



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 THREE MONTHS PERIOD ENDED 31 MARCH 2022 (UNAUDITED)

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STATEMENT OF FINANCIAL POSITION

	Notes	Group		Company	
		31-03-2022 <i>(unaudited)</i>	31-12-2021 <i>(audited)</i>	31-03-2022 <i>(unaudited)</i>	31-12-2021 <i>(audited)</i>
ASSETS					
Non-current assets					
Intangible assets		934	456	736	279
Property, plant and equipment	3	149,341	150,686	149,205	150,565
Right-of-use assets	3	338,447	338,256	338,420	338,232
Investment in subsidiaries		-	-	4,578	4,578
Investment in associates		234	226	234	226
Deferred income tax asset		3,686	3,616	3,686	3,616
Total non-current assets		492,642	493,240	496,859	497,496
Current assets					
Inventories	5	2,238	1,798	2,238	1,796
Trade receivables and other receivables	6	12,223	11,643	11,081	10,636
Contract assets	7	806	612	806	612
Prepaid income tax		1	-	-	-
Other financial assets	8	3,271	3,271	3,271	3,271
Cash and cash equivalents	9	65,393	61,517	60,406	57,148
Total current assets		83,932	78,841	77,802	73,463
Total assets		576,574	572,081	574,661	570,959

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Explanatory notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION (CONT'D)

	Notes	Group		Company	
		31-03-2022 <i>(unaudited)</i>	31-12-2021 <i>(audited)</i>	31-03-2022 <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		94,604	94,604	94,604	94,604
Foreign currency translation reserve		220	(82)	-	-
Retained earnings		(66,895)	(64,126)	(68,026)	(64,971)
Total equity		142,246	144,713	140,895	143,950
Non-current amounts payable and liabilities					
Non-current employee benefits		625	707	625	707
Loans	10	121,750	116,044	121,750	116,044
Deferred government grants	11	5,666	5,771	5,666	5,771
Lease liabilities	10	240,279	243,430	240,259	243,412
Total non-current amounts payable and liabilities		368,320	365,952	368,300	365,934
Current amounts payable and liabilities					
Current employee benefits		64	49	64	49
Loans	10	4,531	3,879	4,531	3,879
Lease liabilities	10	44,550	43,675	44,542	43,668
Trade payables and other liabilities	12	7,538	3,695	7,259	3,513
Derivatives		88	15	88	15
Payroll related liabilities	13	3,090	2,669	2,835	2,517
Provisions		2,216	3,596	2,216	3,596
Contract liabilities		3,931	3,838	3,931	3,838
Total current amounts payable and liabilities		66,008	61,416	65,466	61,075
Total equity and liabilities		576,574	572,081	574,661	570,959

Explanatory notes are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

	Notes	Group		Company	
		For the three months period ended 31 March 2022 <i>(unaudited)</i>	For the three months period ended 31 March 2021 <i>(unaudited)</i>	For the three months period ended 31 March 2022 <i>(unaudited)</i>	For the three months period ended 31 March 2021 <i>(unaudited)</i>
Revenue from contracts with customers	14	17,880	15,673	17,122	14,960
Cost of sales	15	(13,662)	(13,208)	(13,439)	(12,978)
Gross profit		4,218	2,465	3,683	1,982
Operating expenses	16	(1,820)	(1,897)	(1,615)	(1,672)
Other income and (expenses)		346	8	346	8
Profit from operating activities		2,744	576	2,414	318
Income from financial activities	17	122	1,880	21	1,880
Expenses from financial activities	17	(5,606)	(13,554)	(5,611)	(13,499)
Share of the associate's profit or (loss)		8	(53)	8	(53)
Profit (loss) before tax		(2,732)	(11,151)	(3,168)	(11,354)
Income tax (expenses)		(74)	2,082	76	2,159
Profit (loss) for the year		(2,806)	(9,069)	(3,092)	(9,195)
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	-	43	-
Exchange differences on translation of foreign operations		302	(36)	-	-
Related taxes		(6)	-	(6)	-
Total comprehensive income, net of tax		(2,467)	(9,105)	(3,055)	(9,195)
Profit attributable to:					
The shareholders of the Company		(2,806)	(9,069)	(3,092)	(9,195)
Non-controlling interests		-	-	-	-
Total comprehensive income attributable to:					
The shareholders of the Company		(2,467)	(9,105)	(3,055)	(9,195)
Non-controlling interests		-	-	-	-
Basic and diluted earnings (loss) per share, in EUR	18	(0.007)	(0.024)		

Explanatory notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

Group

	Notes	Share capital	Share premium	Own shares (-)	Legal reserve	Reserve for own shares	Other reserves	Foreign currency translation reserve	Retained earnings	Total
Balance as of 31 December 2020 (audited)		110,505	4,002	(267)	11,048	15,929	41,970	(72)	33,211	216,326
Net profit (loss) for the three months		-	-	-	-	-	-	-	(9,069)	(9,069)
Other comprehensive income		-	-	-	-	-	-	(36)	-	(36)
Total comprehensive income		-	-	-	-	-	-	(36)	(9,069)	(9,105)
Increase in share capital	1	(190)	-	267	-	-	-	-	(77)	-
Balance as of 31 March 2021 (unaudited)		110,315	4,002	-	11,048	15,929	41,970	(108)	24,065	207,221
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 three months		-	-	-	-	-	-	-	(2,806)	(2,806)
Other comprehensive income		-	-	-	-	-	-	302	37	339
Total comprehensive income		-	-	-	-	-	-	302	(2,769)	(2,467)
Balance as of 31 March 2022 (unaudited)		110,315	4,002	-	11,051	15,929	67,624	220	(66,895)	142,246

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 three months		-	-	-	-	-	-	(9,195)	(9,195)
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income		-	-	-	-	-	-	(9,195)	(9,195)
Increase in share capital	1	(190)	-	267	-	-	-	(77)	-
Balance as of 31 March 2021 (unaudited)		110,315	4,002	-	11,048	15,929	41,970	24,000	207,264
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 three months		-	-	-	-	-	-	(3,092)	(3,092)
Other comprehensive income		-	-	-	-	-	-	37	37
Total comprehensive income		-	-	-	-	-	-	(3,055)	(3,055)
Balance as of 31 March 2022 (unaudited)		110,315	4,002	-	11,051	15,929	67,624	(68,026)	140,895

Explanatory notes are an integral part of these financial statements.

CASH FLOW STATEMENT

	Notes	Group		Company	
		For the three months period ended 31 March 2022 (unaudited)	For the three months period ended 31 March 2021 (unaudited)	For the three months period ended 31 March 2022 (unaudited)	For the three months period ended 31 March 2021 (unaudited)
Cash flows from operating activities					
Net profit (loss)		(2,806)	(9,069)	(3,092)	(9,195)
Adjustments for non-cash items					
Depreciation and amortization	3	5,648	6,690	5,625	6,673
Change in vacation reserve	13	103	118	64	111
Change in provisions		(1,380)	692	(1,380)	692
Change in non-current liabilities for employees		(24)	(21)	(24)	(21)
Contract assets	7	(194)	553	(194)	553
Income tax expenses		74	(2,082)	(76)	(2,159)
Share of (profit) or loss of equity-accounted investees		(8)	53	(8)	53
Interest expenses	17	597	569	597	569
Lease reassessment		73	-	73	-
Other financial expenses		4,932	(2,041)	4,932	(2,041)
Currency impact from lease liabilities	17	3,774	12,877	3,774	12,877
Other non-cash adjustments		230	(39)	(90)	1
		11,019	8,300	10,201	8,113
Changes in working capital					
(Increase) decrease in inventories	5	(109)	221	(110)	220
Decrease (increase) in trade and other accounts receivable	6	(559)	(499)	(412)	(319)
Increase (decrease) in trade and other payables	12	4,003	(451)	3,968	(288)
Increase (decrease) in contract liabilities		93	(154)	93	(154)
Increase (decrease) in payroll related liabilities	13	61	(46)	13	(81)
		14,508	7,371	13,753	7,491
Income tax (paid)		(71)	-	-	-
Net cash flows from (used in) operating activities		14,437	7,371	13,753	7,491
Cash flows from investing activities					
(Acquisition) of property, plant, equipment and intangible assets	4	(5,410)	(2,110)	(5,346)	(2,131)
Net cash flows from (used in) investing activities		(5,410)	(2,110)	(5,346)	(2,131)
Cash flows from financing activities					
Loans received	10	6,707	6,707	6,707	6,707
Loans (paid)		(492)	(492)	(492)	(492)
Interest and fee related to loans (paid)		(5)	(8)	(5)	(8)
Lease liabilities (paid)	10	(10,940)	(9,957)	(10,939)	(9,957)
Interest on lease liabilities (paid)		(421)	(465)	(420)	(465)
Net cash flows from (used in) financing activities		(5,151)	(4,215)	(5,149)	(4,215)
Net increase (decrease) in cash flows					
		3,876	1,046	3,258	1,145
Cash and cash equivalents on 1 January	9	61,517	51,076	57,148	47,433
Cash and cash equivalents on 31 December	9	65,393	52,122	60,406	48,578

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 three months of the year 2022 and 2021.

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

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

	31 March 2022		31 March 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 31 March 2022 was 370 (406 – on 31 March 2021).

The average number of employees of the Company on 31 March 2022 was 337 (374 – on 31 March 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 41,096 thousand as of 31 March 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 2,093 thousand and EUR 2,084 thousand for the three months of 2022, respectively (EUR 3,083 thousand and EUR 3,066 thousand for the three months of 2021). EUR 2,062 thousand of Group's and EUR 2,054 thousand of Company's depreciation charge has been included into cost of sales (EUR 3,097 thousand and EUR 3,080 thousand for the three months of 2021), EUR 105 thousand was reimbursement of the costs according to the grant agreement (EUR 88 thousand for the three months of 2021) and the remaining amount EUR 30 thousand (EUR 74 thousand for the three 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 3,587 thousand and EUR 3,586 thousand for the three months of 2022, respectively (EUR 3,607 thousand for the three months of 2021). EUR 3,533 thousand of depreciation charge has been included into cost of sales of both, the Group and the Company (EUR 3,525 thousand for the three months of 2021) and the remaining amount of EUR 54 thousand and EUR 53 thousand has been included into operating expenses in the Statement of comprehensive income of the Group and the Company, respectively (EUR 82 thousand for the three 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 31 March 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 three months of 2022 and statement of financial position as of 31 March 2022, are described below:

Group

For the three months period ended 31 March 2022	LNGT	OT	comLNG	Total
Revenues from contracts with customers	10,213	6,411	1,256	17,880
Profit (loss) before income tax	(3,583)	706	145	(2,732)
Segment net profit (loss)	(3,404)	601	(3)	(2,806)
Interest revenue	-	-	27	27
Loan interest expense	(144)	-	-	(144)
Interest on financial lease liabilities	(354)	(91)	(9)	(454)
Depreciation and amortisation	620	1,126	314	2,060
Depreciation of right-of-use-assets	3,437	107	43	3,587
Acquisitions of tangible and intangible assets	-	1,327	-	1,327
Segment total assets*	372,934	111,666	26,581	511,181
Loan and related liabilities	126,343	(20)	(42)	126,281
Lease liabilities	264,728	18,163	1,938	284,829
Segment total liabilities	402,896	22,977	8,455	434,328

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

Group

For the three months period ended 31 March 2021	LNGT	OT	comLNG	Total
Revenues from contracts with customers	8,937	5,365	1,371	15,673
Profit (loss) before income tax	(10,392)	(758)	(1)	(11,151)
Segment net profit (loss)	(8,495)	(537)	(37)	(9,069)
Interest revenue	-	-	-	-
Loan interest expense	(111)	-	-	(111)
Interest on lease liabilities	(380)	(76)	(2)	(458)
Depreciation and amortisation	812	1,910	361	3,083
Depreciation of right-of-use-assets	3,439	140	28	3,607
Acquisitions of tangible and intangible assets	5	1,754	2	1,761
Segment total assets*	389,997	154,749	26,584	571,330
Loan and related liabilities	102,887	(20)	(39)	102,828
Lease liabilities	292,661	15,292	367	308,320
Segment total liabilities	417,182	18,990	4,059	440,231

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

5 INVENTORIES

	Group		Company	
	31-03-2022	31-12-2021	31-03-2022	31-12-2021
Diesel fuel for the LNG Terminal purpose	352	234	352	234
Oil products for sale	355	23	355	23
Liquefied natural gas	47	47	47	47
Fuel for transport and other equipment	46	48	46	48
Spare parts, construction materials and other inventories	1,438	1,446	1,438	1,444
Total inventories	2,238	1,798	2,238	1,796

As at 31 March 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	
	31-03-2022	31-12-2021	31-03-2022	31-12-2021
Trade receivable	9,665	9,411	9,069	8,939
Prepayments	531	553	507	523
Other receivable	2,027	1,679	1,505	1,174
Total	12,223	11,643	11,081	10,636

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

Trade receivable disclosed below:

	Group		Company	
	31-03-2022	31-12-2021	31-03-2022	31-12-2021
Receivables from LNG terminal activities	7,137	7,435	7,136	7,435
Receivables for transhipment of oil products and other related services	3,330	2,902	3,330	2,902
Receivable for operating and management services	709	585	114	114
Less: impairment allowance	(1,511)	(1,511)	(1,511)	(1,512)
Total	9,665	9,411	9,069	8,939

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

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

Other receivables disclosed below:

	Group		Company	
	31-03-2022	31-12-2021	31-03-2022	31-12-2021
VAT receivable	1,503	820	1,503	820
Other receivable taxes (1)	522	505	-	-
Excise duty receivable	-	354	-	354
Other receivables	2	-	2	-
Total	2,027	1,679	1,505	1,174

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

7 CONTRACT ASSETS

The Group and the Company

	31-03-2022	31-12-2021
Current contract assets:		
Accrued rent income (1)	218	349
Accrued income (2)	588	263
	806	612

- (1) As of 31 March 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).

Balances as of 31 March 2022 and 31 December 2021 respectively amounted to EUR 218 thousand and EUR 349 thousand. Total amount of the accrued income is presented under short-term contract assets.

7 CONTRACT ASSETS (CONT'D)

- (2) Accrued income for storage of oil products as of 31 March 2022 and 31 December 2021 calculated as percentage of completion based on expenses incurred from the total estimated cost of contracted services. Upon completion of transshipment of oil products and acceptance by the customer, the amounts initially recognized as contract assets are reclassified as trade receivables.

8 OTHER FINANCIAL ASSETS

The Group and the Company

	31-03-2022	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.

In 2020 the Group and the Company signed a performance guarantee agreement with SEB bank by depositing amount of USD 729 thousand in favour of Brazil subsidiary's KN Açu Serviços de Terminal de GNL Ltda. client UTE GNA I GERACAO DE ENERGIA S.A. As of 1 January 2021, the amendment signed to reduce the guarantee amount to USD 665 thousand, the deposit was returned and guarantee issued from the Company's credit limit. The maturity term of guarantee agreement was 31 December 2022.

9 CASH AND CASH EQUIVALENTS

	Group		Company	
	31-03-2022	31-12-2021	31-03-2022	31-12-2021
Cash at bank	65,393	61,517	60,406	57,148

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

Currency	Group		Company	
	31-03-2022	31-12-2021	31-03-2022	31-12-2021
EUR	59,355	60,827	55,678	57,145
USD	4,728	3	4,728	3
BRL	1,310	687	-	-
	<u>65,393</u>	<u>61,517</u>	<u>60,406</u>	<u>57,148</u>

The management of the Group and the Company considered potential impairment losses on cash held in banks as per IFRS 9 requirements, Assessment is based on official Standard & Poor's long-term credit ratings:

	Group		Company	
	31-03-2022	31-12-2021	31-03-2022	31-12-2021
A+	37,510	6,061	33,833	2,379
AA-	26,573	27,337	26,573	27,337
BBB+	-	27,432	-	27,432
BB-	1,310	687	-	-
	<u>65,393</u>	<u>61,517</u>	<u>60,406</u>	<u>57,148</u>

10 LOANS AND LEASE LIABILITIES

Loans

The Group and the Company

	31-03-2022	31-12-2021
Nordic Investment Bank's loan	48,686	49,175
European Investment Bank's loan	77,458	70,733
Guarantee payment to the Ministry of Finance to the Republic of Lithuania	(132)	(132)
Payable loan interest	269	147
	<u>126,281</u>	<u>119,923</u>

10 LOANS AND LEASE LIABILITIES (CONT'D)

Lease liabilities

	Group		Company	
	31-03-2022	31-12-2021	31-03-2022	31-12-2021
Lease liabilities	284,829	287,105	284,801	287,080

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

Group

	FSRU lease	Land rent	Jetty rent	Other*	Total
Long term lease liabilities	215,673	19,544	4,992	70	240,279
Short term lease liabilities	43,979	436	76	59	44,550
	259,652	19,980	5,068	129	284,829

Company

	FSRU lease	Land rent	Jetty rent	Other*	Total
Long term lease liabilities	215,673	19,544	4,992	50	240,259
Short term lease liabilities	43,979	436	76	51	44,542
	259,652	19,980	5,068	101	284,801

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

Group

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

Company

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

* Other comprises of transport vehicles, office rent.

11 DEFERRED GOVERNMENT GRANTS

The Group and the Company

	31-03-2022	31-12-2021
Balance at the beginning of the period	5,771	5,817
Received during the year	-	302
Amortisation	(105)	(348)
Balance at the end of the period	5,666	5,771

12 TRADE PAYABLES AND OTHER LIABILITIES

	Group		Company	
	31-03-2022	31-12-2021	31-03-2022	31-12-2021
Trade payables	6,703	3,053	6,670	3,045
Other payables and current liabilities	835	642	589	468
	7,538	3,695	7,259	3,513

12 TRADE PAYABLES AND OTHER LIABILITIES (CONT'D)

Trade payables disclosed below:

	Group		Company	
	31-03-2022	31-12-2021	31-03-2022	31-12-2021
Payables for FSRU operating leasing	4,980	-	4,980	-
Payable to contractors	409	740	409	740
Other payments related FSRU	330	322	330	322
Payable for rent of land	255	257	255	257
Payable for gas services	173	313	173	313
Payable for railway services	1	86	1	86
Other trade payables	555	1,335	522	1,327
	6,703	3,053	6,670	3,045

On 31 March 2022 trade payables of EUR 4,680 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	
	31-03-2022	31-12-2021	31-03-2022	31-12-2021
Accrued expenses and liabilities	487	327	487	327
Other taxes payable	276	205	30	31
Real estate tax payable	-	90	-	90
Other liabilities	72	20	72	20
	835	642	589	468

13 PAYROLL RELATED LIABILITIES

	Group		Company	
	31-03-2022	31-12-2021	31-03-2022	31-12-2021
Accrual of annual bonuses	1,245	977	1,172	930
Accrued vacation reserve	921	818	822	759
Salaries payable	455	451	436	450
Social insurance payable	288	262	233	217
Income tax payable	178	158	169	158
Other deductions	3	3	3	3
	3,090	2,669	2,835	2,517

14 REVENUE FROM CONTRACTS WITH CUSTOMERS

	Group		Company	
	For the three months period ended 31 March 2022	For the three months period ended 31 March 2021	For the three months period ended 31 March 2022	For the three months period ended 31 March 2021
Income from LNGT services regulated by NERC ¹	8,520	7,347	8,520	7,347
Sales of oil transshipment services	6,064	4,843	6,064	4,843
Other sales related to LNG terminals activity	2,947	2,787	2,188	2,074
Other sales related to transshipment	349	321	349	321
Sales of inventories	-	202	-	202
Sales of consulting services	-	173	1	173
	17,880	15,673	17,122	14,960

¹ NERC – National Energy Regulatory Council

15 COST OF SALES

	Group		Company	
	For the three months period ended 31 March 2022	For the three months period ended 31 March 2021	For the three months period ended 31 March 2022	For the three months period ended 31 March 2021
Depreciation of right-of-use asset	(3,533)	(3,525)	(3,533)	(3,525)
Wages, salaries and social security	(2,035)	(2,095)	(1,881)	(1,962)
Depreciation and amortisation (incl. amortisation of grants)	(2,023)	(3,009)	(2,002)	(2,992)
Expenses related to FSRU rent (OPEX element, management, crew cost)	(1,599)	(1,423)	(1,599)	(1,423)
Natural gas	(1,288)	(477)	(1,288)	(477)
Tax on environmental pollution and Emission allowances	(1,207)	(705)	(1,207)	(705)
Electricity	(451)	(351)	(451)	(351)
Railway services	(394)	(195)	(394)	(195)
Port charges	(383)	(381)	(383)	(381)
Repair and maintenance of assets	(138)	(271)	(127)	(262)
Tax on real estate	(126)	(122)	(126)	(122)
Contribution for National Energy Regulatory Council NERC)	(120)	(149)	(120)	(149)
Insurance	(118)	(112)	(102)	(98)
Services for tankers	(57)	(41)	(57)	(41)
Work safety costs	(53)	(70)	(53)	(70)
Cleaning expenses	(37)	(124)	(37)	(124)
Transport	(27)	(38)	(26)	(33)
Other expenses related to FSRU	(24)	-	(24)	-
Other	(49)	(120)	(29)	(68)
	<u>(13,662)</u>	<u>(13,208)</u>	<u>(13,439)</u>	<u>(12,978)</u>

16 OPERATING EXPENSES

	Group		Company	
	For the three months period ended 31 March 2022	For the three months period ended 31 March 2021	For the three months period ended 31 March 2022	For the three months period ended 31 March 2021
Wages, salaries and social security	(1,251)	(1,276)	(1,149)	(1,187)
Consulting and legal costs	(93)	(72)	(69)	(60)
Telecommunication and IT expenses	(82)	(84)	(78)	(81)
Administration of bank accounts	(79)	(54)	(76)	(54)
Depreciation of right-of-use asset	(54)	(82)	(53)	(82)
Salaries and other related expenses to governing bodies	(43)	(41)	(43)	(41)
Depreciation and amortization	(37)	(74)	(37)	(74)
Expenses for utilities	(26)	(24)	(25)	(24)
Operating tax expense	(21)	(118)	(8)	-
Expenses for refresher courses	(12)	(16)	(12)	(16)
Other	(122)	(56)	(65)	(53)
	<u>(1,820)</u>	<u>(1,897)</u>	<u>(1,615)</u>	<u>(1,672)</u>

17 INCOME (EXPENSES) FROM FINANCIAL AND INVESTMENT ACTIVITIES

	Group		Company	
	For the three months period ended 31 March 2022	For the three months period ended 31 March 2021	For the three months period ended 31 March 2022	For the three months period ended 31 March 2021
Income from currency exchange	76	-	-	-
Interest income	27	6	-	6
Fines income	8	-	8	-
Income from derivatives	-	1,870	-	1,870
Other financial income	11	4	13	4
Financial income, total	122	1,880	21	1,880
Losses from currency exchange on the lease liabilities	(4,932)	(12,877)	(4,932)	(12,877)
Interest on the lease liabilities	(454)	(458)	(453)	(458)
Interest expenses	(144)	(111)	(144)	(111)
Loss from financial derivatives	(73)	-	(73)	-
Losses from currency exchange	-	(107)	(9)	(53)
Other financial activity expenses	(3)	(1)	-	-
Financial activity expenses, total	(5,606)	(13,554)	(5,611)	(13,499)

18 EARNINGS (LOSS) PER SHARE, BASIC AND DILUTED

Basic earnings per share are calculated by dividing net profit (loss) of the Group by the weighted average number of ordinary shares outstanding. Diluted earnings per share equal to basic earnings per share as the Group has no instruments issued that could dilute shares issued.

Basic and diluted earnings per share are as follows:

Group	For the three months period ended 31 March 2022	For the three months period ended 31 March 2021
Net profit (losses) attributable to shareholders	(2,806)	(9,069)
Weighted average number of ordinary shares (thousand)	380,397	380,477
Earnings (loss) and reduced earnings (loss) (in EUR)	(0.007)	(0.024)

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 three 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 three months	596	-	-	255
	2021 three months	582	-	-	372
AB "Amber Grid"	2022 three months	-	8,549	6,776	-
	2021 three months	-	7,302	6,523	-
UAB „Ignitis“	2022 three months	-	1,081	829	-
	2021 three months	4	348	272	-
Public Institution Lithuanian Energy Agency	2022 three months	-	841	1,018	-
	2021 three months	-	832	1,007	-
Energijos skirstymo operatorius, AB	2022 three months	76	-	-	30
	2021 three months	146	-	-	54
AB LTG CARGO	2022 three months	403	-	-	60
	2021 three months	196	-	-	28
Other related parties	2022 three months	12	-	-	2
	2021 three months	11	-	-	4
Transactions with related parties, in total:	2022 three months	1,087	10,471	8,623	347
	2021 three months	939	8,482	7,802	458

Company

		Purchases	Sales	Receivable	Payables
State Enterprise Klaipeda State Seaport Authority	2022 three months	596	-	-	255
	2021 three months	582	-	-	372
AB "Amber Grid"	2022 three months	-	8,549	6,776	-
	2021 three months	-	7,302	6,523	-
UAB „Ignitis“	2022 three months	-	1,081	829	-
	2021 three months	4	348	272	-
Public Institution Lithuanian Energy Agency	2022 three months	-	841	1,018	-
	2021 three months	-	832	1,007	-
Energijos skirstymo operatorius, AB	2022 three months	76	-	-	30
	2021 three months	146	-	-	54
AB LTG CARGO	2022 three months	403	-	-	60
	2021 three months	196	-	-	28
KN Acu Servicios de Terminal de GNL Ltda	2022 three months	-	14	4	-
	2021 three months	-	211	47	-
Other related parties	2022 three months	12	-	-	2
	2021 three months	11	-	-	4
Transactions with related parties, in total:	2022 three months	1,087	10,485	8,627	347
	2021 three months	939	8,693	7,849	458

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 three months period ended 31 March 2022	For the three months period ended 31 March 2021	For the three months period ended 31 March 2022	For the three months period ended 31 March 2021
Payroll related costs	168	159	146	141
Number of managers	10	10	6	6

During the three months of 2022 and the three 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

- On 8 April 2022 Šiauliai Regional Court issued a decision in a civil dismissing a civil claim of the prosecutor of the Klaipėda Regional Prosecutor's Office in defense of the public interest concerning the annulment of the decisions of the Company's bodies and employees' Shares Granting Contracts, and the application of restitution. The decision will take effect if no appeal is lodged within 30 days from the date of the decision. The persons involved in the case have a right to appeal.

On 11 May 2022 Šiauliai Regional Court has accepted an appeal of the prosecutor of the Klaipėda Regional Prosecutor's Office against the court's decision of 04-08-2022 in a civil case. By way of appeal the prosecutor requests the court to annul the Decision in the Case and adopt a new decision, i. e. to uphold the civil claim of the Klaipėda Regional Prosecutor's Office defending the public interest regarding the annulment of the decisions of the Company's bodies and the agreements on the granting of shares to employees and the application of restitution.

The Company does not agree with the appeal and will present its statement of defence in the court proceedings.

- On 22 April 2022 the General Meeting of Shareholders of the Company approved the audited Financial Statements of the Company for the year 2021 and approved of the appropriation of profit (loss):

No.	Ratios	Amount in EUR thousand
1	Retained earnings of previous financial year at the end of financial year	-
2	Total comprehensive income	(64,971)
3	Profit (loss) for the financial year not recognised in the statement of comprehensive income	-
4	Transfers from other reserves	64,971
5	Shareholders' contribution against losses	-
6	Profit for allocation (1+2+3+4+5)	-
7	Share of profit allocated to legal reserve	-
8	Share of profit allocated to own shares acquisition	-
9	Share of profit allocated to the reserve for the allocation of shares	-
10	Share of profit allocated to other reserves	-
11	Share of profit allocated to dividends	-
12	Share of profit allocated to tantiems	-
13	Non-allocated profit (loss) at the end of the financial year carried forward to next financial year (6-7-8-9-10-11-12)	-

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, 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 three months period ended on 31 March 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