



AB KLAIPĖDOS NAFTA

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

2023

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023
(UNAUDITED)

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STATEMENT OF FINANCIAL POSITION

	Notes	Group		Company	
		30-09-2023 <i>(unaudited)</i>	31-12-2022 <i>(audited)</i>	30-09-2023 <i>(unaudited)</i>	31-12-2022 <i>(audited)</i>
ASSETS					
Non-current assets					
Intangible assets		670	793	556	645
Property plant and equipment	3	141,518	145,800	141,423	145,683
Right-of-use assets	3	318,364	328,515	318,349	328,495
Long-term receivables		465	575	465	465
Investment in subsidiaries		-	-	4,578	4,578
Investment in associates		113	261	113	261
Deferred income tax asset		4,074	5,106	4,074	5,106
Total non-current assets		465,204	481,050	469,558	485,233
Current assets					
Inventories	5	1,591	2,120	1,591	2,120
Trade receivables and other receivables	6	13,692	14,741	12,746	13,972
Contract assets	7	454	328	454	328
Other financial assets	8	3,321	3,271	3,321	3,271
Short-term deposits	9	44,500	-	40,000	-
Cash and cash equivalents	10	32,070	72,423	30,130	66,848
Total current assets		95,628	92,883	88,242	86,539
Total assets		560,832	573,933	557,800	571,772

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Explanatory notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION (CONT'D)

	Notes	Group		Company	
		30-09-2023 <i>(unaudited)</i>	31-12-2022 <i>(audited)</i>	30-09-2023 <i>(unaudited)</i>	31-12-2022 <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		23,014	29,633	22,979	29,633
Foreign currency translation reserve		209	131	-	-
Retained earnings		7,026	(4,981)	4,711	(6,654)
Total equity		144,566	139,100	142,007	137,296
Non-current amounts payable and liabilities					
Non-current employee benefits		589	569	589	569
Loans	11	153,862	137,451	153,862	137,451
Deferred government grants	12	5,200	5,468	5,200	5,468
Lease liabilities	11	181,157	220,122	181,149	220,108
Total non-current amounts payable and liabilities		340,808	363,610	340,800	363,596
Current amounts payable and liabilities					
Current employee benefits		129	62	129	62
Loans	11	6,476	5,689	6,476	5,689
Lease liabilities	11	51,696	46,126	51,686	46,118
Trade payables and other liabilities	13	3,633	5,871	3,356	5,721
Derivatives		143	-	143	-
Payroll related liabilities	14	2,621	3,437	2,443	3,252
Provisions		6,756	5,663	6,756	5,663
Contract liabilities		4,004	4,375	4,004	4,375
Total current amounts payable and liabilities		75,458	71,223	74,993	70,880
Total equity and liabilities		560,832	573,933	557,800	571,772

Explanatory notes are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

	Notes	Group		Group	
		For the nine months ended 30 September 2023 <i>(unaudited)</i>	For the three months ended 30 September 2023 <i>(unaudited)</i>	For the nine months ended 30 September 2022 <i>(unaudited)</i>	For the three months ended 30 September 2022 <i>(unaudited)</i>
Revenue from contracts with customers	15	63,605	21,207	56,507	20,531
Cost of sales	16	(45,091)	(13,267)	(40,883)	(13,925)
Gross profit		18,514	7,940	15,624	6,606
Operating expenses	17	(7,743)	(2,391)	(5,802)	(1,990)
Other income and (expenses)		139	(19)	431	64
Profit from operating activities		10,910	5,530	10,253	4,680
Income from financial activities	18	1,172	(5,146)	193	65
Expenses from financial activities	18	(5,186)	(2,529)	(43,588)	(22,405)
Share of the associate's profit or (loss)		-	-	8	-
Profit (loss) before tax		6,896	(2,145)	(33,134)	(17,660)
Income tax (expenses)		(1,446)	(505)	4,157	2,531
Profit (loss) for the year		5,450	(2,650)	(28,977)	(15,129)
Other comprehensive income					
Actuarial gain (losses)		(73)	(16)	43	18
Exchange differences on translation of foreign operations		78	(2)	330	66
Related taxes		11	3	(6)	(2)
Total comprehensive income, net of tax		5,466	(2,665)	(28,610)	(15,047)
Profit attributable to:					
The shareholders of the Company		5,450	(2,650)	(28,977)	(15,129)
Non-controlling interests		-	-	-	-
Total comprehensive income attributable to:					
The shareholders of the Company		5,466	(2,665)	(28,610)	(15,047)
Non-controlling interests		-	-	-	-
Basic and diluted earnings (losses) per share, in EUR	19	0.014	(0.007)	(0.076)	(0.040)

Explanatory notes are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME (CONT'D)

	Notes	Company		Company	
		For the nine months ended 30 September 2023 <i>(unaudited)</i>	For the three months ended 30 September 2023 <i>(unaudited)</i>	For the nine months ended 30 September 2022 <i>(unaudited)</i>	For the three months ended 30 September 2022 <i>(unaudited)</i>
Revenue from contracts with customers	15	61,258	20,312	54,178	19,720
Cost of sales	16	(44,324)	(12,951)	(40,149)	(13,695)
Gross profit		16,934	7,361	14,029	6,025
Operating expenses	17	(7,122)	(2,312)	(5,192)	(1,776)
Other income and (expenses)		139	(19)	431	64
Profit from operating activities		9,951	5,030	9,268	4,313
Income from financial activities	18	1,060	(5,201)	53	25
Expenses from financial activities	18	(5,196)	(2,522)	(43,570)	(22,398)
Share of the associate's profit or (loss)		-	-	8	-
Profit (loss) before tax		5,815	(2,693)	(34,241)	(18,060)
Income tax (expenses)		(1,042)	(229)	4,571	2,698
Profit (loss) for the year		4,773	(2,922)	(29,670)	(15,362)
Other comprehensive income					
Actuarial gain (losses)		(73)	(16)	43	18
Related taxes		11	2	(6)	(2)
Total comprehensive income, net of tax		4,711	(2,936)	(29,633)	(15,346)
Basic and diluted earnings (losses) 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 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
Balance as of 31 December 2022 (audited)		110,315	4,002	-	11,051	15,929	2,653	131	(4,981)	139,100
Net profit (loss) for the nine months		-	-	-	-	-	-	-	5,450	5,450
Other comprehensive income		-	-	-	-	-	-	78	(62)	16
Total comprehensive income		-	-	-	-	-	-	78	5,388	5,466
Transfers between reserves		-	-	-	35	(4,001)	(2,653)	-	6,619	-
Balance as of 30 September 2023 (unaudited)		110,315	4,002	-	11,086	11,928	-	210	7,025	144,566

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 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
Balance as of 31 December 2022 (audited)		110,315	4,002	-	11,051	15,929	2,653	(6,654)	137,296
Net profit (loss) for the nine months		-	-	-	-	-	-	4,773	4,773
Other comprehensive income		-	-	-	-	-	-	(62)	(62)
Total comprehensive income		-	-	-	-	-	-	4,711	4,711
Transfers between reserves		-	-	-	-	(4,001)	(2,653)	6,654	-
Balance as of 30 September 2023 (unaudited)		110,315	4,002	-	11,051	11,928	-	4,711	142,007

Explanatory notes are an integral part of these financial statements.

CASH FLOW STATEMENT

Notes	Group		Company			
	For the 9 months ended 30 September 2023 (unaudited)	For the 9 months ended 30 September 2022 (unaudited)	For the 9 months ended 30 September 2023 (unaudited)	For the 9 months ended 30 September 2022 (unaudited)		
Cash flows from operating activities						
	Net profit	5,450	(28,977)	4,773	(29,670)	
Adjustments for noncash items:						
	Depreciation and amortization	3	17,197	16,971	17,114	16,898
	Change in vacation reserve	14	(14)	(123)	-	(156)
	Change in provisions		1,092	75	1,092	75
	Change in non-current liabilities for employees		14	(32)	14	(32)
	Change in allowance in inventory		92	-	92	-
	Contract assets	7	(16)	280	(126)	280
	Income tax expenses		1,446	(4,157)	1,042	(4,571)
	Share of (profit) or loss of equity-accounted investees		-	(8)	-	(8)
	Interest income	18	(957)	(15)	(838)	(15)
	Interest expenses	18	4,082	1,929	4,082	1,928
	Other financial expenses		143	(15)	143	(15)
	Currency impact from financial lease liabilities	18	839	41,310	839	41,507
	Other non-cash adjustments		810	873	699	347
			30,178	28,111	28,926	26,568
Changes in working capital						
	(Increase) decrease in inventories	5	438	(131)	438	(132)
	Decrease (increase) in trade and other accounts receivable	6	1,724	(3,939)	1,711	(3,893)
	Increase (decrease) in trade and other payables	13	4,745	6,960	5,073	7,029
	Increase (decrease) in contract liabilities		(371)	1,625	(371)	1,625
	Increase (decrease) in payroll related liabilities	14	(1,586)	(833)	(1,538)	(861)
			35,128	31,793	34,239	30,336
	Cash collateral recovery		2,500	-	2,500	-
	Cash collateral (payment)		(2,550)	-	(2,550)	-
	Income tax (paid)		(95)	(270)	-	-
	Interest received		272	15	194	15
	Net cash flows from (used in) operating activities		35,255	31,538	34,383	30,351
Cash flows from investing activities						
	(Acquisition) of property plant equipment and intangible assets		(2,299)	(3,611)	(2,299)	(3,599)
	Income from sales of non-current assets		64	186	64	186
	Short term deposits (placed)/received		(44,500)	-	(40,000)	-
	(Acquisition) of other investments		(2)	(2)	(2)	(2)
	Dividends received		150	-	150	-
	Grants, subsidies received		-	51	-	51
	Net cash flows from (used in) investing activities		(46,587)	(3,376)	(42,087)	(3,364)
	Loans received		20,122	20,122	20,122	20,122
	Loans paid		(3,729)	(2,185)	(3,729)	(2,185)
	Interest and fee related to loans (paid)		(2,011)	(249)	(2,011)	(249)
	Guarantee fees paid		(74)	(549)	(74)	(549)
	Lease liabilities (paid)	11	(42,121)	(34,807)	(42,114)	(34,797)
	Interest on lease liabilities paid		(1,208)	(1,269)	(1,208)	(1,268)
	Net cash flows from (used in) financing activities		(29,021)	(18,937)	(29,014)	(18,926)

CASH FLOW STATEMENT (CONT'D)

	Notes	Group		Company	
		For the 9 months ended 30 September 2023 (unaudited)	For the 9 months ended 30 September 2022 (unaudited)	For the 9 months ended 30 September 2023 (unaudited)	For the 9 months ended 30 September 2022 (unaudited)
Net increase (decrease) in cash flows		(40,353)	9,225	(36,718)	8,061
Cash and cash equivalents on 1 January	10	72,423	61,517	66,848	57,148
Cash and cash equivalents on 30 September	10	32,070	70,742	30,130	65,209

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 liquid energy terminals, liquid energy 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.

The authorised capital of the Company is 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 2023 and 2022.

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

As at 30 September 2023 and 30 September 2022 the shareholders of the Company were:

	30 September 2023		30 September 2022	
	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 % 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 this entity 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 in nine months of 2023 was 353 (363 in nine months of 2022).

The average number of employees of the Company in nine months of 2023 was 327 (330 in nine months of 2022).

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 2022. The principles used in preparation of financial statements were presented in more detail in the Notes to the Financial Statements for 2022.

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 41,779 thousand as of 30 September 2023 was completely depreciated (EUR 42,529 thousand on 31 December 2022), however, it was still in operation.

The Group's and the Company's depreciation of property, plant and equipment amounts to EUR 6,350 thousand and EUR 6,347 thousand for the nine months of 2023, respectively (EUR 6,323 thousand and EUR 6,269 thousand for the nine months of 2022). The depreciation EUR 259 thousand was reduced by amortization of related grant the nine months of 2023 (EUR 299 thousand for the nine months of 2022). EUR 6,054 thousand and EUR 6,053 thousand of depreciation charge has been included into cost of sales of the Group and the Company, respectively (EUR 5,942 thousand and EUR 5,888 thousand for the nine months of 2022). The remaining amount EUR 148 thousand (EUR 82 thousand for the nine months of 2022) 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 10,767 thousand for the nine months of 2023 (EUR 10,743 thousand and EUR 10,737 thousand for the nine months of 2022, respectively). EUR 10,569 thousand of depreciation charge has been included into cost of sales of both, the Group and the Company (EUR 10,566 thousand for the nine months of 2022) and the remaining amount of EUR 198 thousand has been included into operating expenses in the Statement of comprehensive income of the Group and the Company (EUR 177 thousand and EUR 171 thousand for the nine months of 2022, respectively).

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

At each reporting date, the Group and the Company makes assessments 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 of 30 September 2023 the management of the Group and the Company did not identify any indications for additional impairment of Klaipėda liquids 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;
- LET – liquid energy terminal in Klaipėda and Subačius liquid energy terminal in Kupiškis, which provide liquid energy products transshipment, services of long-term storage of liquid products and other services related to liquids transshipment;
- comLNG – LNG commercial activities – includes LNG reloading station and execution of other LNG projects.

4 OPERATING SEGMENTS (CONT'D)

Main indicators of the business segments of the Group included into the statement of comprehensive income for the nine months of 2023 and statement of financial position as of 30 September 2023 are presented below:

Group

For the nine months ended 30 September 2023	LNGT	LET	comLNG	Total
Revenues from contracts with customers	37,309	21,119	5,177	63,605
Profit (loss) before income tax	1,050	4,622	1,224	6,896
Segment net profit (loss)	457	4,186	807	5,450
Interest revenue	53	785	119	957
Loan interest expense	2,890	-	3	2,893
Interest on financial lease liabilities	886	274	31	1,191
Depreciation and amortisation	1,634	3,880	911	6,425
Depreciation of right-of-use-assets	10,314	352	101	10,767
Acquisitions of tangible and intangible assets	229	1,922	83	2,234
Segment total assets*	350,741	108,908	24,613	484,262
Loan and related liabilities	160,400	(20)	(42)	160,338
Lease liabilities	212,163	18,602	2,088	232,853
Segment total liabilities	385,146	23,213	7,907	416,266

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 presented below:

Group

For the nine months ended 30 September 2022	LNGT	LET	comLNG	Total
Revenues from contracts with customers	33,458	19,225	3,824	56,507
Profit (loss) 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
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

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	
	30-09-2023	31-12-2022	30-09-2023	31-12-2022
Diesel fuel for the LNG Terminal purpose	286	257	286	257
Fuel for transport and other equipment	122	47	122	47
Liquefied natural gas	46	46	46	46
Oil products for sale	23	263	23	263
Emission allowances	8	133	8	133
Spare parts, construction materials and other inventories	1,106	1,374	1,106	1,374
	1,591	2,120	1,591	2,120

As of 30 September 2023, the Group and the Company did not have any inventory items that needed impairment allowance (EUR 92 thousand as at 31 December 2022).

6 TRADE RECEIVABLES AND OTHER RECEIVABLES

	Group		Company	
	30-09-2023	31-12-2022	30-09-2023	31-12-2022
Trade receivables	10,754	11,879	10,105	11,336
Prepayments	1,003	796	1,003	765
Other receivables	1,935	2,066	1,638	1,871
Total	13,692	14,741	12,746	13,972

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

Trade receivables disclosed below:

	Group		Company	
	30-09-2023	31-12-2022	30-09-2023	31-12-2022
Receivables from LNG terminal activities	8,622	8,521	8,622	8,521
Receivables for transshipment of liquid energy products and other related services	2,929	4,261	2,929	4,261
Receivables for operating and management services	726	620	77	77
Less: impairment allowance	(1,523)	(1,523)	(1,523)	(1,523)
Total	10,754	11,879	10,105	11,336

The Group and the Company has recognized impairment allowance in the amount of EUR 1,523 thousand on 30 September 2023 (EUR 1,523 thousand on 31 December 2022).

No change in allowance for trade receivables for nine months of 2023 and 2022 accounted.

Other receivables disclosed below:

	Group		Company	
	30-09-2023	31-12-2022	30-09-2023	31-12-2022
Excise duty receivable	980	983	980	983
Receivable interests from deposits	685	-	644	-
Other receivable taxes (1)	256	195	-	-
Value added tax	4	860	4	860
Other receivables	10	28	10	28
Total	1,935	2,066	1,638	1,871

(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

	30-09-2023	31-12-2022
Current contract assets:		
Accrued income	454	328
	454	328

Accrued income for storage of liquid energy products as of 30 September 2023 and 31 December 2022 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.

8 OTHER FINANCIAL ASSETS

The Group and the Company

	30-09-2023	31-12-2022
Deposit for tax obligations	3,321	3,271
	<u>3,321</u>	<u>3,271</u>

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. The additional excise duty guarantee paid in 2023 for the amount of EUR 1,850 thousand, from which EUR 1,800 thousand was returned on 12 May 2023. The use of the deposit is indefinite (returned within 5 working days from the submission of the request).

The Group and the Company paid EUR 700 thousand to the Customs Department for ensuring tax obligations. The amount was returned on 15 May 2023. The use of the deposit is indefinite (returned upon request).

9 SHORT-TERM DEPOSITS

	Group		Company	
	30-09-2023	31-12-2022	30-09-2023	31-12-2022
Short-term deposits at banks	44,500	-	40,000	-

As at 30 September 2023, the Group had 4 short-term deposits at banks, amounted to EUR 44,500 thousand, with maturity of more than 3 months, the Company had 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 2.75% to 3.50% for agreements signed.

10 CASH AND CASH EQUIVALENTS

	Group		Company	
	30-09-2023	31-12-2022	30-09-2023	31-12-2022
Cash at bank	32,070	72,423	30,130	66,848

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

Currency	Group		Company	
	30-09-2023	31-12-2022	30-09-2023	31-12-2022
EUR	26,414	66,687	25,313	61,909
USD	4,817	4,939	4,817	4,939
BRL	839	797	-	-
	<u>32,070</u>	<u>72,423</u>	<u>30,130</u>	<u>66,848</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	
	30-09-2023	31-12-2022	30-09-2023	31-12-2022
A+	9,021	26,784	7,919	22,006
A-	7,366	17,000	7,367	17,000
AA-	14,844	27,842	14,844	27,842
BB-	839	797	-	-
	<u>32,070</u>	<u>72,423</u>	<u>30,130</u>	<u>66,848</u>

11 LOANS AND LEASE LIABILITIES

Loans

The Group and the Company

	30-09-2023	31-12-2022
Nordic Investment Bank's loan	115,559	96,102
European Investment Bank's loan	43,690	46,703
Guarantee payment to the Ministry of Finance to the Republic of Lithuania	(127)	(130)
Payable loan interest	1,216	465
	<u>160,338</u>	<u>143,140</u>

Lease liabilities

	Group		Company	
	30-09-2023	31-12-2022	30-09-2023	31-12-2022
Lease liabilities	<u>232,853</u>	<u>266,248</u>	<u>232,853</u>	<u>266,226</u>

Lease liabilities as of 30 September 2023 can be specified as follows:

Group

	FSRU lease	Land rent	Jetty rent	Other*	Total
Long term lease liabilities	156,595	18,967	4,875	720	181,157
Short term lease liabilities	50,564	659	122	351	51,696
	<u>207,159</u>	<u>19,626</u>	<u>4,997</u>	<u>1,071</u>	<u>232,853</u>

Company

	FSRU lease	Land rent	Jetty rent	Other*	Total
Long term lease liabilities	156,595	18,967	4,875	712	181,149
Short term lease liabilities	50,564	659	122	341	51,686
	<u>207,159</u>	<u>19,626</u>	<u>4,997</u>	<u>1,053</u>	<u>232,835</u>

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

Group

	FSRU lease	Land rent	Jetty rent	Other*	Total
Long term lease liabilities	195,022	19,231	5,392	477	220,122
Short term lease liabilities	45,353	443	77	253	46,126
	<u>240,375</u>	<u>19,674</u>	<u>5,469</u>	<u>730</u>	<u>266,248</u>

Company

	FSRU lease	Land rent	Jetty rent	Other*	Total
Long term lease liabilities	195,022	19,231	5,392	463	220,108
Short term lease liabilities	45,353	443	77	245	46,118
	<u>240,375</u>	<u>19,674</u>	<u>5,469</u>	<u>708</u>	<u>266,226</u>

* Other comprises of transport vehicles, office rent.

12 DEFERRED GOVERNMENT GRANTS

The Group and the Company

	30-09-2023	31-12-2022
Balance at the beginning of the period	5,468	5,771
Received during the period	-	89
Reclassification	-	(4)
Compensations of costs	(9)	-
Amortization	(259)	(388)
Balance at the end of the period	5,200	5,468

13 TRADE PAYABLES AND OTHER LIABILITIES

	Group		Company	
	30-09-2023	31-12-2022	30-09-2023	31-12-2022
Trade payables	2,180	3,596	1,903	3,564
Other payables and current liabilities	1,453	2,275	1,453	2,157
	3,633	5,871	3,356	5,721

Trade payables disclosed below:

	Group		Company	
	30-09-2023	31-12-2022	30-09-2023	31-12-2022
Payments related FSRU	762	1,640	762	1,640
Payable to contractors	109	184	109	184
Payable for railway services	55	99	55	99
Other trade payables	1,254	1,673	977	1,641
	2,180	3,596	1,903	3,564

On 30 September 2023 trade payables of EUR 762 thousand were denominated in USD (on 31 December 2022 – EUR 912 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	
	30-09-2023	31-12-2022	30-09-2023	31-12-2022
Received guarantee payment (1)	880	880	880	880
Accrued expenses and liabilities	302	909	302	909
Real estate tax payable	-	126	-	126
Other taxes payable	160	120	160	-
Other liabilities	111	240	111	242
	1,453	2,275	1,453	2,157

(1) Received guarantee payment related to particular client's fulfillment of payment obligations. Guarantee payment was returned on 2 October 2023 after the execution of the contract. Total amount of EUR 880 thousand was paid.

14 PAYROLL RELATED LIABILITIES

	Group		Company	
	30-09-2023	31-12-2022	30-09-2023	31-12-2022
Accrual of annual bonuses	802	1,711	749	1,631
Accrued vacation reserve	760	769	714	715
Salaries payable	553	500	526	500
Social insurance payable	256	265	246	228
Income tax payable	248	190	206	176
Other deductions	2	2	2	2
	2,621	3,437	2,443	3,252

15 REVENUE FROM CONTRACTS WITH CUSTOMERS

	Group		Company	
	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022
Income from LNGT regasification services collected directly from LNGT users (1)	36,139	10,768	36,139	10,768
Sales of liquid energy products transshipment services	19,437	16,943	19,437	16,943
Sales of consulting services	1,118	11	1,303	17
Sales of inventories	357	1,023	357	1,023
Income from LNGT services included in security supplement (2)	-	22,417	-	22,417
Other sales related to LNG terminals activity	5,216	4,078	2,684	1,743
Other sales related to transshipment	1,338	1,267	1,338	1,267
	<u>63,605</u>	<u>56,507</u>	<u>61,258</u>	<u>54,178</u>

- (1) 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) Contains income from LNG regasification service and LNG reloading service. The tariffs of these services are adjusted annually and regulated by NERC. Regasification and reloading income are collected directly from the clients after services are provided. 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.

There is no security supplement income in the nine months of 2023 due to implemented allocation and tariffication model when regasification tariff was increased and security supplement from May 2022 was 0 EUR/(MWh/day/year).

16 COST OF SALES

	Group		Company	
	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022
Depreciation of right-of-use asset	(10,569)	(10,566)	(10,569)	(10,566)
Depreciation and amortisation (incl, amortisation of grants)	(6,277)	(6,124)	(6,199)	(6,057)
Tax on environmental pollution and Emission allowances	(6,209)	(3,659)	(6,209)	(3,659)
Wages, salaries and social security	(6,080)	(5,781)	(5,764)	(5,292)
Expenses related to FSRU rent (OPEX element, management, crew cost)	(5,659)	(4,989)	(5,659)	(4,989)
Natural gas	(1,408)	(2,573)	(1,408)	(2,573)
Port charges	(1,149)	(1,149)	(1,149)	(1,149)
Insurance	(962)	(445)	(962)	(403)
Railway services	(865)	(922)	(865)	(922)
Electricity	(810)	(1,296)	(810)	(1,296)
Cost of liquid energy products sold	(355)	(1,030)	(355)	(1,030)
Other	(4,748)	(2,349)	(4,375)	(2,213)
	<u>(45,091)</u>	<u>(40,883)</u>	<u>(44,324)</u>	<u>(40,149)</u>

17 OPERATING EXPENSES

	Group		Company	
	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022
Wages, salaries and social security	(4,169)	(3,664)	(4,018)	(3,387)
Consulting and legal costs	(1,126)	(404)	(1,007)	(341)
Telecommunication and IT expenses	(368)	(285)	(350)	(267)
Salaries and other related expenses to governing bodies	(259)	(115)	(259)	(115)
Expenses for business trips	(222)	(77)	(177)	(77)
Depreciation of right-of-use asset	(198)	(177)	(198)	(171)
Operating tax expense	(188)	(104)	(47)	(55)
Depreciation and amortization	(148)	(104)	(148)	(104)
Administration of bank accounts	(52)	(192)	(51)	(184)
Impairment of assets	-	(15)	-	(15)
Other	(1,013)	(846)	(867)	(608)
	<u>(7,743)</u>	<u>(5,983)</u>	<u>(7,122)</u>	<u>(5,324)</u>

18 INCOME (EXPENSES) FROM FINANCIAL AND INVESTMENT ACTIVITIES

	Group		Company	
	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022
Interest income	957	81	838	15
Fines income	20	23	20	23
Other financial income	195	89	202	15
Financial income, total	<u>1,172</u>	<u>193</u>	<u>1,060</u>	<u>53</u>
Interest expenses	(2,893)	(543)	(2,890)	(543)
Interest on the lease liabilities	(1,191)	(1,386)	(1,191)	(1,385)
Losses from currency exchange on the lease liabilities	(839)	(41,507)	(839)	(41,507)
Losses from currency exchange	(139)	(69)	(156)	(63)
Loss from financial derivatives	(120)	(72)	(120)	(72)
Other financial activity expenses	(4)	(11)	-	-
Financial activity expenses, total	<u>(5,186)</u>	<u>(43,588)</u>	<u>(5,196)</u>	<u>(43,570)</u>

19 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 nine months ended 30 September 2023	For the nine months ended 30 September 2022
Net profit (loss) attributable to shareholders	5,450	(28,977)
Weighted average number of ordinary shares (thousand)	380,397	380,397
Earnings (loss) and reduced earnings (loss) (in EUR)	<u>0.014</u>	<u>(0.076)</u>

20 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 2023 and 2022 were as follows:

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

Group

		Purchases	Sales		Receivables	Payables
AB Klaipeda State Seaport Authority	2023 nine months	1,907	-	30-09-2023	-	460
	2022 nine months	1,231	-	30-09-2022	-	459
AB "Amber Grid"	2023 nine months	-	-	30-09-2023	3,975	-
	2022 nine months	-	10,768	30-09-2022	4,021	-
UAB „Ignitis“	2023 nine months	-	8,146	30-09-2023	941	-
	2022 nine months	-	2,633	30-09-2022	800	-
Public Institution Lithuanian Energy Agency	2023 nine months	-	2,519	30-09-2023	-	-
	2022 nine months	-	1,682	30-09-2022	339	-
Energijos skirstymo operatorius, AB	2023 nine months	627	-	30-09-2023	-	20
	2022 nine months	117	-	30-09-2022	-	-
AB LTG CARGO	2023 nine months	955	-	30-09-2023	-	106
	2022 nine months	587	-	30-09-2022	-	-
Other related parties	2023 nine months	45	1	30-09-2023	-	4
	2022 nine months	23	-	30-09-2022	-	6
Transactions with related parties, in total:	2023 nine months	3,534	10,666	30-09-2023	4,916	590
	2022 nine months	1,958	15,083	30-09-2022	5,160	465

Company

		Purchases	Sales		Receivables	Payables
AB Klaipeda State Seaport Authority	2023 nine months	1,907	-	30-09-2023	-	460
	2022 nine months	1,231	-	30-09-2022	-	459
AB "Amber Grid"	2023 nine months	-	-	30-09-2023	3,975	-
	2022 nine months	-	10,768	30-09-2022	4,021	-
UAB „Ignitis“	2023 nine months	-	8,146	30-09-2023	941	-
	2022 nine months	-	2,633	30-09-2022	800	-
Public Institution Lithuanian Energy Agency	2023 nine months	-	2,519	30-09-2023	-	-
	2022 nine months	-	1,682	30-09-2022	339	-
Energijos skirstymo operatorius, AB	2023 nine months	627	-	30-09-2023	-	20
	2022 nine months	117	-	30-09-2022	-	-
AB LTG CARGO	2023 nine months	955	-	30-09-2023	-	106
	2022 nine months	587	-	30-09-2022	-	-
KN Acu Servicos de Terminal de GNL Ltda	2023 nine months	-	248	30-09-2023	6	-
	2022 nine months	-	35	30-09-2022	18	-
Other related parties	2023 nine months	45	1	30-09-2023	-	4
	2022 nine months	9	-	30-09-2022	-	6
Transactions with related parties, in total:	2023 nine months	3,534	10,914	30-09-2023	4,922	590
	2022 nine months	1,944	15,118	30-09-2022	5,178	465

20 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 ended 30 September 2023	For the nine months ended 30 September 2022	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022
Payroll related costs	774	609	708	522
Number of managers	10	10	6	6

During the nine months of 2023 and the nine months of 2022 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.

21 SUBSEQUENT EVENTS

No other 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, Vaidotas Dirmeikis, Acting 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 2023 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

Acting Chief Financial Officer

Vaidotas Dirmeikis

Chief Accountant

Rasa Tamaliūnaitė