



AB KLAIPĖDOS NAFTA

UNAUDITED FINANCIAL RESULTS FOR 2019 Q1

30th April 2019



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ABOUT THE COMPANY



MISSION, VISION, VALUES

Our mission

Ensure reliable and effective supply of LNG and transhipment of oil products.

Our vision

A reliable operator of oil and LNG terminals that adds value through implemented projects and balanced expansion.

Our values

The Company in its activities is being led by these in 2018 renewed values:





ACTIVITIES OF THE COMPANY



OIL TERMINALS



KLAIPĖDA
OIL TERMINAL



SUBAČIUS
OIL TERMINAL

LNG TERMINALS



KLAIPĖDA
LNG TERMINAL



KLAIPĖDA SMALL-SCALE
LNG TERMINAL



HIGHLIGHTS



KN HIGHLIGHTS Q1 2019

2nd January

Mr. Ian Jonathan Bradshaw was elected as the independent Board Member of the Company to the current vacancy until the end of the acting Board's tenure.

8th February

Convened Extraordinary General Meeting of Shareholders of the Company.

Adopted decisions to determine fixed monthly remuneration:

- For the independent member of the Supervisory Board - of 856.92 EUR excluding VAT;
- To the chairman of Supervisory board - of 1 140.59 EUR excluding VAT.

7th March

Vilnius Regional Court has adopted judgement to reject the claim of UAB Krovinu Terminalas for damages from the breach of the competition law to award the Company full compensation of litigation expenses.

29th March

Amended articles of the Company registered after the increase of the authorised capital. Authorised capital is equal to 110 476 193.97 EUR and is divided into 380 952 393 units of shares. Nominal value per share – 0.29 EUR.

30th April

KN and the German company "Nauticor" have agreed on the sale of KN's 10% stake in the charter contract of Kairos.



January 2019

KN was announced third among companies recognised the best in the category "Investor Relations of the Year" of the Nasdaq Baltic Awards 2019.



March 2019

Lithuanian business newspaper Verslo žinios has ranked KN 18th in rating "Lithuanian Business Leaders 500" because of company's sustainable finances and business activities.



March 2019

KN have provided one of the clearest strategic directions among all Lithuania's state-owned enterprises, announced Governance Coordination Centre.



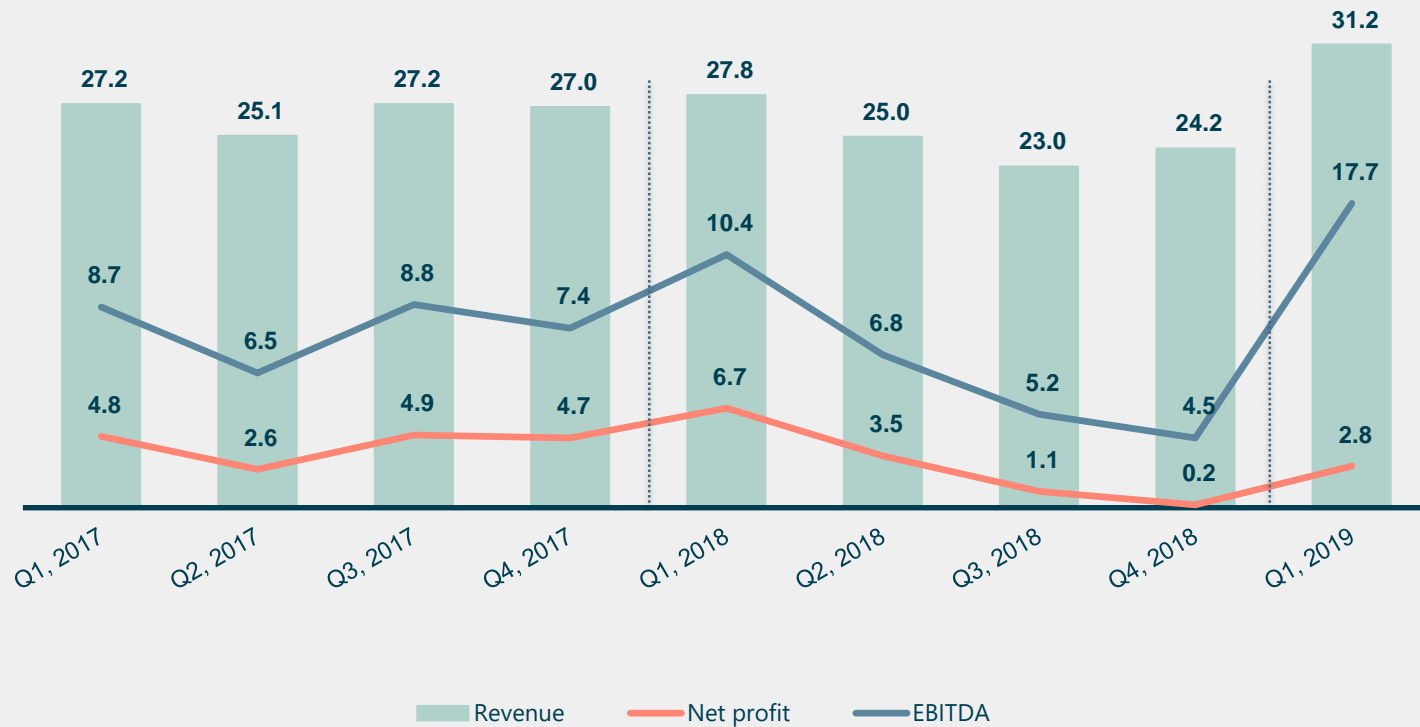
April 2019

KN introduces changes to the employees motivation system. In April, the Board of KN decided to pay bonuses to employees. Up to 50 percent of the bonus will be paid out in the company's shares, and the remaining part on the decision of employee may be directed to the pension fund or paid in cash.



FINANCIAL RESULTS

FINANCIAL HIGHLIGHTS (UNAUDITED), MEUR





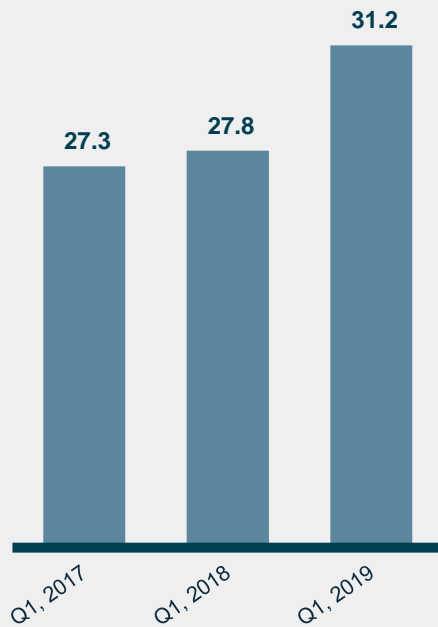
CHANGES IN INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS 16) - APPLICABLE SINCE 1 JANUARY 2019

- Implementation of the standard significantly increase KN's lease assets and financial liabilities;
- IFRS 16 application mostly effects KN's financial statement information related to:
 - Land rent;
 - Jetty rent;
 - FSRU lease.
- KN's EBITDA (non-IFRS measure) increase because above mentioned expenses for the rent are excluded from the activity costs;
- Instead of rent costs the KN records depreciation and interest expenses;
- Due to the fact that FSRU lease contract denominated in a foreign currency (USD), KN have to remeasure this liability using exchange rate at each reporting date;
- Any changes to the lease liability due to exchange rate changes are recognised in a statement of comprehensive income as foreign currency exchange gain or losses.

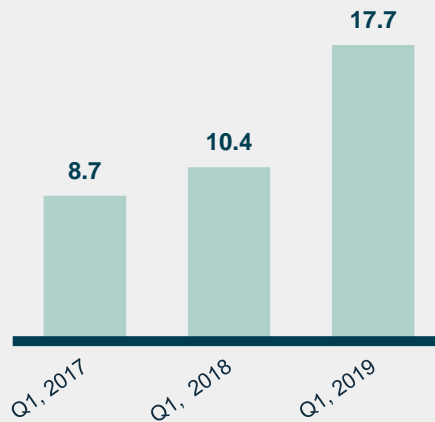


FINANCIAL HIGHLIGHTS (UNAUDITED), MEUR

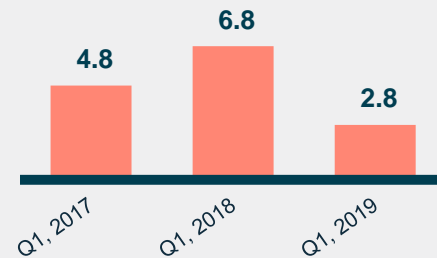
Revenue, MEUR



EBITDA, MEUR

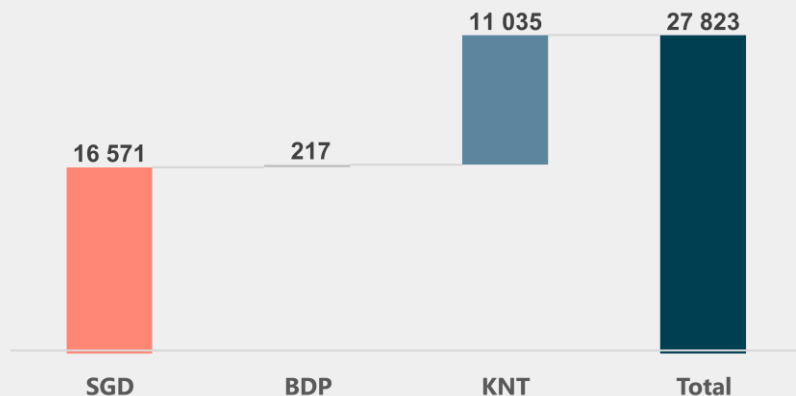


Net profit, MEUR

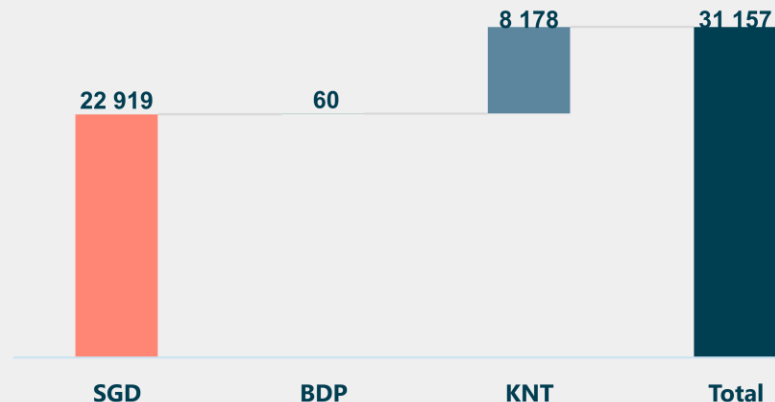


STRUCTURE OF SALES REVENUE AND EBITDA BASED ON OPERATING SEGMENTS (UNAUDITED)

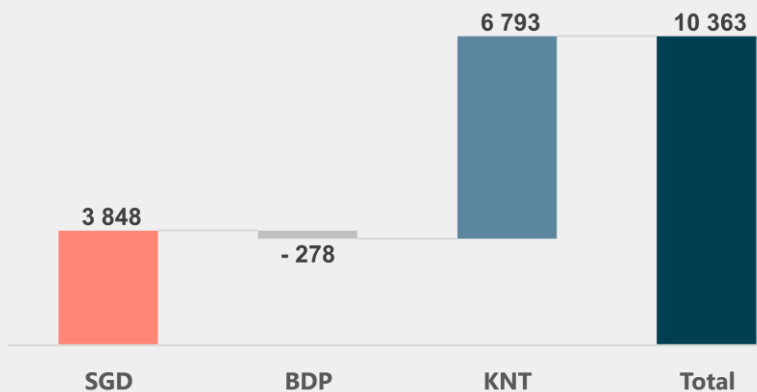
REVENUE Q1, 2018, thousands EUR



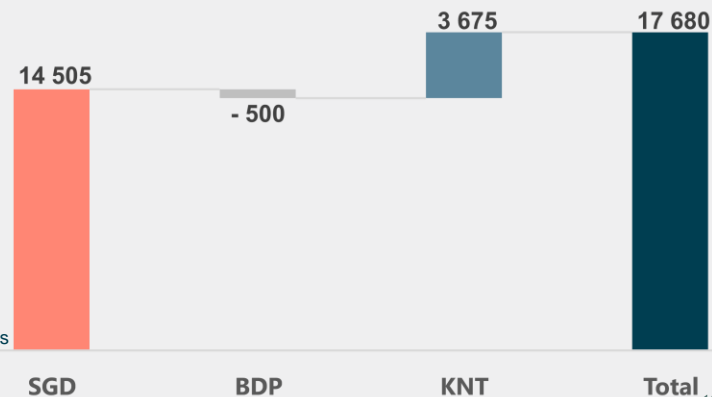
REVENUE Q1, 2019, thousands EUR



EBITDA Q1, 2018, thousands EUR



EBITDA Q1, 2019, thousands EUR

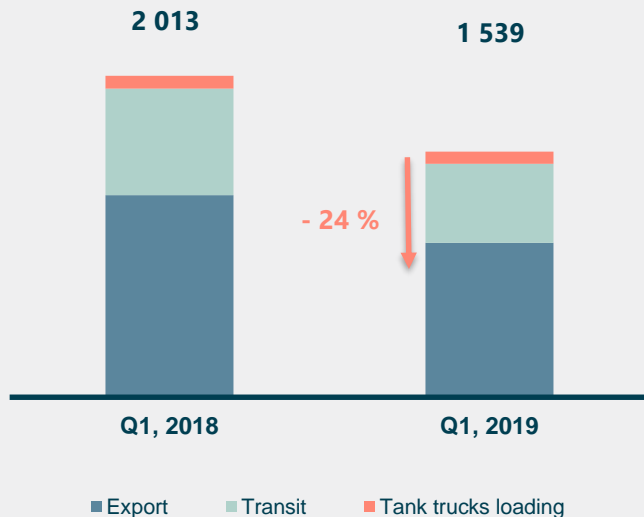


SGD – LNG terminals
BDP – Business development projects
KNT – Oil terminals

RESULTS OF OIL TERMINALS FOR Q1, 2019



Transshipment quantities in Klaipėda oil terminal,
thousand tons



MEUR	Q1, 2018	Q1, 2019
Revenue	11.0	8.2
Net profit	4.7	1.6
EBITDA	6.8	3.7

BUSINESS FACTORS:

During Q1 2019 **Klaipėda Oil terminal** reloaded 24 per cent less oil products compared to same period in 2018 due to following reasons:

- Decrease in quantities of light oil products of the main Company's client AB Orlen Lietuva;
- Decrease in quantities of oil products from Belarus.

Subačius oil terminal activities:

- The average storage volumes of oil products have decreased by 7,8 % (Q1 2019 – 188 thousands tonnes; Q1 2018 – 203 thousands tonnes);
- Transshipment volume amounted to 3 thousand tons during Q1 2019 (during the same period of 2018 – 25 thousand tons).



LNG TERMINALS' RESULTS FOR Q1, 2019

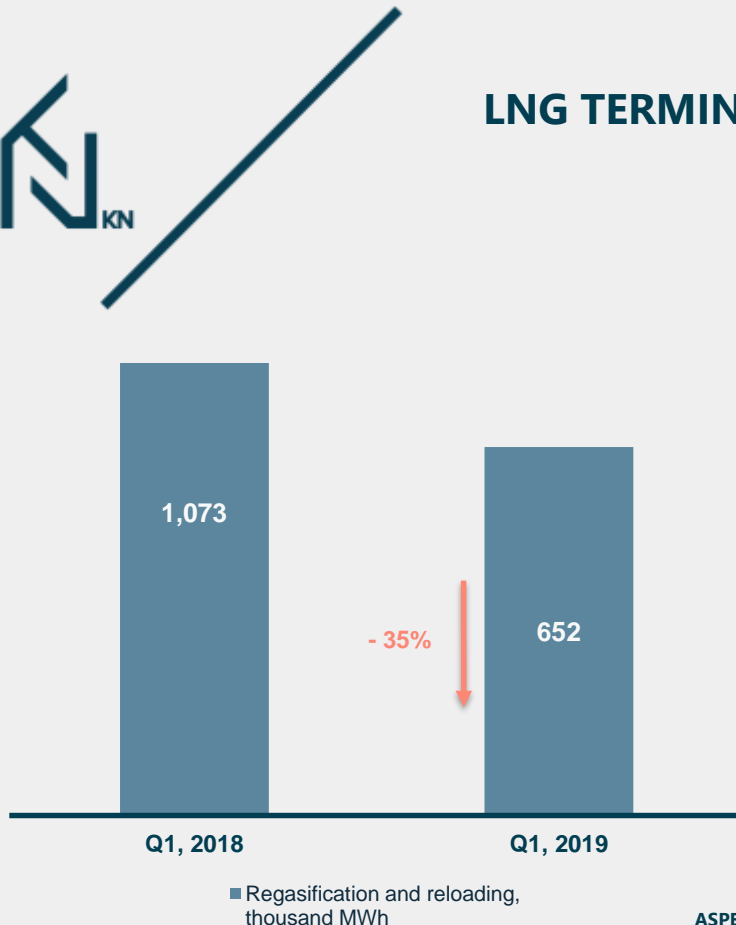


MEUR	Q1, 2018	Q1, 2019
Revenue	16.6	23.0
Net profit	2.4	2.1
EBITDA	3.8	14.5

BUSINESS FACTORS:

During Q1, 2019 in the LNG terminal:

- 1 LNG carriers (the same as Q1 2018) have been accepted;
- 0.74 million MWh of LNG have been regasified and reloaded in total during Q1 2019 (during Q1 2018 – 1.1 million MWh);
- Total quantities of LNG regasification and reloading have decreased due to planned FSRU dry-dock repair works when regasification were temporary stopped.



ASPECTS OF REGULATION:

The activity of LNG terminal is regulated and has the set price cap. The revenue and profit of LNG activity does not depend on re-gasification volume, therefore, there are differences between financial and regulated profit and revenues.



LNG RELOADING STATION

Activity results of LNG RS for the Q1, 2019:

- 20 thousands MWh of LNG were reloaded to LNG trucks;
- LNG was reloaded into 76 trucks and distributed across 4 countries: Estonia, Latvia, Lithuania and Poland.



FINANCIAL FIGURES (UNAUDITED)

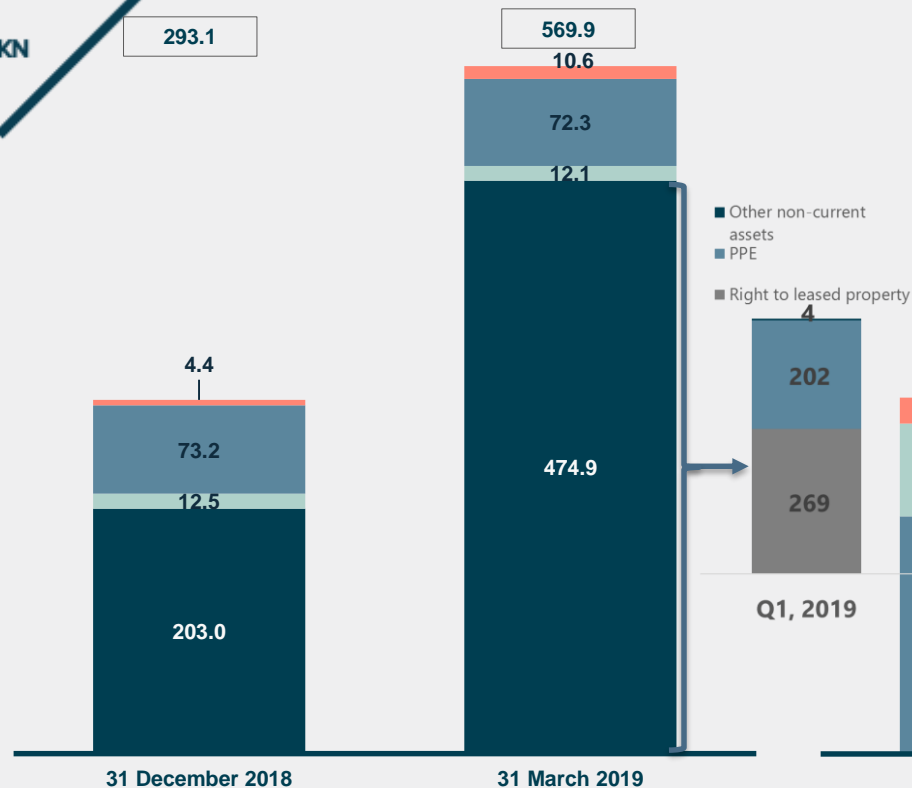
MEUR	Q1, 2018	Q1, 2019	Change, MEUR	Change, %
Sales Revenue	27.8	31.2	3.4	12 %
Gross profit	7.9	9.8	1.9	24 %
EBITDA	10.4	17.7	7.3	71 %
Profit before taxation (EBIT)	6.9	2.8	- 4.1	- 60 %
Net profit	6.8	2.8	- 4.0	- 59 %
Gross profit margin	28,4 %	31,5 %	-	3,1 p.p.
EBITDA margin	37,2 %	56,7 %	-	19,5 p.p.
Net profit margin	24,3 %	8,9 %	-	- 15,4 p.p.
Return on equity (ROE)*	9,4 %	3,7 %	-	- 5,7 p.p.
Return on assets (ROA)*	6,9 %	1,7 %	-	- 5,2 p.p.
Profit per share (EPS), EUR/share	0,018	0,007	- 0,011	- 59 %
Average number of shares	380,952,393	380,606,184	346,209	0,09 %

* The return on equity (ROE) and return on assets (ROA) were calculated by dividing the net profit (losses) of the last twelve months by the average of equity or asset values at the beginning and the end of the reference year.

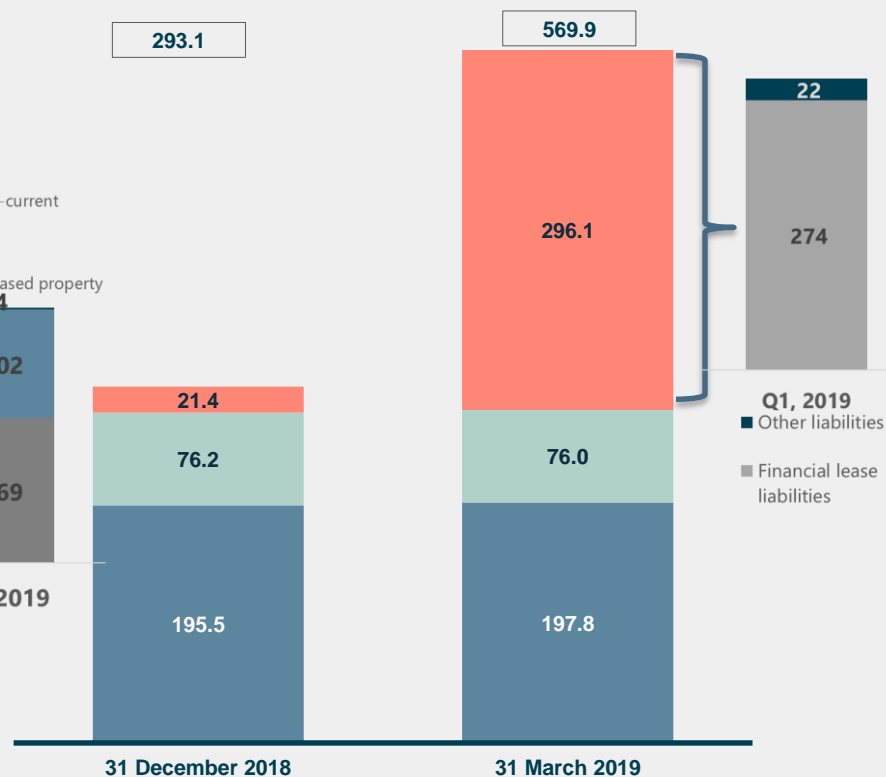


BALANCE SHEET (UNAUDITED)

Assets, MEUR



Equity and liabilities, MEUR



■ Non-current assets ■ Trade receivables
 ■ Cash and cash equivalents ■ Other current assets

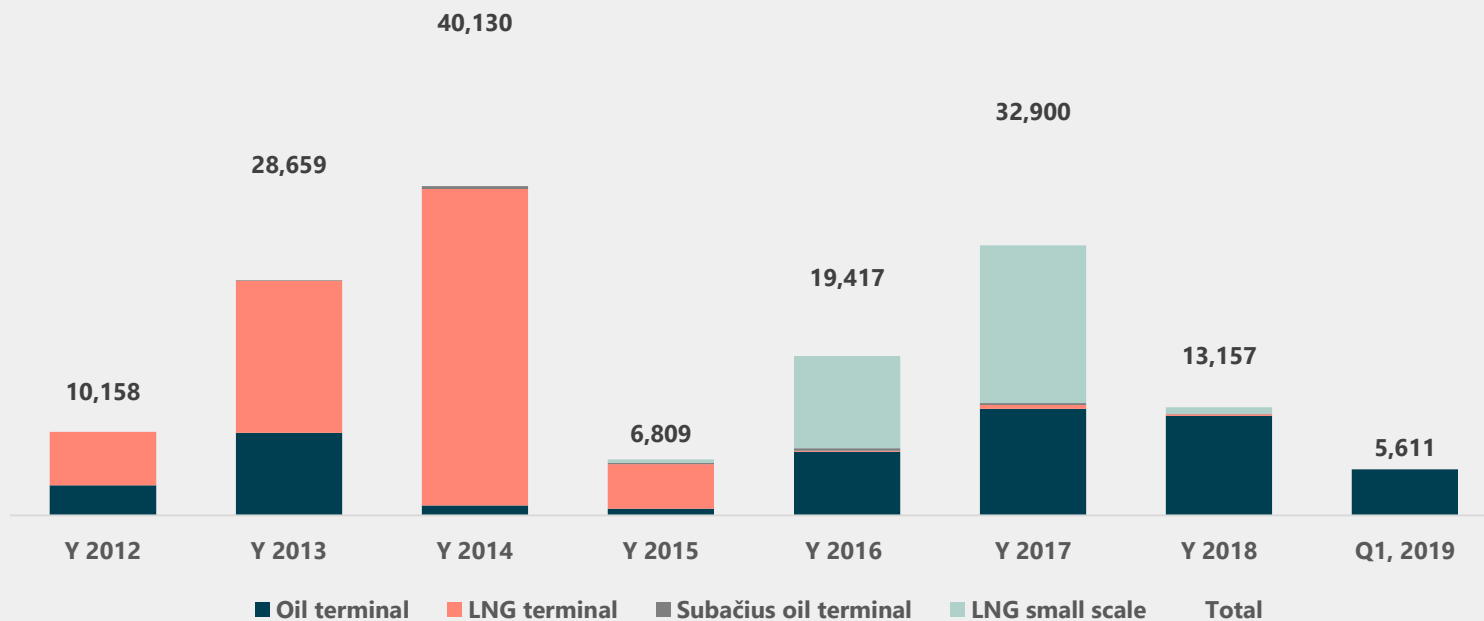
■ Total equity ■ Financial liabilities ■ Other non-current and current liabilities



INVESTMENT OVERVIEW



INVESTMENT OF THE COMPANY, MEUR





PROGRESS OF INVESTMENT DURING Q1 2019

OIL TERMINAL EXPANSION PHASE II



LFO TANKS PARK EXPANSION



LFO TANKS PARK EXPANSION. PUMP STATION AND OSBL CONNECTIONS.



THANK YOU!

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