



AB KLAIPĖDOS NAFTA

UNAUDITED FINANCIAL RESULTS OF KN GROUP FOR 2023 HY1

August 18th, 2023



TOPICS



HIGHLIGHTS



BUSINESS OVERVIEW



FINANCIAL RESULTS



OTHER INFORMATION

PRESENTERS



DARIUS ŠILENSKIS

CHIEF EXECUTIVE OFFICER



MINDAUGAS KVEKŠAS

CHIEF FINANCIAL OFFICER

VISION

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

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

MISSION

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

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

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

HIGHLIGHTS

REGULATED ACTIVITY

LNG CAPACITY ALLOCATED

Total 36,700 GWh LNG regasification capacities of LNGT were allocated for the Gas Year 2023.

REGULATIONS FOR THE USE OF THE LNG TERMINAL

On 26 June 2023, KN announced public consultation regarding the amendment to the Regulations for the Use of the LNG Terminal. Main amendments related to upcoming Long-term LNG regasification capacity allocation procedures for period until Y2044. On 27 July 2023, NERC approved updated Regulations for the Use of the LNG Terminal.

BUSINESS DEVELOPMENT

FSRU TERMINAL IN GERMANY

Since end of June the Company has started the provision of commercial operation services for the Elbehafen LNG terminal in Brunsbüttel, northern Germany.

A COOPERATION AGREEMENT SIGNED

KN and bp Gas & Power Investments Limited signed a cooperation agreement on the development of the Açú trucked LNG station project in Brazil. Under the cooperation agreement, bp and KN will collaborate by evaluating the project's commercial viability.

FINANCIAL PERFORMANCE

42.4 MEUR

Group revenue 17.9% higher than for the respective period in 2022.

5.6 MEUR

Liquid energy Terminals EBITDA 60% higher than for the respective period in 2022.

3.3 MEUR

Group adjusted net profit 10.0% higher than for the respective period in 2022.

16.7 MEUR

Group EBITDA 1.2% lower than for the respective period in 2022.

OTHER NEWS

KN's STRATEGY 2023-2050

On 14 June The Supervisory Council of the Company has approved KN's corporate strategy for the period 2023-2050.

CHANGES IN COLLEGIAL BODIES

On 15 June 2023 Živilė Valeišienė was elected as a Chairman of the Remuneration and Nomination Committee.

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BUSINESS
OVERVIEW



BUSINESS OVERVIEW

LIQUID ENERGY TERMINALS

Firm demand for Liquid energy terminal transshipment and storage services in 2023 HY1 led to 22% higher revenue in comparison to the same period in 2022.



INCREASE OF LIGHT OIL PRODUCTS, BIOFUELS HANDLING

2023 1H revenues growth in comparison with 2022 1H reached 2,5 mln. EUR and was primarily influenced by increased tank rent demand for liquid fuels handling, where gasoline, diesel (esp. dedicated to Ukraine) and biofuels were the main drivers and took about 67% of the growth.

STABLE CARGO FLOW

Relatively stable European liquid fuels producers' margins (albeit lower than in 2022) and their refinery utilization rates allowed to maintain steady cargo flows - in 2023 1H Company's liquid energy terminals' transshipment volumes remained nearly the same as in 2022 1H, about 2 mln t.

EXPANDING OF TRANSSHIPMENT SERVICES GEOGRAPHY

Transshipment services at the Marijampolė liquid fuels terminal operated by KN started in the end of May 2023 and the transshipment agreement with "Orlen Lietuva" concluded. Regular discharge of diesel cargo from rail tanks and load to tank trucks operations are performed from June with number of serviced trucks steady increasing each month.

SERVICING LITHUANIA FUEL CONSUMERS NEEDS

Slightly y-o-y increasing consumption of gasoline and road transport diesel in Lithuania (* Official Statistics Portal <https://osp.stat.gov.lt> 1-5 months (years 2021, 2022, 2023) data) ensured stable transshipment volumes in Klaipėda liquid energy terminal tanker truck station which increased ~ 6% in 2023 1H in comparison with the same period last year.

INTENSIFIED BITUMEN TRANSSHIPMENT

About 7% of the 1H revenue growth was generated by bitumen transshipment. Within the first 6 months of 2023 Klaipėda liquid energy terminal handled about 52 kt of bitumen or 57% more if compared to 2022 1H, when the transshipment of the product was started.

BUSINESS OVERVIEW

REGULATED LNG ACTIVITIES

2023 HY1 Klaipėda's LNG terminal regasification and reloading quantities were 17.3 TWh - 32% higher compared to the same period last year.



STABLE REGASIFICATION AND RELOADING QUANTITIES

19 LNG carriers have arrived at the LNG terminal during 2023 Q2 (both loading and reloading) and 9.10 TWh of LNG have been regasified and reloaded, which is nearly equal to the same period a year ago (9.13 TWh).

AVERAGE EUROPE'S LNG TERMINALS UTILIZATION 64%

The average utilization of Europe's LNG terminals in 2023 HY1 was 64% (vs 62% a year ago). The avr. utilization of Klaipėda LNGT in 2023 HY1 was 74%.

The average Dutch TTF Natural Gas Index was equal to 39.58 EUR/MWh in Q2 of 2023 vs 109.21 EUR/MWh in the same period a year ago and vs 79.16 EUR/MWh in the previous quarter.

87% OF THE NATURAL GAS TRANSPORTED INTO LITHUANIA DURING H1 WERE IMPORTED THROUGH KLAIPĖDA LNGT

In 2023 Q2, Lithuania's natural gas consumption was about 3.1 TWh (4% less than in 2023 Q1 and 20% less than in the same period a year ago).

87% of all imported natural gas transported into Lithuania's gas transmission system in the H1 of 2023 were imported through Klaipėda LNGT (excluding gas transit to Kaliningrad).

UPCOMING LONG-TERM CAPACITY ALLOCATION PROCEDURE

On 26 June 2023, KN announced public consultation regarding amendments to the Regulations for use of LNG Terminal in order to set terms and conditions for the long-term LNG regasification capacity allocation. On 27 July 2023, KN received NERC's approval on the updated Regulations. Long-term capacity allocation process should start later in September.

BUSINESS OVERVIEW

COMMERCIAL LNG

34.8% increase in commercial LNG revenue during 2023 HY1 compared to the same period last year.

KN BECAME COMMERCIAL OPERATOR OF ANOTHER LNG TERMINAL IN GERMANY

In June, KN and Elbehafen LNG GmbH (subsidiary of RWE) executed Operational services agreement for Brunsbüttel LNG terminal in Germany. KN will provide commercial operations services for the initial term of 5 years. KN provides such service to two out of three operational LNG facilities in Germany.

KN AND BP TO COLLABORATE ON TRUCKED LNG PROJECT

In June, KN and bp Gas & Power Investments Limited signed a cooperation agreement on the development of the Açú trucked LNG station project in the Brazilian port of Açú. Under the cooperation agreement, bp and KN will collaborate by evaluating the project's commercial viability.



Elbehafen LNG terminal. Courtesy by RWE

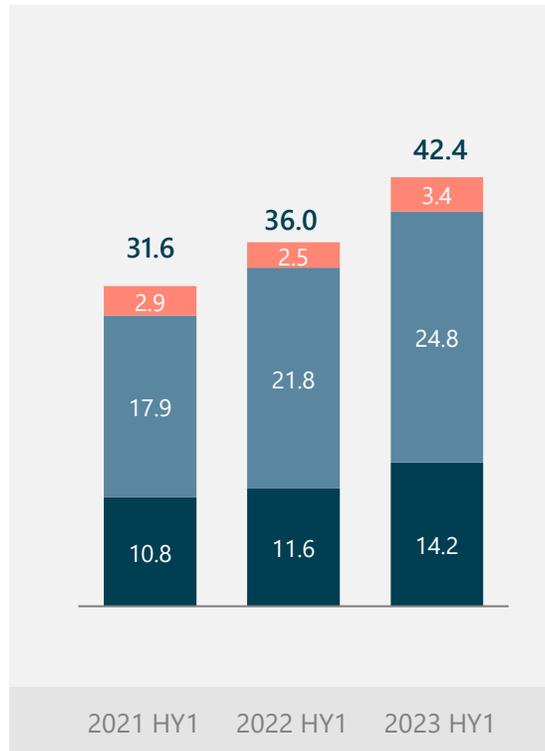
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FINANCIAL RESULTS

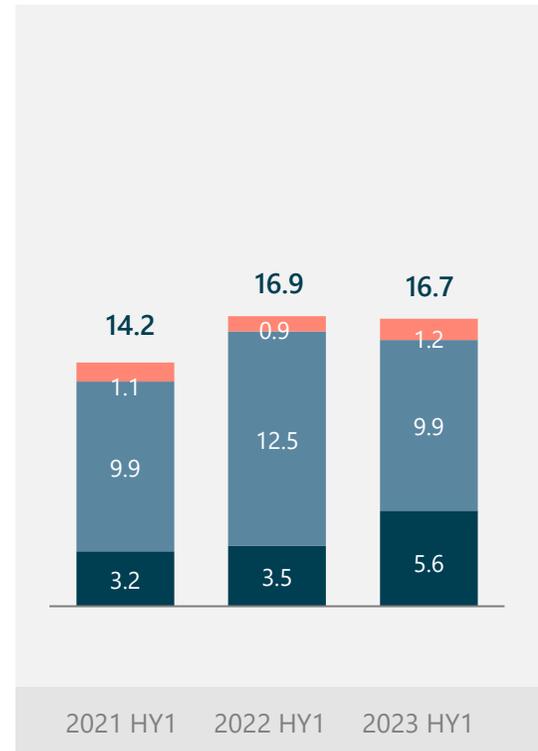


CONSOLIDATED FINANCIAL RESULTS (UNAUDITED) FOR 2023 HY1, MEUR

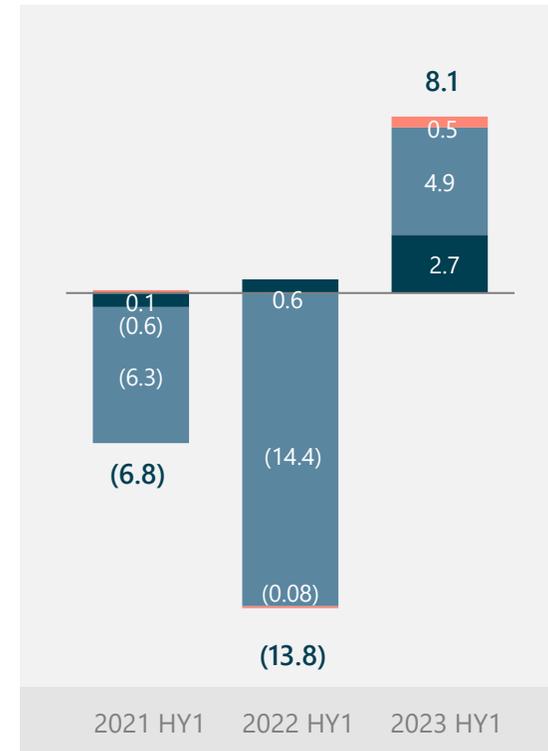
REVENUE



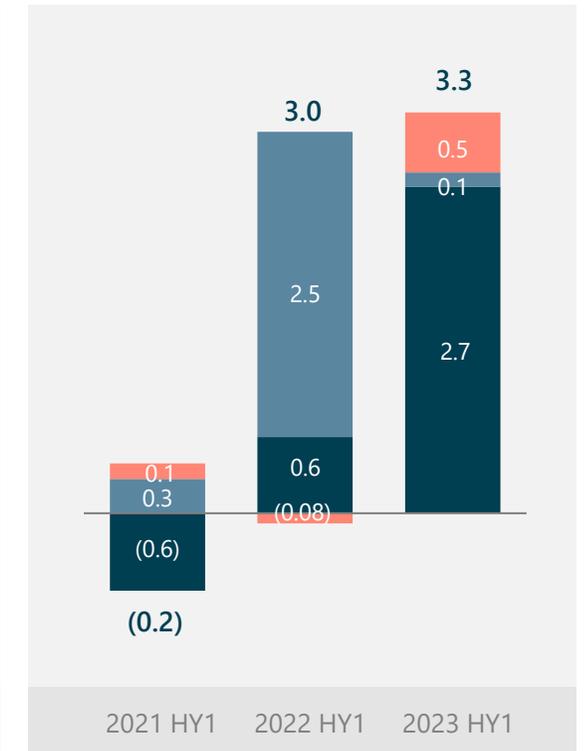
EBITDA



NET PROFIT (LOSS)



ADJUSTED NET PROFIT (LOSS)



SEGMENTS EXPLANATION

● COMMERCIAL LNG ACTIVITIES (comLNG)

- Small-scale LNG reloading station in Klaipėda
- Operation of LNG terminal in Açu port in Brazil
- Business development projects and consultations.

● LIQUID ENERGY TERMINALS

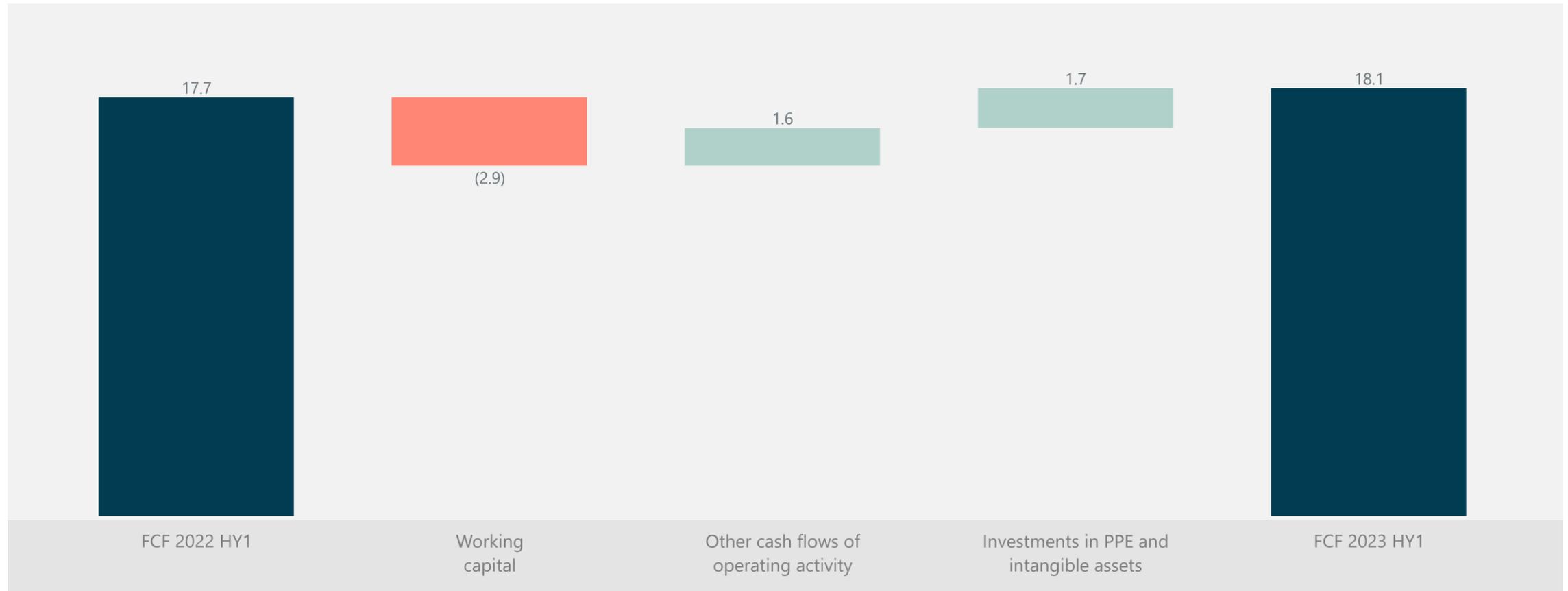
- Klaipėda Liquid Energy Terminal
- Subačius Liquid Energy Terminal

● REGULATED LNG ACTIVITIES (LNGT)

- Klaipėda LNG Terminal

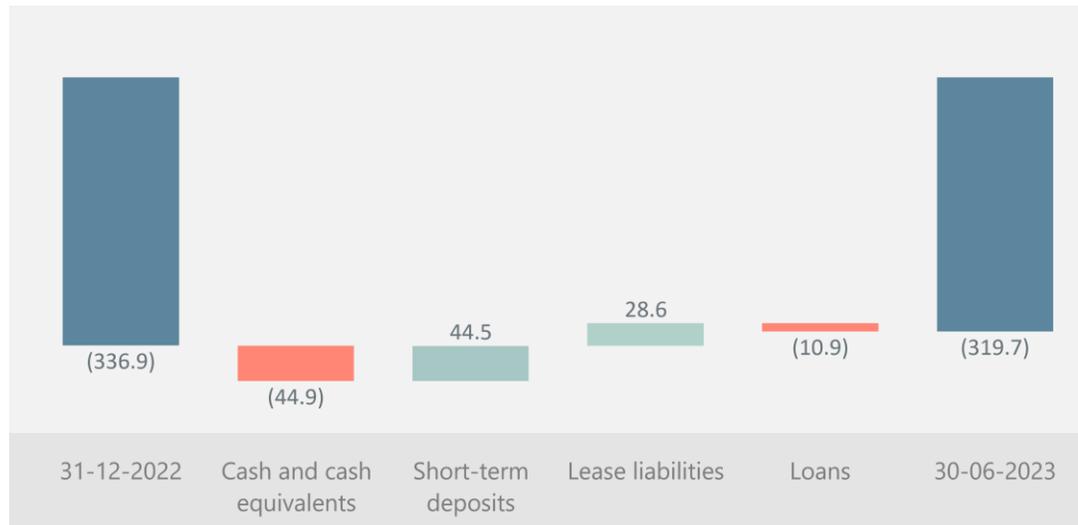
FREE CASH FLOW (FCF)

FREE CASH FLOW (MEUR)



LEVERAGE METRICS

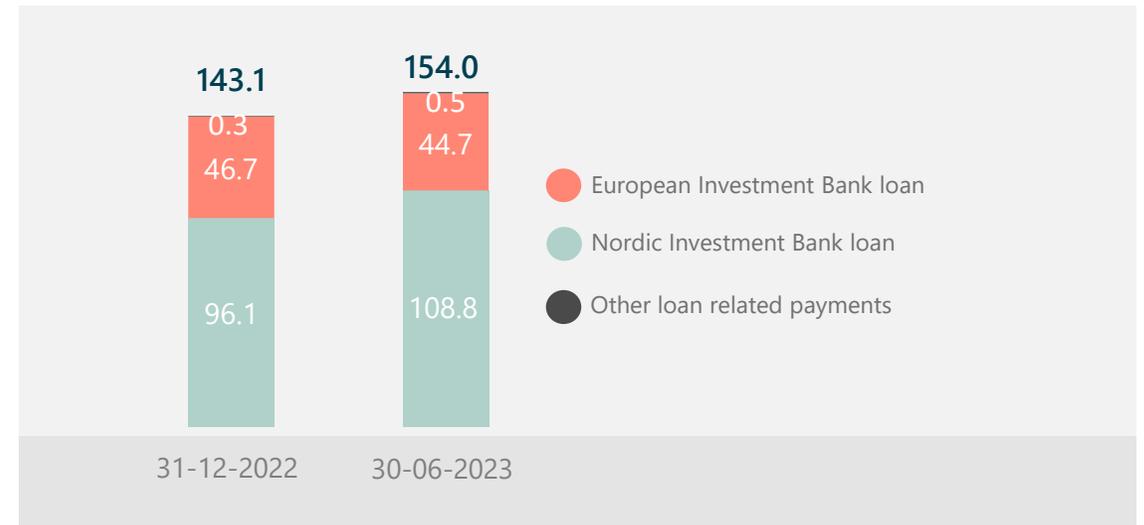
NET DEBT DEVELOPMENT (MEUR)



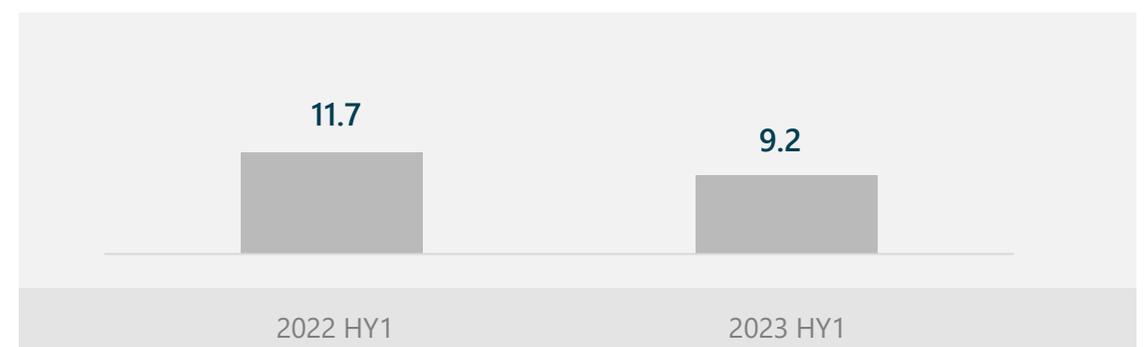
NET DEBT (MEUR)

MEUR	31-12-2022	30-06-2023
Cash and cash equivalents	72.4	27.5
Short-term deposits	0	44.5
Loans	(143.1)	(154.0)
Lease liabilities	(266.2)	(237.6)
Net Debt	(336.9)	(319.7)

LOANS (MEUR)

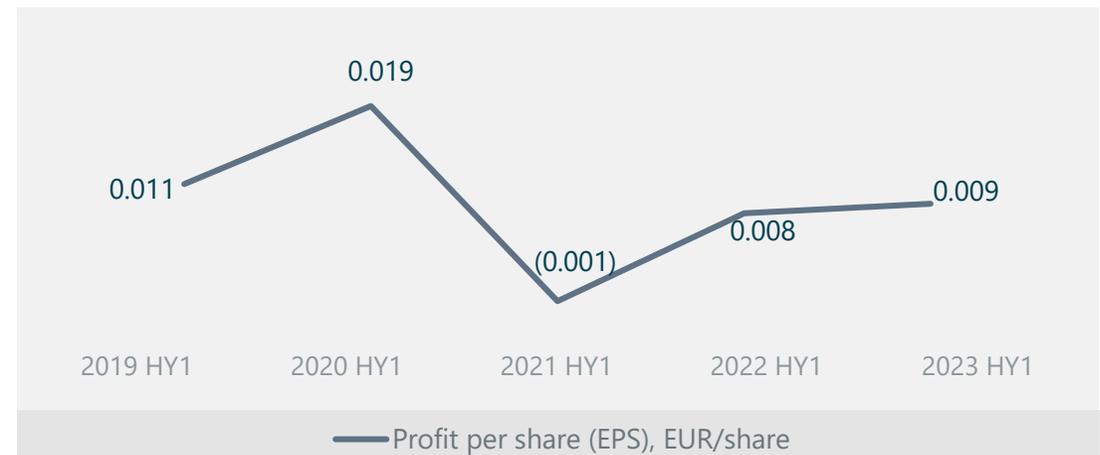
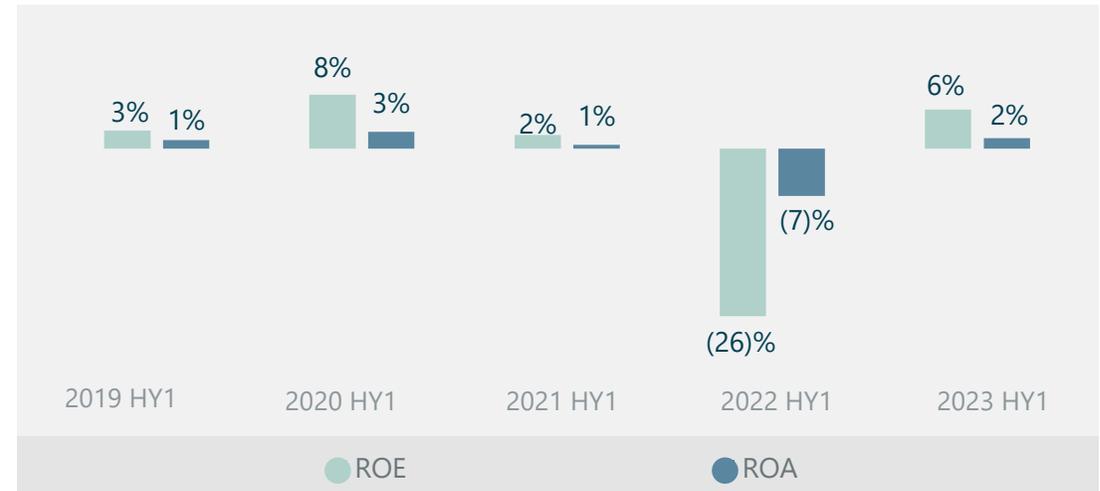


NET DEBT / EBITDA (TIMES)



PROFITABILITY AND MARKET VALUE RATIOS FOR 2023 HY1

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



QUESTIONS & ANSWERS

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OTHER
INFORMATION



KN IS ABOUT TO EMBARK ON A TRANSFORMATIVE JOURNEY SPANNING UNTIL 2050



SETTING THE FOUNDATION

- **Improve value proposition** to strengthen cashflows and expand market for liquid products transshipment towards Southwest
- **Scale up global LNG terminals business activities**
- Set the **foundations for new energy businesses** by acquiring the right capabilities and develop pilot projects
- **Consider ssLNG terminal strategy** to generate additional cash for investments in new energy business

COMMERCIALIZING NEW ENERGY

- Shift focus on **commercialization** of pilot projects in **carbon transshipment and energy storage**
- **Turn global LNG terminals business into a larger revenue and margin contributor**
- **Maintain business and improve operations** for LNG and liquids terminal, both for oil products and renewables handled at the terminal
- **Capitalize on hydrogen carriers** opportunities that become more pronounced in this period and investigate further opportunities in wind energy generation (e. g. power-to-gas)

EXPANDING THE FOOTPRINT

- Take decision on **future of FSRU in Klaipėda**
- **Expand footprint of renewables** further into the wider region
- **Shift focus** of liquid energy terminal further towards renewables
- **Evolve global LNG terminals business activities** in accordance with market shift

DRIVING SUCCESS: PROFITABLE GROWTH THROUGH CORE BUSINESSES – KEY TO OUR NEW STRATEGY

Based on its 2050 vision, **KN's 2030 strategy** would aim for **improving operations** and laying the **foundation for new energy businesses**



LIQUID ENERGY TERMINAL
Diversify and improve volume & profitability

LNG
Develop green solutions and focus on global business

NEW ENERGIES
Lay the ground for a green transition in the region

Prepare organizational setup for transition of traditional business to new energies

Step-change in ESG activities

Invest in knowledge on new energy fields

Digitalize business processes to be ready for the future



AIM TO INCREASE REVENUES >50% BY 2030 AND LAY FOUNDATIONS FOR NEW ENERGY BUSINESSES



BUSINESS & SOCIAL EXCELLENCE

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

ALTERNATIVE PERFORMANCE MEASURES

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

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

SHAREHOLDERS AND SHARES

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



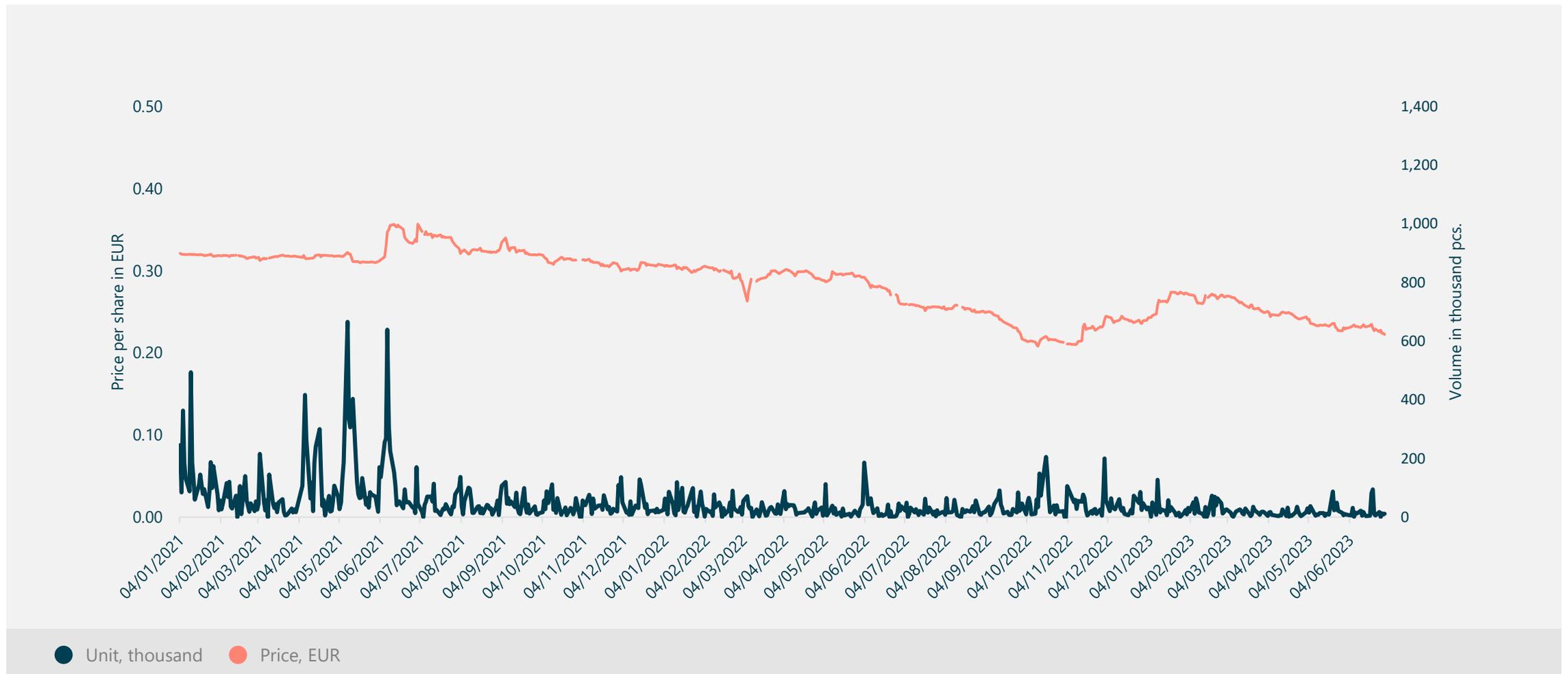
ISIN code – **LT0000111650**

Abbreviation – **KNFIL**

SHAREHOLDER'S NAME <small>(company's name, address, company code of registration)</small>	30 JUNE 2023		31 DECEMBER 2022	
	Number owned shares (unit)	Part of authorized capital (%)	Number owned shares (unit)	Part of authorized capital (%)
The Republic of Lithuania, represented by the Ministry of Energy of the Republic of Lithuania	275,687,444	72.47	275,687,444	72.47
UAB koncernas "ACHEMOS GRUPĖ"	39,662,838	10.43	39,662,838	10.43
Other (each owning less than 5%)	65,046,303	17.10	65,046,303	17.10
Total	380,396,585	100.00	380,396,585	100.00

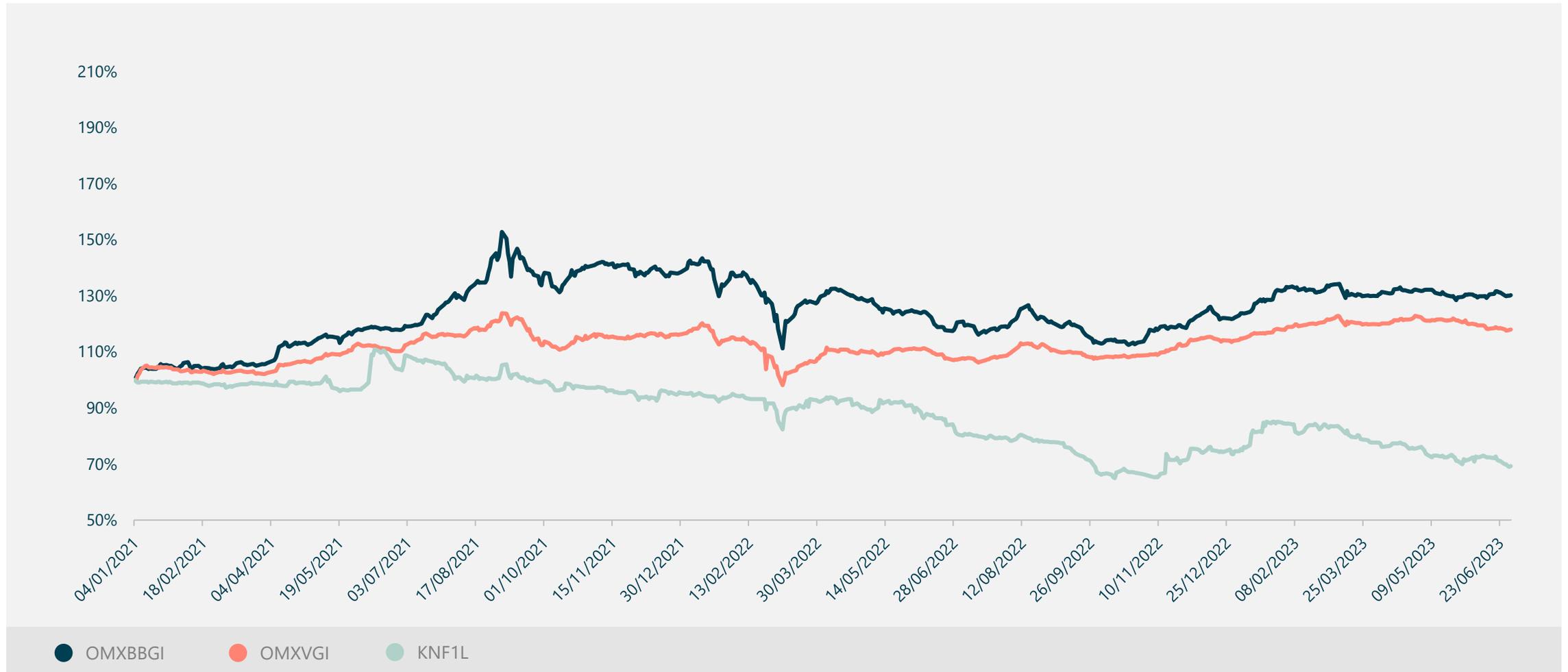
SHAREHOLDERS AND SHARES

TRADING IN KNF1L SHARES ON NASDAQ VILNIUS STOCK EXCHANGE



SHAREHOLDERS AND SHARES

KNF1L SHARE PRICE, NASDAQ VILNIUS GI AND BALTIC BENCHMARK GI INDEXES COMPARISON





**THANK YOU FOR YOUR
ATTENTION**

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