,596
Contract liabilities		5,462	3,838	5,462	3,838
Total current amounts payable and liabilities		79,344	61,416	78,702	61,075
Total equity and liabilities		580,703	572,081	578,260	570,959

Explanatory notes are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

	Notes	Group		Group	
		For the nine months period ended 30 September 2022 <i>(unaudited)</i>	For the three months period ended 30 September 2022 <i>(unaudited)</i>	For the nine months period ended 30 September 2021 <i>(unaudited)*</i>	For the three months period ended 30 September 2021 <i>(unaudited)*</i>
Revenue from contracts with customers	14	56,507	20,531	46,340	14,711
Cost of sales	15	(40,883)	(13,925)	(39,848)	(12,961)
Gross profit		15,624	6,606	6,492	1,750
Operating expenses	16	(5,802)	(1,990)	(59,441)	(55,902)
Other income and (expenses)		431	64	28	7
Profit from operating activities		10,253	4,680	(52,921)	(54,145)
Income from financial activities	17	193	65	1,749	485
Expenses from financial activities	17	(43,588)	(22,405)	(16,332)	(5,989)
Share of the associate's profit or (loss)		8	-	(53)	-
Profit (loss) before tax		(33,134)	(17,660)	(67,557)	(59,649)
Income tax (expenses)		4,157	2,531	10,023	8,879
Profit (loss) for the year		(28,977)	(15,129)	(57,534)	(50,770)
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)		43	18	-	-
Exchange differences on translation of foreign operations		330	66	(22)	(89)
Related taxes		(6)	(2)	-	-
Total comprehensive income, net of tax		(28,610)	(15,047)	(57,556)	(50,859)
Profit attributable to:					
The shareholders of the Company		(28,977)	(15,129)	(57,534)	(50,770)
Non-controlling interests		-	-	-	-
Total comprehensive income attributable to:					
The shareholders of the Company		(28,610)	(15,047)	(57,556)	(50,859)
Non-controlling interests		-	-	-	-
Basic and diluted earnings (losses) per share, in EUR	18	(0.076)	(0.040)	(0.151)	(0.133)

Explanatory notes are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME (CONT'D)

*The Group has accounted additional impairment for Klaipėda oil terminal's non-current assets, amounting to EUR 3,222 thousand, as of 31 August 2021, thus the impairment costs and related deferred income tax was restated. The restatement was firstly accounted and disclosed in interim condensed consolidated and separate financial statements for the twelve months period ended 31 December 2021.

	Announced figures for the nine months period ended 30 September 2021	Correction amount	Restated figures for the nine months period ended 30 September 2021
Cost of sales	(39,864)	16	(39,848)
Operating expenses	(56,220)	(3,221)	(59,441)
Income tax (expenses)	9,542	481	10,023
Profit (loss) for the period	(54,810)	(2,724)	(57,534)

STATEMENT OF COMPREHENSIVE INCOME (CONT'D)

	Notes	Company		Company	
		For the nine months period ended 30 September 2022 <i>(unaudited)</i>	For the three months period ended 30 September 2022 <i>(unaudited)</i>	For the nine months period ended 30 September 2021 <i>(unaudited)*</i>	For the three months period ended 30 September 2021 <i>(unaudited)*</i>
Revenue from contracts with customers	14	54,178	19,720	43,963	13,873
Cost of sales	15	(40,149)	(13,695)	(39,127)	(12,741)
Gross profit		14,029	6,025	4,836	1,132
Operating expenses	16	(5,192)	(1,776)	(58,794)	(55,707)
Other income and (expenses)		431	64	28	7
Profit from operating activities		9,268	4,313	(53,930)	(54,568)
Income from financial activities	17	53	25	1,770	555
Expenses from financial activities	17	(43,570)	(22,398)	(16,310)	(5,999)
Share of the associate's profit or (loss)		8	-	(53)	-
Profit (loss) before tax		(34,241)	(18,060)	(68,523)	(60,012)
Income tax (expenses)		4,571	2,698	10,316	9,044
Profit (loss) for the year		(29,670)	(15,362)	(58,207)	(50,968)
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)		43	18	-	-
Exchange differences on translation of foreign operations		-	-	-	-
Related taxes		(6)	(2)	-	-
Total comprehensive income, net of tax		(29,633)	(15,346)	(58,207)	(50,968)
Basic and diluted earnings (loss) per share, in EUR		-	-	-	-

Explanatory notes are an integral part of these financial statements.

*The Group has accounted additional impairment for Klaipėda oil terminal's non-current assets, amounting to EUR 3,222 thousand, as of 31 August 2021, thus the impairment costs and related deferred income tax was restated. The restatement was firstly accounted and disclosed in interim condensed consolidated and separate financial statements for the twelve months period ended 31 December 2021.

	Announced figures for the nine months period ended 30 September 2021	Correction amount	Restated figures for the nine months period ended 30 September 2021
Cost of sales	(39,143)	16	(39,127)
Operating expenses	(55,573)	(3,221)	(58,794)
Income tax (expenses)	9,835	481	10,316
Profit (loss) for the period	(55,483)	(2,724)	(58,207)

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 nine months		-	-	-	-	-	-	-	(57,534)	(57,534)
Other comprehensive income		-	-	-	-	-	-	(22)	-	(22)
Total comprehensive income		-	-	-	-	-	-	(22)	(57,534)	(57,556)
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 30 September 2021 (unaudited)		110,315	4,002	-	11,051	15,929	67,624	(94)	(57,595)	151,232
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 nine months		-	-	-	-	-	-	-	(28,977)	(28,977)
Other comprehensive income		-	-	-	-	-	-	330	37	367
Total comprehensive income		-	-	-	-	-	-	330	(28,940)	(28,610)
Transfers between reserves		-	-	-	-	-	(64,971)	-	64,971	-
Balance as of 30 September 2022 (unaudited)		110,315	4,002	-	11,051	15,929	2,653	248	(28,096)	116,102

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 nine months		-	-	-	-	-	-	(58,207)	(58,207)
Total comprehensive income		-	-	-	-	-	-	(58,207)	(58,207)
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 30 September 2021 (unaudited)		110,315	4,002	-	11,051	15,929	67,624	(58,207)	150,714
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 nine months		-	-	-	-	-	-	(29,670)	(29,670)
Other comprehensive income		-	-	-	-	-	-	37	37
Total comprehensive income		-	-	-	-	-	-	(29,633)	(29,633)
Transfers between reserves		-	-	-	-	-	(64,971)	64,971	-
Balance as of 30 September 2022 (unaudited)		110,315	4,002	-	11,051	15,929	2,653	(29,633)	114,317

Explanatory notes are an integral part of these financial statements.

CASH FLOW STATEMENT

	Notes	Group		Company	
		For the nine months period ended	For the nine months period ended	For the nine months period ended	For the nine months period ended
		30 September 2022 (unaudited)	30 September 2021 (unaudited)	30 September 2022 (unaudited)	30 September 2021 (unaudited)
Cash flows from operating activities					
Net profit (loss)		(28,977)	(57,534)	(29,670)	(58,207)
Adjustments for non-cash items					
Depreciation and amortization	3	16,971	19,769	16,898	19,713
Impairment of property, plant and equipment		15	54,206	15	54,206
Change in vacation reserve	13	(123)	(302)	(156)	(386)
Change in provisions		75	1,162	75	1,162
Change in non-current liabilities for employees		(32)	(50)	(32)	(50)
Contract assets	7	280	908	280	908
Income tax expenses		(4,157)	(10,023)	(4,571)	(10,316)
Share of (profit) or loss of equity-accounted investees		(8)	53	(8)	53
Change in allowance for doubtful trade and other receivables		-	(711)	-	(711)
Interest income		(15)	(13)	(15)	(13)
Interest expenses	17	1,929	1,688	1,928	1,688
Other financial expenses		(15)	(2,161)	(15)	(2,161)
Currency impact from lease liabilities	17	41,310	14,564	41,507	14,564
Other non-cash adjustments		715	586	332	607
		27,968	22,142	26,568	21,057
Changes in working capital					
(Increase) decrease in inventories	5	(131)	517	(132)	526
Decrease (increase) in trade and other accounts receivable	6	(3,939)	(957)	(3,893)	(599)
Increase (decrease) in trade and other payables	12	6,960	2,744	7,029	3,056
Increase (decrease) in contract liabilities		1,625	(45)	1,625	(45)
Increase (decrease) in payroll related liabilities	13	(833)	(503)	(861)	(573)
		31,650	23,898	30,336	23,422
Income tax (paid)		(270)	-	-	-
Interest received		15	13	15	13
Net cash flows from (used in) operating activities		31,395	23,911	30,351	23,435
Cash flows from investing activities					
(Acquisition) of property plant equipment and intangible assets	4	(3,611)	(7,726)	(3,599)	(7,696)
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		51	93	51	93
Net cash flows from (used in) investing activities		(3,376)	16,392	(3,364)	16,397

AB KLAIPEDOS NAFTA CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED ON 30 SEPTEMBER 2022 (UNAUDITED)

(all amounts are in EUR thousand unless otherwise stated)

	Notes	Group		Company	
		For the nine months period ended 30 September 2022 <i>(unaudited)</i>	For the nine months period ended 30 September 2021 <i>(unaudited)</i>	For the nine months period ended 30 September 2022 <i>(unaudited)</i>	For the nine months period ended 30 September 2021 <i>(unaudited)</i>
Loans received		20,122	20,122	20,122	20,122
Loans (paid)		(2,185)	(2,185)	(2,185)	(2,185)
Interest and fee related to loans (paid)		(249)	(180)	(249)	(180)
Guarantee fees (paid)		(549)	(56)	(549)	(56)
Dividends (paid)		-	(7,538)	-	(7,538)
Lease liabilities (paid)	10	(34,807)	(30,756)	(34,797)	(30,756)
Interest on lease liabilities (paid)		(1,269)	(1,455)	(1,268)	(1,455)
Net cash flows from (used in) financing activities		(18,937)	(22,048)	(18,926)	(22,048)
Net increase (decrease) in cash flows		9,082	18,255	8,061	17,784
Exchange rate impact		143	-	-	-
Cash and cash equivalents on 1 January	9	61,517	51,076	57,148	47,433
Cash and cash equivalents on 30 September	9	70,742	69,331	65,209	65,217

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 nine 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 30 September 2022 and 30 September 2021 the shareholders of the Company were:

	30 September 2022		30 September 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.

1 GENERAL INFORMATION (CONT'D)

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 30 September 2022 was 363 (391 on - 30 September 2021).

The average number of employees of the Company on 30 September 2022 was 330 (358 – on 30 September 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 40,946 thousand as of 30 September 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 6,323 thousand and EUR 6,269 thousand for the nine months of 2022, respectively (EUR 9,127 thousand and EUR 9,071 thousand for the nine months of 2021). EUR 5,942 thousand of Group's and EUR 5,888 thousand of Company's depreciation charge has been included into cost of sales (EUR 8,956 thousand and EUR 8,901 thousand for the nine months of 2021), EUR 299 thousand was reimbursement of the costs according to the grant agreement (EUR 261 thousand for the nine months of 2021) and the remaining amount EUR 82 thousand (EUR 170 thousand for the nine months of 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 10,743 thousand and EUR 10,737 thousand for the nine months of 2022, respectively (EUR 10,780 thousand for the nine months of 2021). EUR 10,566 thousand of depreciation charge has been included into cost of sales of both, the Group and the Company (EUR 10,562 thousand for the nine months of 2021) and the remaining amount of EUR 177 thousand and EUR 171 thousand has been included into operating expenses in the Statement of comprehensive income of the Group and the Company, respectively (EUR 218 thousand for the nine months of 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).

As at 30 September 2022 the management of the Group and the Company did not identify indications for additional impairment of Klaipėda oil terminal's assets.

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;

4 OPERATING SEGMENTS (CONT'D)

- comLNG – LNG commercial activities - includes LNG reloading station and execution of other LNG projects.

Main indicators of the business segments of the Group included into the statement of comprehensive income for the nine months of 2022 and statement of financial position as of 30 September 2022, are described below:

Group

For the nine months period ended 30 September 2022	LNGT	OT	comLNG	Total
Revenues from contracts with customers	33,458	19,225	3,824	56,507
Profit before income tax	(35,307)	1,896	277	(33,134)
Segment net profit (loss)	(30,372)	1,539	(144)	(28,977)
Interest revenue	15	-	66	81
Loan interest expense	543	-	-	543
Interest on financial lease liabilities	1,080	274	32	1,386
Depreciation and amortisation	1,857	3,452	919	6,228
Depreciation of right-of-use-assets	10,302	325	116	10,743
Impairment of non-current asset (reversal)	-	-	15	15
Acquisitions of tangible and intangible assets	36	3,006	14	3,056
Segment total assets*	365,369	118,474	26,118	509,961
Loan and related liabilities	138,259	(20)	(42)	138,197
Lease liabilities	277,443	18,467	2,083	297,993
Segment total liabilities	429,896	26,289	8,416	464,601

Main indicators of the business segments of the Group included into the statement of comprehensive income for the nine months of 2021 and statement of financial position as of 30 September 2021, are described below:

Group

For the nine months period ended 30 September 2021	LNGT	OT	comLNG	Total
Revenues from contracts with customers	26,635	15,466	4,239	46,340
Profit before income tax	(12,711)	(55,234)	388	(67,557)
Segment net profit (loss)	(10,612)	(47,016)	94	(57,534)
Interest revenue	-	13	-	13
Loan interest expense	337	1	-	338
Interest on financial lease liabilities	1,119	228	5	1,352
Depreciation and amortisation	2,436	5,490	1,065	8,991
Depreciation of right-of-use-assets	10,309	390	81	10,780
Impairment of non-current asset (reversal)	-	54,206	-	54,206
Acquisitions of tangible and intangible assets	30	6,275	58	6,363
Segment total assets*	382,521	102,737	25,812	511,070
Loan and related liabilities	114,609	(20)	(42)	114,547
Lease liabilities	273,859	15,239	323	289,421
Segment total liabilities	400,597	23,106	5,467	429,170

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	
	30-09-2022	31-12-2021	30-09-2022	31-12-2021
Oil products for sale	355	23	355	23
Diesel fuel for the LNG Terminal purpose	288	234	288	234
Emission allowances	133	-	133	-
Liquefied natural gas	47	47	47	47
Fuel for transport and other equipment	58	48	58	48
Spare parts, construction materials and other inventories	1,379	1,446	1,379	1,444
Total inventories	2,260	1,798	2,260	1,796

As at 30 September 2022 and 31 December 2021 the Group and the Company did not have any inventory items that needed impairment allowance.

6 TRADE RECEIVABLES AND OTHER RECEIVABLES

	Group		Company	
	30-09-2022	31-12-2021	30-09-2022	31-12-2021
Trade receivable	11,595	9,411	11,022	8,939
Prepayments	2,047	553	2,003	523
Other receivable	2,175	1,679	1,629	1,174
Total	15,817	11,643	14,654	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	
	30-09-2022	31-12-2021	30-09-2022	31-12-2021
Receivables from LNG terminal activities	7,750	7,435	7,750	7,435
Receivables for transhipment of oil products and other related services	4,706	2,902	4,706	2,902
Receivable for operating and management services	650	585	77	113
Less: impairment allowance	(1,511)	(1,511)	(1,511)	(1,511)
Total	11,595	9,411	11,022	8,939

The Group and the Company has recognized impairment allowance in the amount of EUR 1,511 thousand as at 30 September 2022 (EUR 1,511 thousand on 31 December 2021).

No change in allowance for trade receivables for nine months of 2022 and 2021 accounted.

Other receivables disclosed below:

	Group		Company	
	30-09-2022	31-12-2021	30-09-2022	31-12-2021
Excise duty receivable	981	354	981	354
Other receivable taxes (1)	552	505	-	-
VAT receivable	642	820	642	820
Other	-	-	6	-
Total	2,175	1,679	1,629	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

	30-09-2022	31-12-2021
Current contract assets:		
Accrued rent income (1)	-	349
Accrued income (2)	332	263
	332	612

- (1) As of 30 September 2022 and 31 December 2021 contract assets amounts long-term rent revenue accrual arising from Subačius fuel storage reservoirs rent agreement.

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 30 September 2022 agreement amount is fully depreciated, balance as at 31 December 2021 amounted to EUR 349 thousand.

7 CONTRACT ASSETS (CONT'D)

- (2) Accrued income for storage of oil products as of 30 September 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

	30-09-2022	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	
	30-09-2022	31-12-2021	30-09-2022	31-12-2021
Cash at bank	70,742	61,517	65,209	57,148

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

Currency	Group		Company	
	30-09-2022	31-12-2021	30-09-2022	31-12-2021
EUR	64,735	60,827	59,954	57,145
USD	5,255	3	5,255	3
BRL	752	687	-	-
	<u>70,742</u>	<u>61,517</u>	<u>65,209</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	
	30-09-2022	31-12-2021	30-09-2022	31-12-2021
A+	20,872	6,061	16,091	2,379
A-	20,017	-	20,017	-
AA-	29,101	27,337	29,101	27,337
BBB+	-	27,432	-	27,432
BB-	752	687	-	-
	<u>70,742</u>	<u>61,517</u>	<u>65,209</u>	<u>57,148</u>

10 LOANS AND LEASE LIABILITIES

Loans

The Group and the Company

	30-09-2022	31-12-2021
Nordic Investment Bank's loan	90,129	70,733
European Investment Bank's loan	47,707	49,175
Guarantee payment to the Ministry of Finance to the Republic of Lithuania	(130)	(132)
Payable loan interest	491	147
	<u>138,197</u>	<u>119,923</u>

10 LOANS AND LEASE LIABILITIES (CONT'D)

Lease liabilities

	Group		Company	
	30-09-2022	31-12-2021	30-09-2022	31-12-2021
Lease liabilities	297,993	287,105	297,969	287,080

Lease liabilities as at 30 September 2022 can be specified as follows:

Group

	FSRU lease	Land rent	Jetty rent	Other*	Total
Long term lease liabilities	221,855	19,323	4,953	542	246,673
Short term lease liabilities	50,550	440	76	254	51,320
	272,405	19,763	5,029	796	297,993

Company

	FSRU lease	Land rent	Jetty rent	Other*	Total
Long term lease liabilities	221,855	19,323	4,953	526	246,657
Short term lease liabilities	50,550	440	76	246	51,312
	272,405	19,763	5,029	772	297,969

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

	30-09-2022	31-12-2021
Balance at the beginning of the period	5,771	5,817
Received during the period	51	302
Amortisation	(299)	(348)
Balance at the end of the period	5,523	5,771

12 TRADE PAYABLES AND OTHER LIABILITIES

	Group		Company	
	30-09-2022	31-12-2021	30-09-2022	31-12-2021
Trade payables	7,981	3,053	7,933	3,045
Other payables and current liabilities	2,674	642	2,355	468
	<u>10,655</u>	<u>3,695</u>	<u>10,288</u>	<u>3,513</u>

Trade payables disclosed below:

	Group		Company	
	30-09-2022	31-12-2021	30-09-2022	31-12-2021
Payables for FSRU leasing	5,235	-	5,235	-
Other payments related FSRU	608	322	608	322
Payable for rent of land	286	257	286	257
Payable for gas services	80	313	80	313
Payable to contractors	65	740	65	740
Payable for railway services	-	86	-	86
Other trade payables	1,707	1,335	1,659	1,327
	<u>7,981</u>	<u>3,053</u>	<u>7,933</u>	<u>3,045</u>

On 30 September 2022 trade payables of EUR 6,255 thousand were denominated in USD (EUR 3 thousand – on 31 December 2021).

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

Other payables and current liabilities disclosed below:

	Group		Company	
	30-09-2022	31-12-2021	30-09-2022	31-12-2021
Accrued expenses and liabilities	874	327	874	327
Other taxes payable	321	205	-	31
Real estate tax payable	-	90	-	90
Other liabilities	1,479	20	1,481	20
	<u>2,674</u>	<u>642</u>	<u>2,355</u>	<u>468</u>

13 PAYROLL RELATED LIABILITIES

	Group		Company	
	30-09-2022	31-12-2021	30-09-2022	31-12-2021
Accrual of annual bonuses	777	977	723	930
Accrued vacation reserve	695	818	602	759
Salaries payable	472	451	429	450
Social insurance payable	292	262	223	217
Income tax payable	180	158	172	158
Other deductions	2	3	2	3
	<u>2,418</u>	<u>2,669</u>	<u>2,151</u>	<u>2,517</u>

14 REVENUE FROM CONTRACTS WITH CUSTOMERS

	Group		Company	
	For the nine months period ended 30 September 2022	For the nine months period ended 30 September 2021	For the nine months period ended 30 September 2022	For the nine months period ended 30 September 2021
Income from LNGT regasification services collected directly from LNGT users	22,417	5,589	22,417	5,589
Sales of oil transshipment services	16,943	13,522	16,943	13,522
Income from LNGT services included in security supplement*	10,768	20,728	10,768	20,728
Other sales related to LNG terminals activity	4,078	4,159	1,743	1,782
Other sales related to transshipment	1,267	884	1,267	884
Sales of inventories	1,023	1,066	1,023	1,066
Sales of consulting services	11	392	17	392
	<u>56,507</u>	<u>46,340</u>	<u>54,178</u>	<u>43,963</u>

* Security supplement - security of supply fee applied to natural gas transmission price paid by Lithuanian natural gas consumers.

15 COST OF SALES

	Group		Company	
	For the nine months period ended 30 September 2022	For the nine months period ended 30 September 2021	For the nine months period ended 30 September 2022	For the nine months period ended 30 September 2021
Depreciation of right-of-use asset	(10,566)	(10,563)	(10,566)	(10,563)
Depreciation and amortisation (incl. amortisation of grants)	(6,124)	(8,793)	(6,057)	(8,738)
Wages, salaries and social security	(5,781)	(5,897)	(5,292)	(5,414)
Expenses related to FSRU rent (OPEX element, management, crew cost)	(4,989)	(4,325)	(4,989)	(4,325)
Tax on environmental pollution and emission allowances	(3,659)	(3,540)	(3,659)	(3,540)
Port charges	(1,149)	(1,158)	(1,149)	(1,158)
Natural gas	(2,573)	(926)	(2,573)	(926)
Electricity	(1,296)	(759)	(1,296)	(759)
Cost of oil products sold	(1,030)	(599)	(1,030)	(599)
Other	(3,716)	(3,288)	(3,538)	(3,105)
	<u>(40,883)</u>	<u>(39,848)</u>	<u>(40,149)</u>	<u>(39,127)</u>

16 OPERATING EXPENSES

	Group		Company	
	For the nine months period ended 30 September 2022	For the nine months period ended 30 September 2021	For the nine months period ended 30 September 2022	For the nine months period ended 30 September 2021
Wages, salaries and social security	(3,664)	(3,829)	(3,387)	(3,496)
Consulting and legal costs	(404)	(489)	(341)	(423)
Telecommunication and IT expenses	(285)	(285)	(267)	(266)
Administration of bank accounts	(192)	(185)	(184)	(180)
Depreciation of right-of-use asset	(177)	(218)	(171)	(218)
Salaries and other related expenses to governing bodies	(115)	(123)	(115)	(123)
Depreciation and amortization	(104)	(197)	(104)	(196)
Impairment of assets	(15)	(54,206)	(15)	(54,206)
(Reversal) of trade debtors impairment	-	711	-	711
Other	(846)	(620)	(608)	(397)
	<u>(5,802)</u>	<u>(59,441)</u>	<u>(5,192)</u>	<u>(58,794)</u>

17 INCOME (EXPENSES) FROM FINANCIAL AND INVESTMENT ACTIVITIES

	Group		Company	
	For the nine months period ended 30 September 2022	For the nine months period ended 30 September 2021	For the nine months period ended 30 September 2022	For the nine months period ended 30 September 2021
Interest income	81	13	15	13
Fines income	23	28	23	28
Income from derivatives	-	1,705	-	1,705
Other financial income	89	3	15	24
Financial income, total	<u>193</u>	<u>1,749</u>	<u>53</u>	<u>1,770</u>
Losses from currency exchange on the lease liabilities	(41,507)	(14,564)	(41,507)	(14,564)
Interest on the lease liabilities	(1,386)	(1,352)	(1,385)	(1,352)
Interest expenses	(543)	(339)	(543)	(338)
Loss from financial derivatives	(72)	-	(72)	-
Losses from currency exchange	(69)	(77)	(63)	(77)
Other financial activity expenses	(11)	-	-	-
Financial activity expenses, total	<u>(43,588)</u>	<u>(16,332)</u>	<u>(43,570)</u>	<u>(16,310)</u>

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:

	For the nine months period ended 30 September 2022	For the nine months period ended 30 September 2021
Group		
Net profit (losses) attributable to shareholders	(28,977)	(57,534)
Weighted average number of ordinary shares (thousand)	<u>380,397</u>	<u>380,423</u>
Earnings (loss) and reduced earnings (loss) (in EUR)	<u>(0.076)</u>	<u>(0.151)</u>

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 nine months of 2022 and 2021 were as follows:

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

Group

		Purchases	Sales	Receivable	Payables
State Enterprise Klaipeda State Seaport Authority	2022 nine months	1,723	-	-	286
	2021 nine months	1,760	-	-	231
AB "Amber Grid"	2022 nine months	-	10,768	4,021	-
	2021 nine months	-	20,730	6,631	-
UAB „Ignitis“	2022 nine months	-	7,145	1,719	-
	2021 nine months	4	1,446	486	-
Public Institution Lithuanian Energy Agency	2022 nine months	-	2,523	-	-
	2021 nine months	-	2,497	336	-
Energijos skirstymo operatorius, AB	2022 nine months	176	-	-	-
	2021 nine months	315	-	-	36
AB LTG CARGO	2022 nine months	876	-	81	-
	2021 nine months	620	-	-	36
Other related parties	2022 nine months	34	-	-	3
	2021 nine months	-	-	-	3
Transactions with related parties, in total:	2022 nine months	2,809	20,436	5,740	208
	2021 nine months	2,699	24,673	7,453	306

Company

		Purchases	Sales	Receivable	Payables
State Enterprise Klaipeda State Seaport Authority	2022 nine months	1,723	-	-	286
	2021 nine months	1,760	-	-	231
AB "Amber Grid"	2022 nine months	-	10,768	4,021	-
	2021 nine months	-	20,730	6,631	-
UAB „Ignitis“	2022 nine months	-	7,145	1,719	-
	2021 nine months	4	1,446	486	-
Public Institution Lithuanian Energy Agency	2022 nine months	-	2,523	-	-
	2021 nine months	-	2,497	336	-
Energijos skirstymo operatorius, AB	2022 nine months	176	-	-	-
	2021 nine months	315	-	-	36
AB LTG CARGO	2022 nine months	876	-	81	-
	2021 nine months	620	-	-	36
KN Acu Servicios de Terminal de GNL Ltda	2022 nine months	-	48	7	-
	2021 nine months	-	264	25	-
Other related parties	2022 nine months	34	-	-	3
	2021 nine months	-	-	-	3
Transactions with related parties, in total:	2022 nine months	2,809	20,484	5,747	208
	2021 nine months	2,699	24,937	7,478	306

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 nine months period ended 30 September 2022	For the nine months period ended 30 September 2021	For the nine months period ended 30 September 2022	For the nine months period ended 30 September 2021
Payroll related costs	515	483	442	425
Number of managers	10	10	6	6

During the nine months of 2022 and the nine 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 nine months period ended on 30 September 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