



## **SC Klaipėdos nafta audited results for the year 2015**

**26 April 2016**

## Details about the company



### Company name

- Stock Company Klaipedos nafta

### Company code

- 110648893

### Authorized share capital

- EUR 110,231,170

### Registered address

- Buriu str.19, P.O. Box 81, 91003 Klaipeda-C, Lithuania

### Mailing address

- Baltijos ave. 40, LT-93239, Klaipeda, Lithuania

### Telephone

- +370 46 391772

### Fax

- +370 46 311399

### E-mail

- [info@oil.lt](mailto:info@oil.lt)

### Website

- [www.oil.lt](http://www.oil.lt), [www.sgd.lt](http://www.sgd.lt)

### Legal – organisational form

- Stock company

### Date and place of registration

- 27 September 1994, State Enterprise Centre of Registers

# Main activities of SC Klaipėdos nafta (hereinafter - the Company)



**Oil terminal**



**LNG terminal**



**Subačius fuel storage facility**



**LNG small-scale activities**

Current activities

Planned activities



## Mission

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

## Vision

Reliable operator of oil products and LNG terminals that adds value through implemented projects and balanced expansion

## Values

Proactivity

Transparency

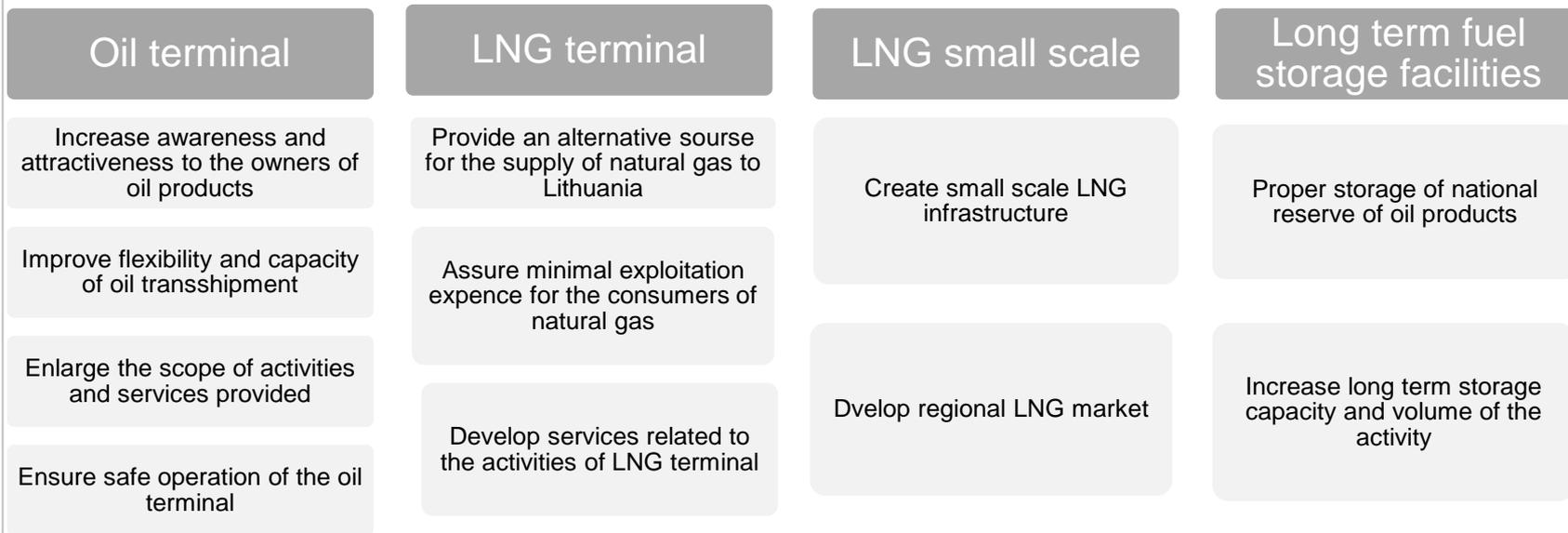
Professionalism  
and reliability

Social  
Responsibility

## General strategic objectives



## Strategic objectives for Company's activities



## The significant events of the 4<sup>th</sup> quarter of 2015



- **18 November 2015.** The Company and the port of Helsingborg (Helsingborg, Sweden) have signed partnership agreement regarding cooperation in the project HEKLA – Helsingborg & Klaipeda LNG Infrastructure Facility Deployment. According to this agreement the Company acquires the right to use the financial support of EUR 6 million of the Connecting Europe Facility (CEF, part of the EU financing program) approved by Coordination Committee for the construction of SC Klaipedos Nafta Liquefied natural gas onshore reloading station.
- **20 November 2015.** The Board of AB Klaipėdos Nafta took a decision to perform activities of operating a liquefied natural gas bunkering carrier and to establish UAB SGD logistika, a wholly owned subsidiary of AB Klaipėdos Nafta, for performance of such activities.
- **24 November 2015.** UAB “SGD logistika”, which is a wholly-owned subsidiary of AB Klaipėdos Nafta, signed a joint venture agreement with partner Bomin Linde LNG GmbH & Co. KG on joint performance of the activities of operating the LNG bunkering carrier.
- **30 November 2015.** The National Commission for Energy Control and Prices implementing the changes of the Liquefied natural gas terminal law, made decisions on adjusting LNG terminal supplement tariff for 2016 comprising 510,16 Eur/(MWh/day/year), in which the regasification tariff ceiling fixed part (used for the Company's LNG terminal financing) comprise 259,84 Eur/(MWh/day/year).
- **9 December 2015.** The Company has decreased the amount of the Credit Agreement which was signed on 27 November 2014 with the Nordic Investment Bank (hereinafter, the “NIB”) from 34.8 EUR thousand to 22.0 EUR thousand and prolonged the availability period to use the credit until 31 December 2016.

# Company's Oil terminal characteristics



## Railway

2 tracks for light oil products - LFO (total 60 tank-cars)

2 tracks for heavy oil products - HFO (total 64 tank-cars)

One of the track is universal: can load both HFO and LFO

Two four-track railway trestles provide a possibility to discharge or load 124 tank-cars simultaneously.



## Storage tank farm

Total 28 tanks

~ 450 cub. m thousand total volume (plus in Subacius FS ~ 340 cub. m thousand )

## Biological Waste Water Treatment Facilities

Waste water collected and treated annually up to 400 cub. m thousand (160 m<sup>3</sup>/h)



## 2 Jetties

Depth: 14 m

Length: 270 each

Harbour entrance depth: 14.5 m

Tanker batch: up to 100,000 t with 12.5 m allowable draught



## Auto tankers loading system

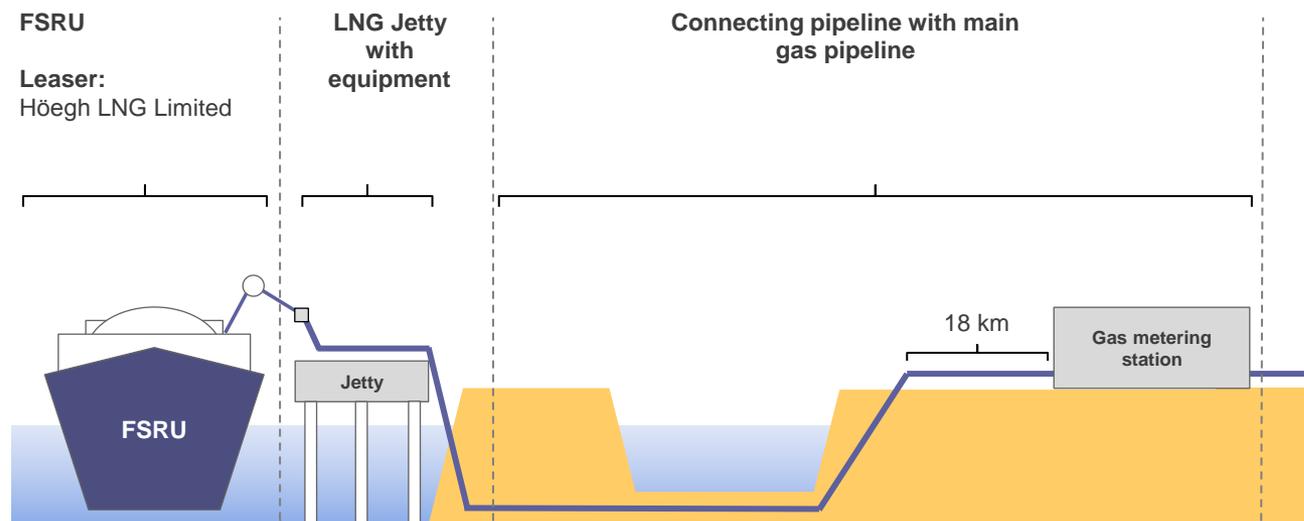
Service to import gasoline and diesel by tankers for the Lithuanian market needs

4 loading points at the same time

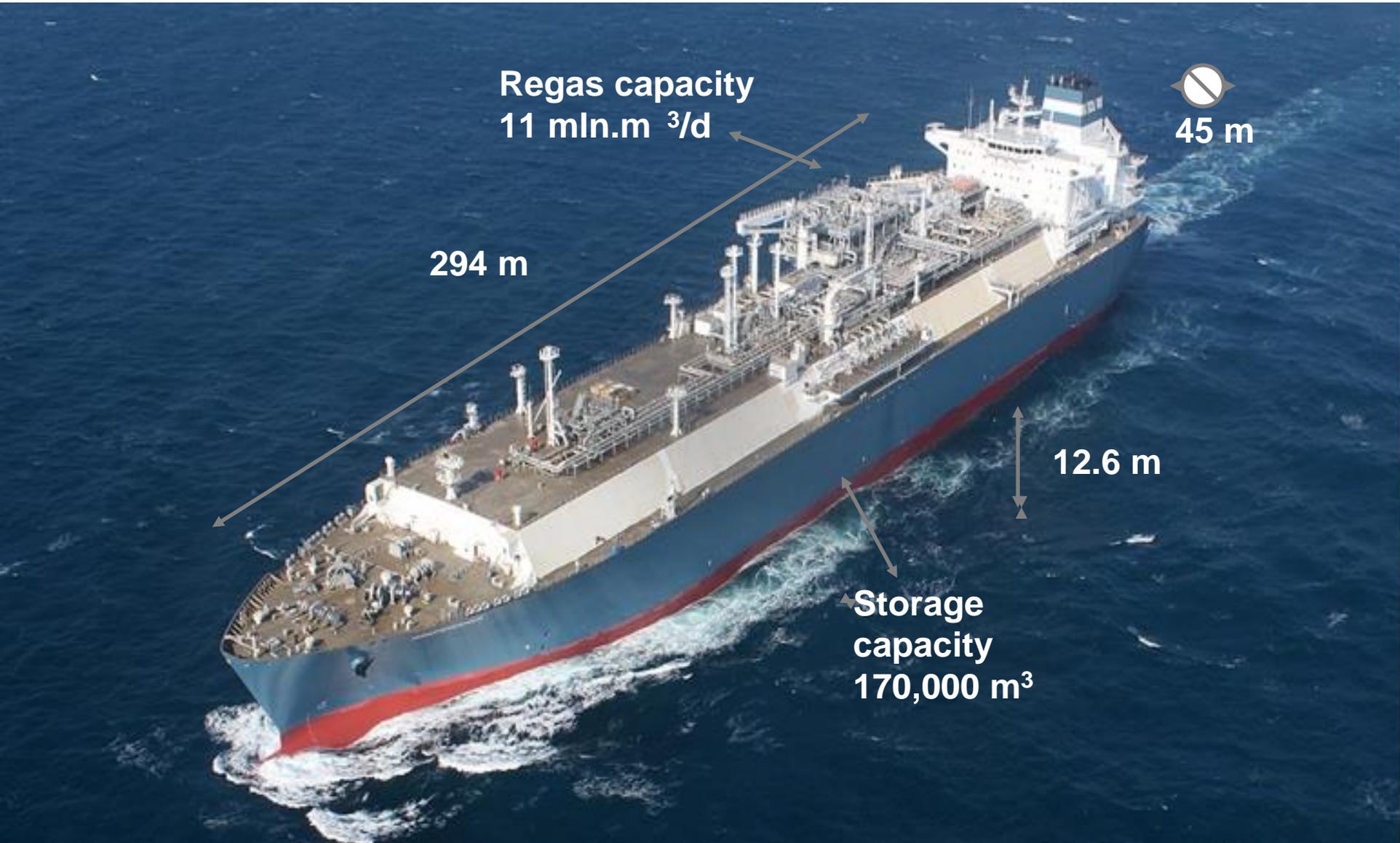
# Company's LNG terminal infrastructure



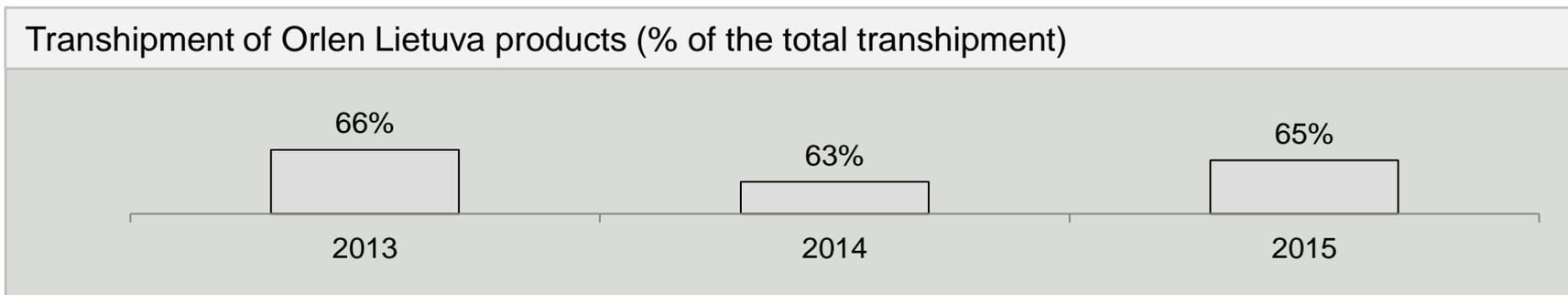
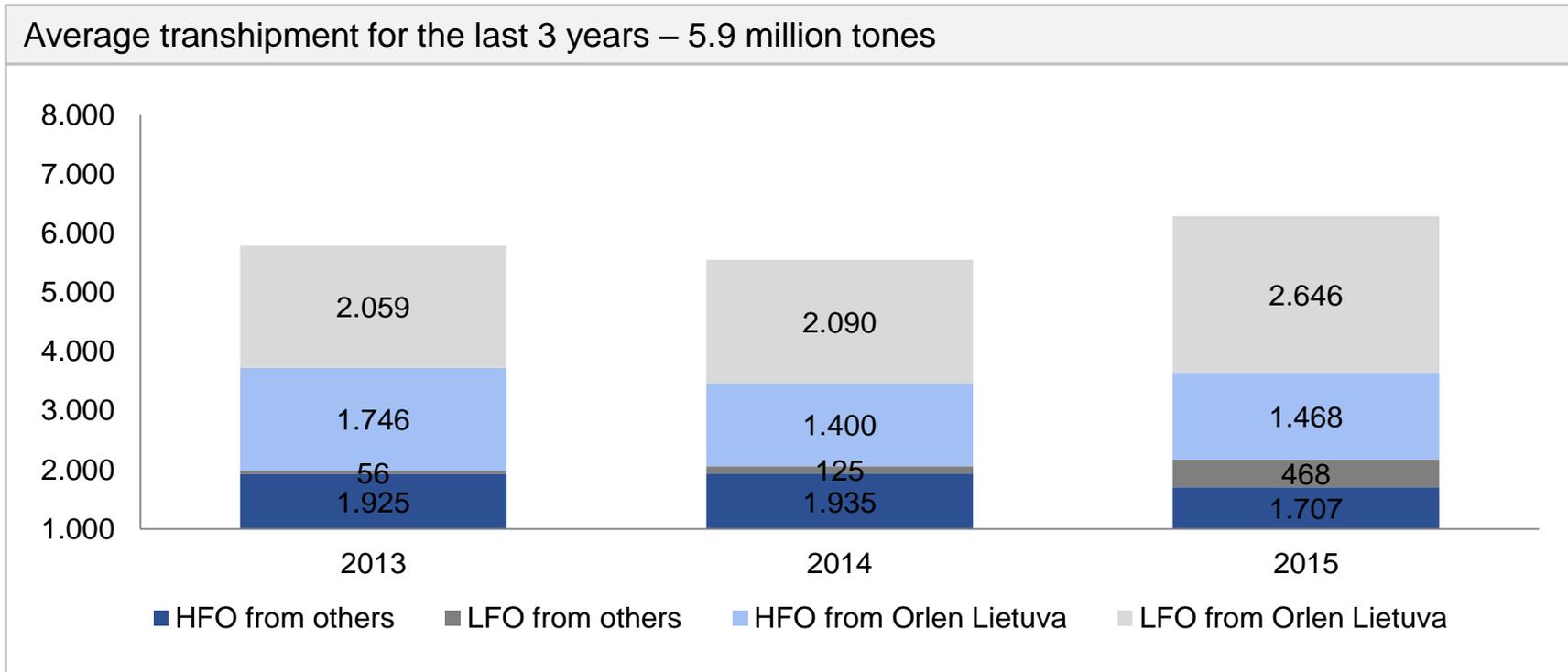
LNG terminal: the first LNG terminal in the Baltic states, which comprise of the LNG floating storage and regasification unit – FSRU (170,000 thousand m<sup>3</sup>), jetty (450 m length), pipeline (18 km) and gas metering station. LNG to the terminal are delivered by the vessels - LNG carriers.



# LNG terminal floating storage regasification unit (FSRU) technical parameters



# Oil terminal transshipment in 2013 – 2015 years

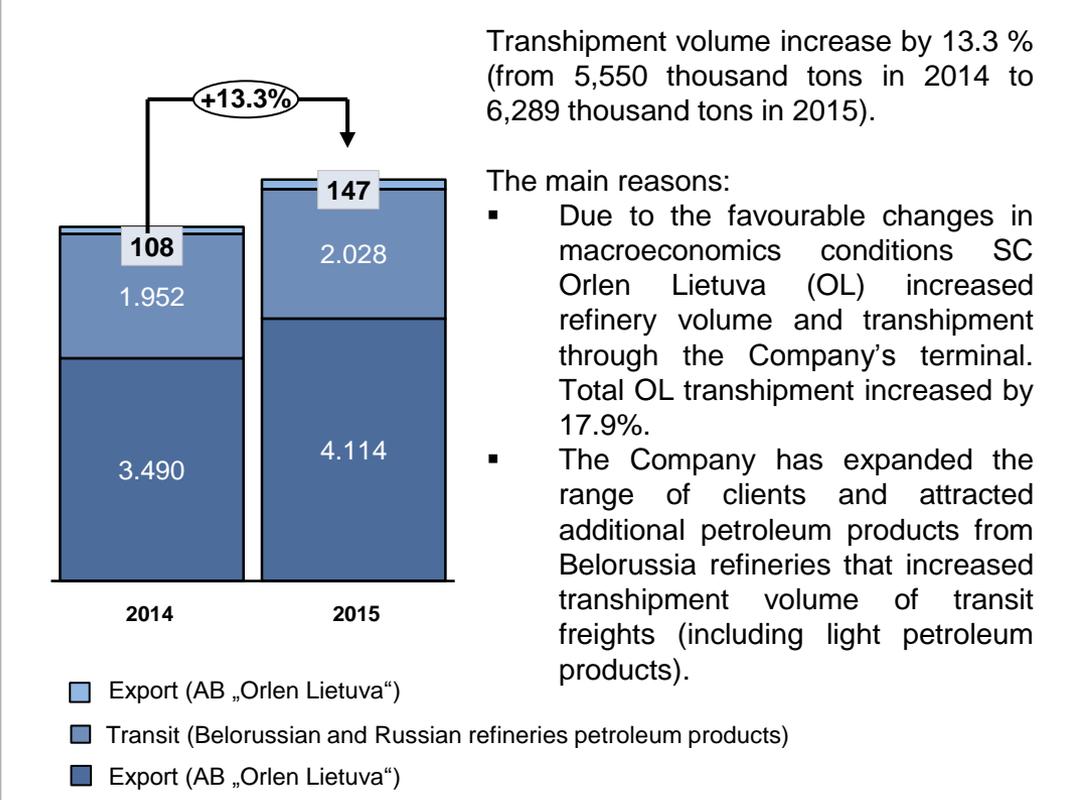
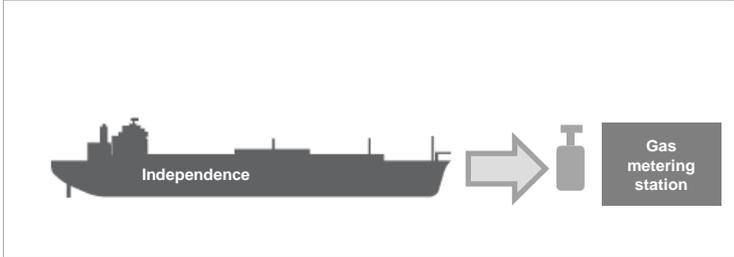


# Key operating figures

## Oil terminal transshipment volume



## LNG terminal regasification volume



- In Company's LNG terminal in 2015:
- Accepted 5 LNG carriers** which delivered
    - 318,561 thousand tons LNG
  - Regasified and transmitted to the natural gas transmission system**
    - 4,559 thousand MWh natural gas
- (this activity started to be carried out on 27 November 2014).



## Key financial results

| In EUR thousand unless otherwise stated   | 2015          | 2014         | Change, +/-   | Change in per cent |
|---|---------------|--------------|---------------|--------------------|
| Sales revenues  | 109,702       | 39,775       | 69,927        | 175.8%             |
| Gross profit  | 29,123        | 13,150       | 15,973        | 121.5%             |
| EBITDA  | 37,136        | 16,628       | 20,508        | 123.3%             |
| EBIT  | 24,362        | 9,091        | 15,271        | 168.0%             |
| <i>EBITDA margin</i>  | 33.9%         | 41.8%        | -7.9%         | -                  |
| <i>EBIT margin</i>  | 22.2%         | 22.9%        | -0.7%         | -                  |
| Financial and investment activities result  | -482          | -285         | -197          | 69.1%              |
| Profit before taxation  | 24,104        | 9,068        | 15,036        | 165.8%             |
| <b>Net profit</b>   | <b>22,036</b> | <b>9,257</b> | <b>12,779</b> | <b>138.0%</b>      |
| <i>Net profit margin</i>  | 20.1%         | 23.3%        | -3.2%         | -13.7%             |
| <b>Transhipment of oil products by type (Oil terminal and Subacius fuel base), in thousand tones:</b> | <b>6,461</b>  | <b>5,587</b> | <b>874</b>    | <b>15.6%</b>       |
| HFO – heavy oil products, in thousand tones   | 3,175         | 3,335        | -160          | -4.8%              |
| LFO – light oil products, in thousand tones   | 3,286         | 2,252        | 1,034         | 45.9%              |

The Company's **sales revenues** of 2015 has risen 2.8 times and comprised EUR 109,702 thousand.

The Company's **net profit** of 2015 has increased 2.4 times and comprised EUR 22,104 thousand.

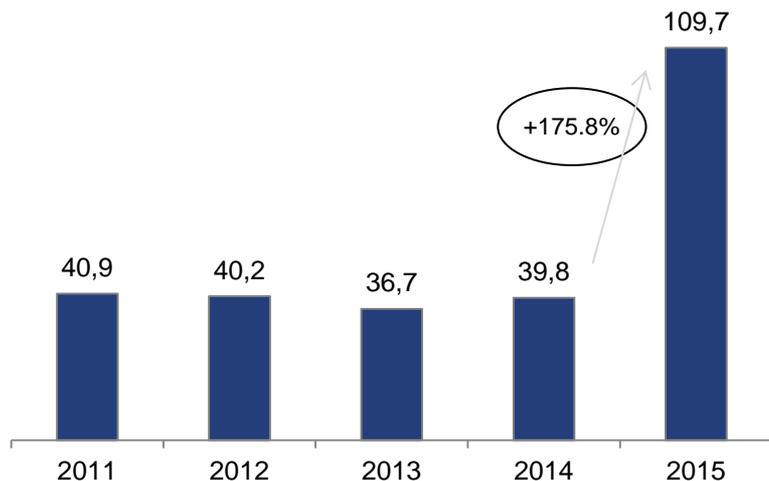
The revenues and profit of the Company has significantly increased because of:

- LNG terminal results (the activity started in the end of 2014);
- The increased transhipment volume and profitability of oil terminal activity.

# Sales revenues



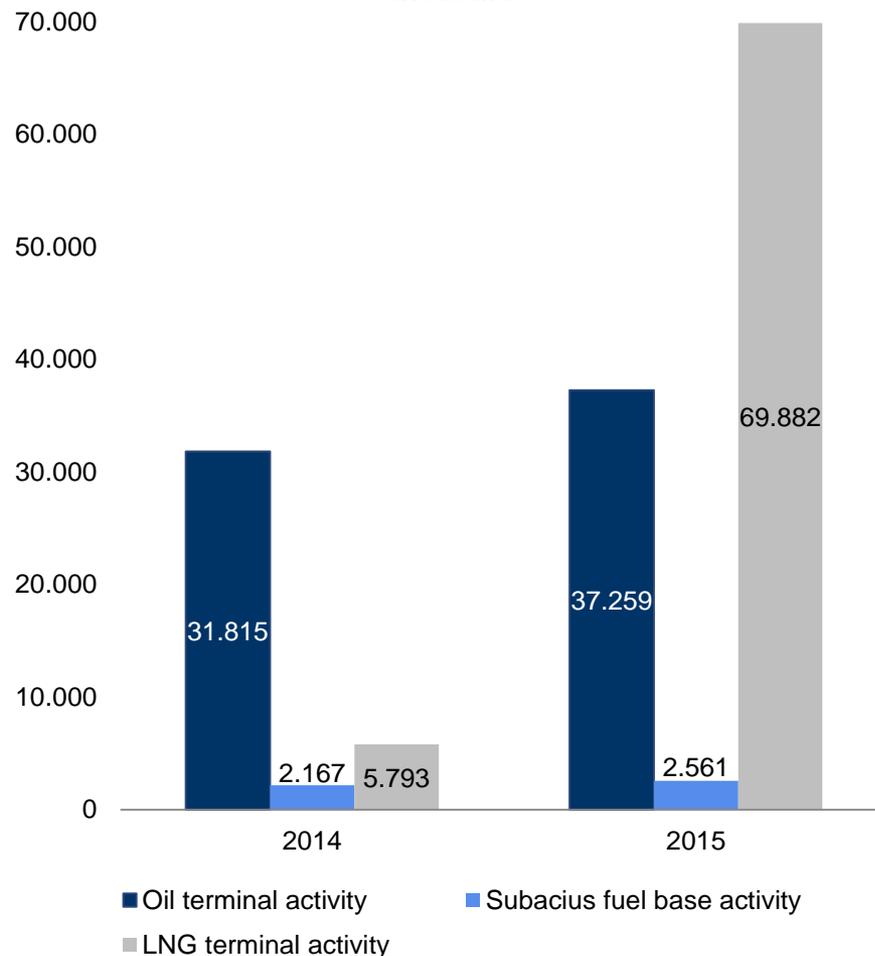
Sales revenue, EUR million



Total 2015 **sales revenue** of the Company increased by 175.8% to EUR 109.7 million.

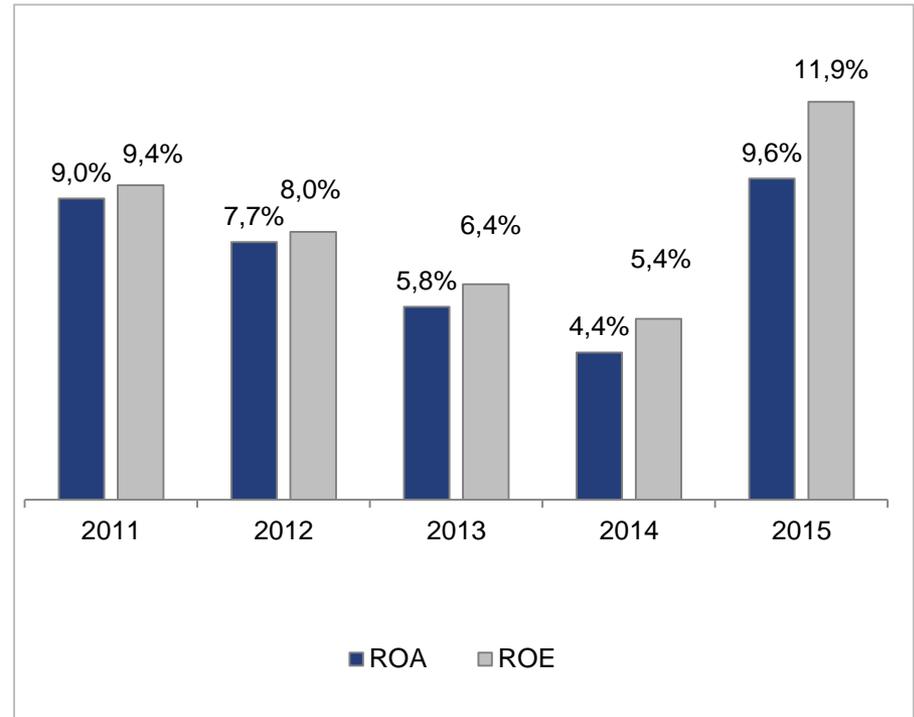
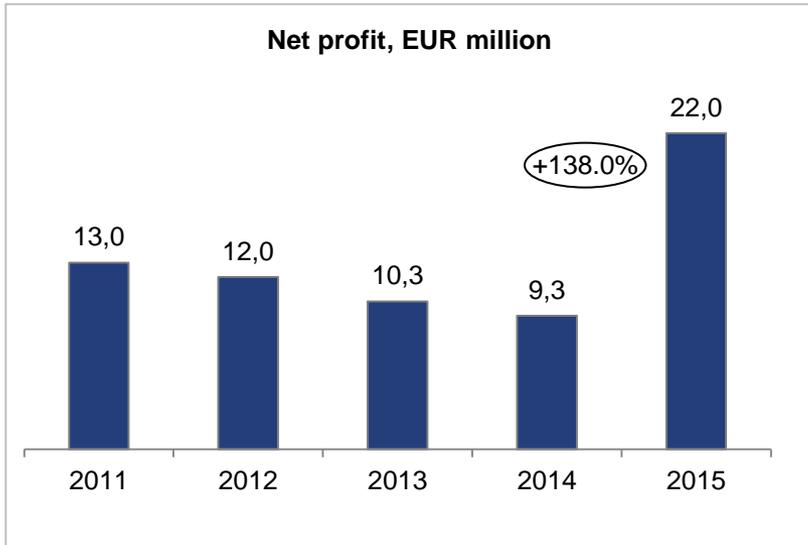
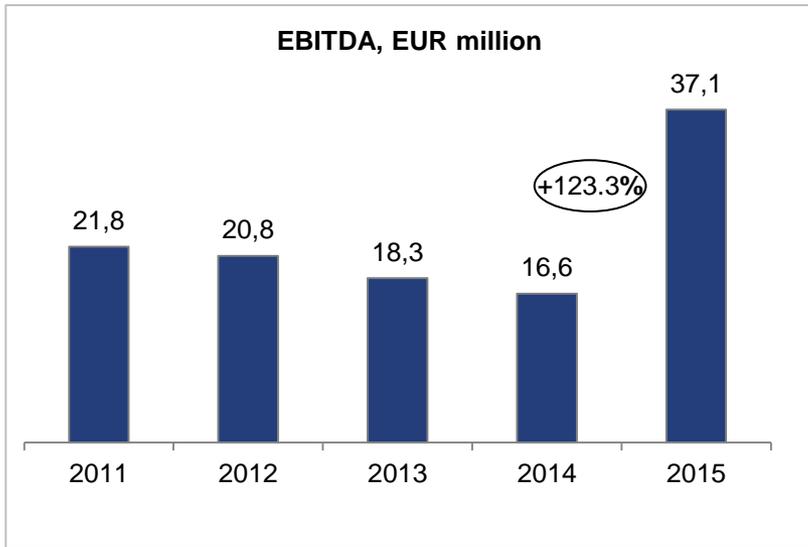
- LNG terminal 2015 sales revenue comprise EUR 69.9 million or 63.7% of total sales revenue of the Company.
- Oil terminal sales revenue increased by 17.1% or EUR 5.4 million in relation with the increased transshipment volume (+13.3%).

Structure of sales revenue based on operational segments, EUR thousand





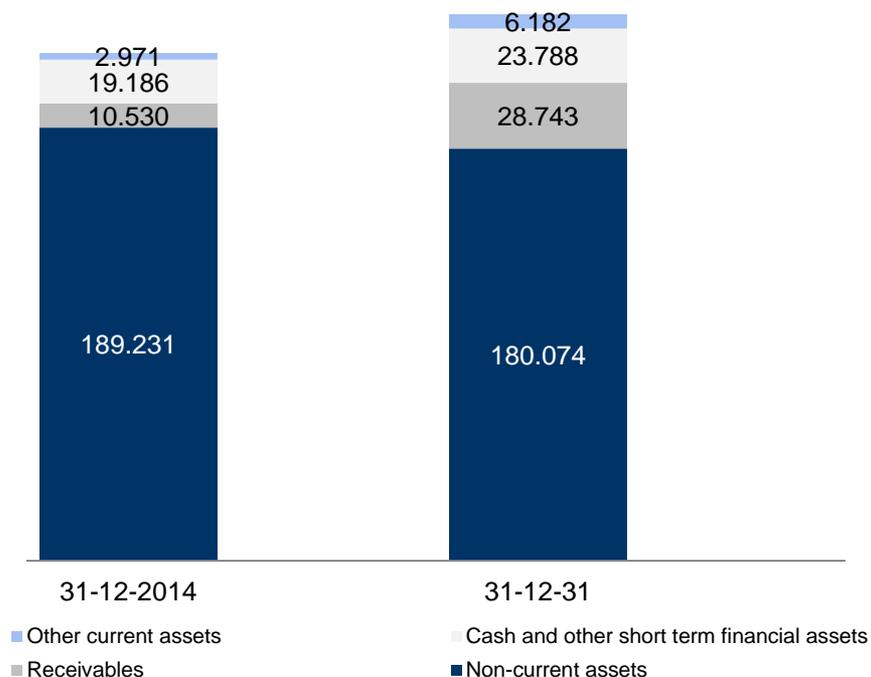
# Key financial ratios



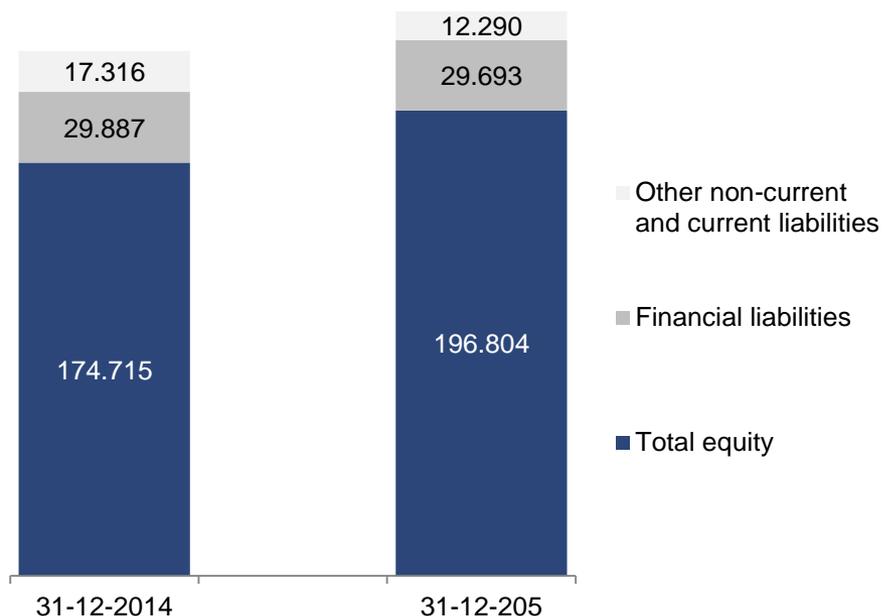
# Assets, equity and liabilities



Assets, thousand EUR



Equity and liabilities, thousand EUR



- **Non-current assets** comprise 75.4% of total assets (31-12-2015).
- **Cash and cash equivalents** amounted 10.0% of total assets.
- **Trade and other receivables** increased to EUR 28.7 million (2.7 times) as the Security Supplement (to the gas transmission price) receivable (total EUR 24.8 million) has increased significantly.
- **Assets turnover ratio** - 0.48 (31-12-2014 – 0.19).
- Total assets has increased by 7.6% and comprise EUR 238,787 thousand.

- **Total equity** amounted to 82.4 % of total assets (31-12-2015).
- **Non-current liabilities** amounted EUR 31.4 million, including European Investment Bank loan comprising EUR 29.69 million.
- **Debt to assets ratio** – 0.19 (31-12-2014 – 0.19).
- **Gross liquidity ratio** – 3.45.
- **Other liabilities** comprise trade payables EUR 7.0 million, staff related payables comprise EUR 2.1 million.

# Employees of the Company



|  | 2015         | 2014         | Change,<br>+/- | Change in<br>per cent |
|--|--------------|--------------|----------------|-----------------------|
| <b>Average number of employees in categories</b> | <b>367</b>   | <b>374</b>   | <b>-7</b>      | <b>-1.9%</b>          |
| Managers <sup>1)</sup>                           | 36           | 34           | 2              | 5.9%                  |
| Specialists                                      | 140          | 130          | 10             | 7.7%                  |
| Worker   | 191          | 210          | -19            | -9.1%                 |
| <b>Average gross monthly salary</b>              | <b>1,332</b> | <b>1,250</b> | <b>82</b>      | <b>6.6%</b>           |
| Managers <sup>1)</sup>                           | 3,513        | 3,423        | 90             | 2.6%                  |
| Specialists                                      | 1,611        | 1,587        | 24             | 1.5%                  |
| Worker   | 1,127        | 1,041        | 86             | 8.3%                  |

<sup>1)</sup> The Company's managers include: General Manager, Deputy Manager, Heads of Departments and their deputies, Heads of Divisions.

## The main directions of the investments of the Company:

- To increase the oil terminal's flexibility in accepting different types of oil products;
- To ensure the compliance with environmental and fire safety requirements;
- The implementation of the LNGT Project and assurance of the smooth activity of the terminal.
- **Construction of the onshore LNG reloading station**

Total investments into the non-current assets in 2015 comprise EUR 6.8 million. The major part of investments were allocated to the finalizing works of the construction of the LNG terminal infrastructure.



## ➤ In 2015 approved the most significant investment projects

- In the extraordinary shareholders meeting held on the 25<sup>th</sup> of August, 2015 the decisions regarding new investments approval were adopted:
  - A. To implement the LNG on-shore reloading station project which value is Eur 27.17 million; for more information about the project see below;
  - B. To implement the light petroleum products reservoirs expansion project with a value of Eur 9.55 million. This project include construction of the additional reservoirs with the total capacity of 20.6 thousand m<sup>3</sup> and technological expansion of the auto tankers loading system. This investments shall give a competitive advantage for the oil terminal of the Company.

## ➤ LNG onshore reloading station project

Upon evaluating the market changes, relating to the LNG consumption possibilities and having in mind the necessity to utilize the LNG terminal's potential, SC Klaipėdos Nafta commenced the development of a new infrastructure project – an LNG distribution station, which is planned to be constructed on the territory of the Company's oil terminal. The planned maximum capacity of the LNG distribution station is about 5,000 m<sup>3</sup>.

On 12 February 2016 the EPC contract was signed with the consortium, consisting of Lithuanian – German company PPS Pipeline Systems GmbH and Czech company Chart Ferox, a.s. The EPC contact will enter into effect after approval by the Board and the General Meeting of Shareholders of the Company.

It is planned that the partial operation of the distribution station will commence in 15 months after the date of entering into effect of the contract and all the works will be completed in autumn of 2017. The contract foresees the possibility to extend it for the time period up to 14 months (up to 12 months due to the territorial planning procedures, which are likely to protract and 2 months – due to other reasons).

# Achievements and awards



- On the 22th of the January 2015 in the annual Baltic Market Awards (BMA), organized by the Nasdaq, Klaipėdos nafta became the winner in the category “**The Most Visible Improvement over the Year**” and was invited to ring the Opening Bell at Nasdaq Market Site in Times Square, New York by Bob Greifeld, CEO of Nasdaq.



- On the 28<sup>th</sup> of January, 2015 At the 8th annual European Gas Conference 2015, in Vienna, Klaipedos nafta won the **Project of the Year award** for the implementation of the Liquefied Natural Gas (LNG) Terminal project. Company was one of four nominees among such well-known companies like Shell and Total Gas & Power.

- During the Transport Week, one of the most important transport events in Central and Eastern Europe, took place on March 17-19<sup>th</sup> 2015 in Gdańsk, Poland, the Company was awarded the Baltic Trendsetters Club Certificate for developing the floating LNG terminal Independence and rearranging the Baltic’s gas market through one ship call.
- On the 6<sup>th</sup> of November 2015 Klaipedos nafta received a sign of the Lithuanian Police Commissioner General for the active activity in prevention of the crimes and cooperation implementing preventive projects.
- Klaipedos nafta oil terminal at the 10th crude oil, LPG and petroleum product congress held in the end of November 2015, in St. Petersburg, Russia, was awarded the Grand Prix 2015, meaning that Company’s terminal acts as the industry’s model in terms of overall performance.



# Shareholders and shares



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

- ISIN code – LT0000111650
- Abbreviation – KNF1L

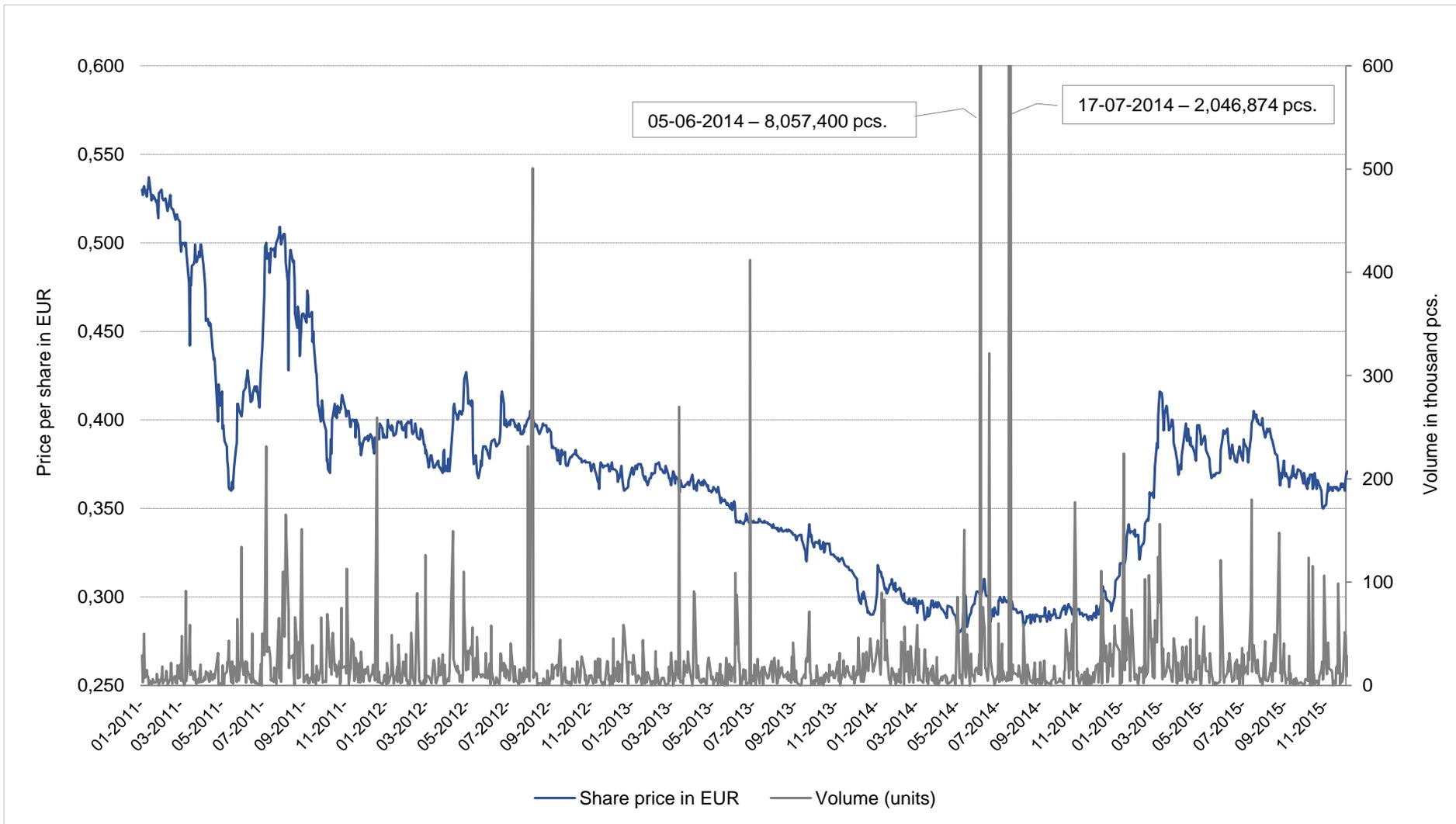
As at 31 December 2015 all the shares of the Company were owned by 1,847 shareholders (on 31 December 2014 – 1,871)

| Shareholder's name (company's name, address, company code of registration)  | 31 December 2015           |                                | 31 December 2014           |                                |
|---|----------------------------|--------------------------------|----------------------------|--------------------------------|
|   | 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 (Gediminas Ave. 38/2, Vilnius, 302308327) | 275,241,290                | 72.32                          | 275,241,290                | 72.32                          |
| Concern SC Achemos grupė (Jonalaukis village, Jonava district, 156673480)   | 38,975,150                 | 10.24                          | 38,975,150                 | 10.24                          |
| Other (each owning less than 5%)  | 66,389,744                 | 17.44                          | 66,389,744                 | 17.44                          |
| <b>Total</b>  | <b>380,606,184</b>         | <b>100.00</b>                  | <b>380,606,184</b>         | <b>100.00</b>                  |

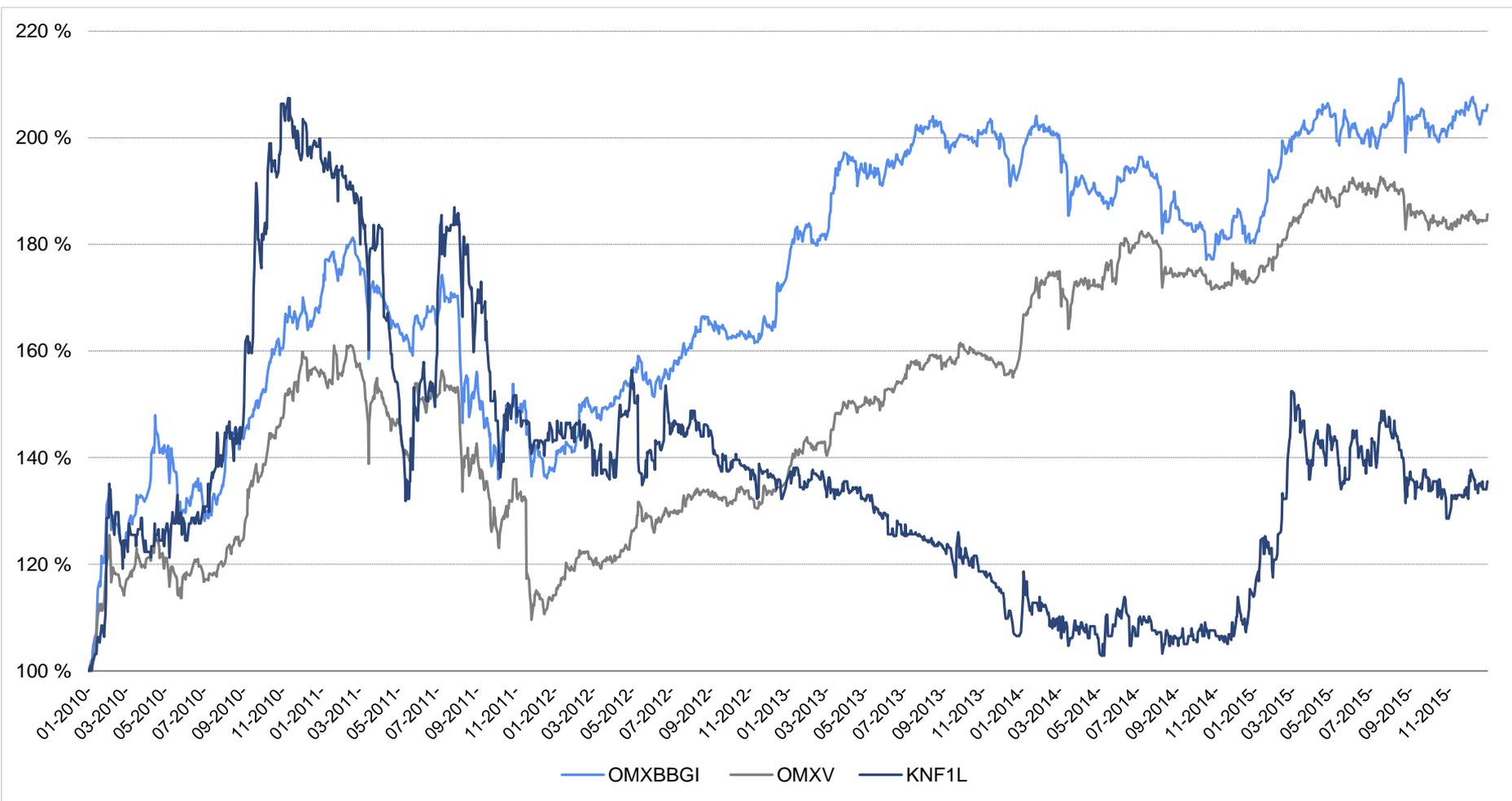
## Dynamics of the share price at NASDAQ OMX Vilnius in 2015-2011

|   | 2015      | 2014       | 2013      | 2012      | 2011      |
|---|-----------|------------|-----------|-----------|-----------|
| Highest share price in EUR                      | 0.419     | 0.325      | 0.381     | 0.430     | 0.537     |
| Lowest share price in EUR                       | 0.315     | 0.280      | 0.289     | 0.359     | 0.360     |
| Price per share at the end of the period in EUR | 0.369     | 0.311      | 0.292     | 0.369     | 0.390     |
| Average share price in EUR                      | 0.373     | 0.295      | 0.344     | 0.387     | 0.449     |
| Traded volume, pcs.                             | 5,257,607 | 14,454,031 | 3,644,550 | 4,061,889 | 5,022,637 |
| Turnover in EUR thousand                        | 1,955     | 4,320      | 1,249     | 1,588     | 2,242     |
| Capitalisation in EUR thousand                  | 140,444   | 118,369    | 111,137   | 133,282   | 133,380   |

# Trading in KNF1L shares on Nasdaq Vilnius stock exchange in 2011-2015



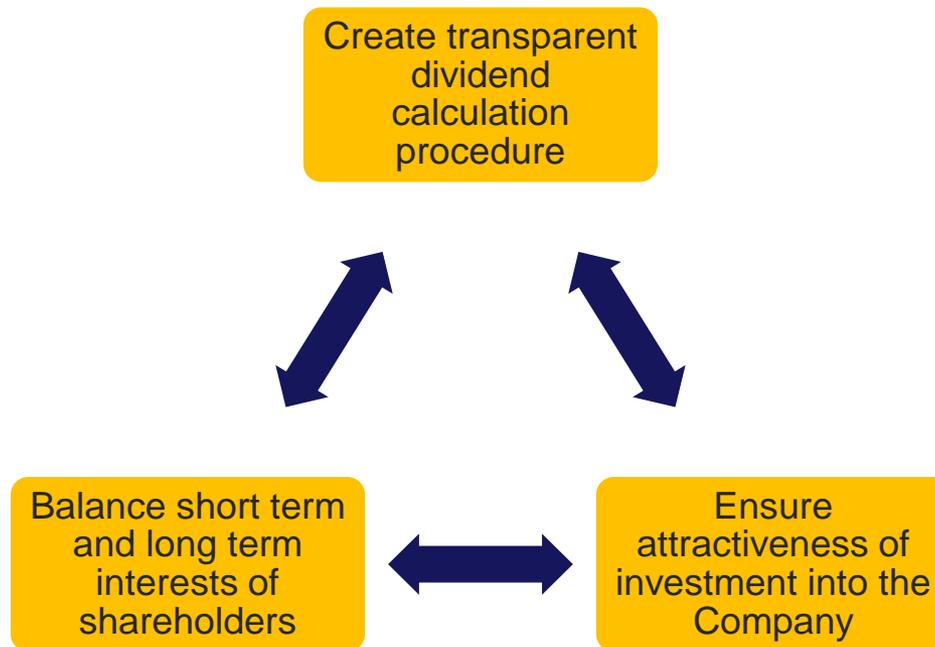
# KNF1L share price and Nasdaq Vilnius indexes comparison in 2011-2015



On 30<sup>th</sup> of April, 2015 the general meeting of shareholders distributed the Company's profit of 2014 in the total sum - EUR 9,257 thousand, available for appropriation and approved the payment of dividends for the shareholders amounting EUR 0.0002432210 per share (total amount allocated for the dividends comprise EUR 92.6 thousand).

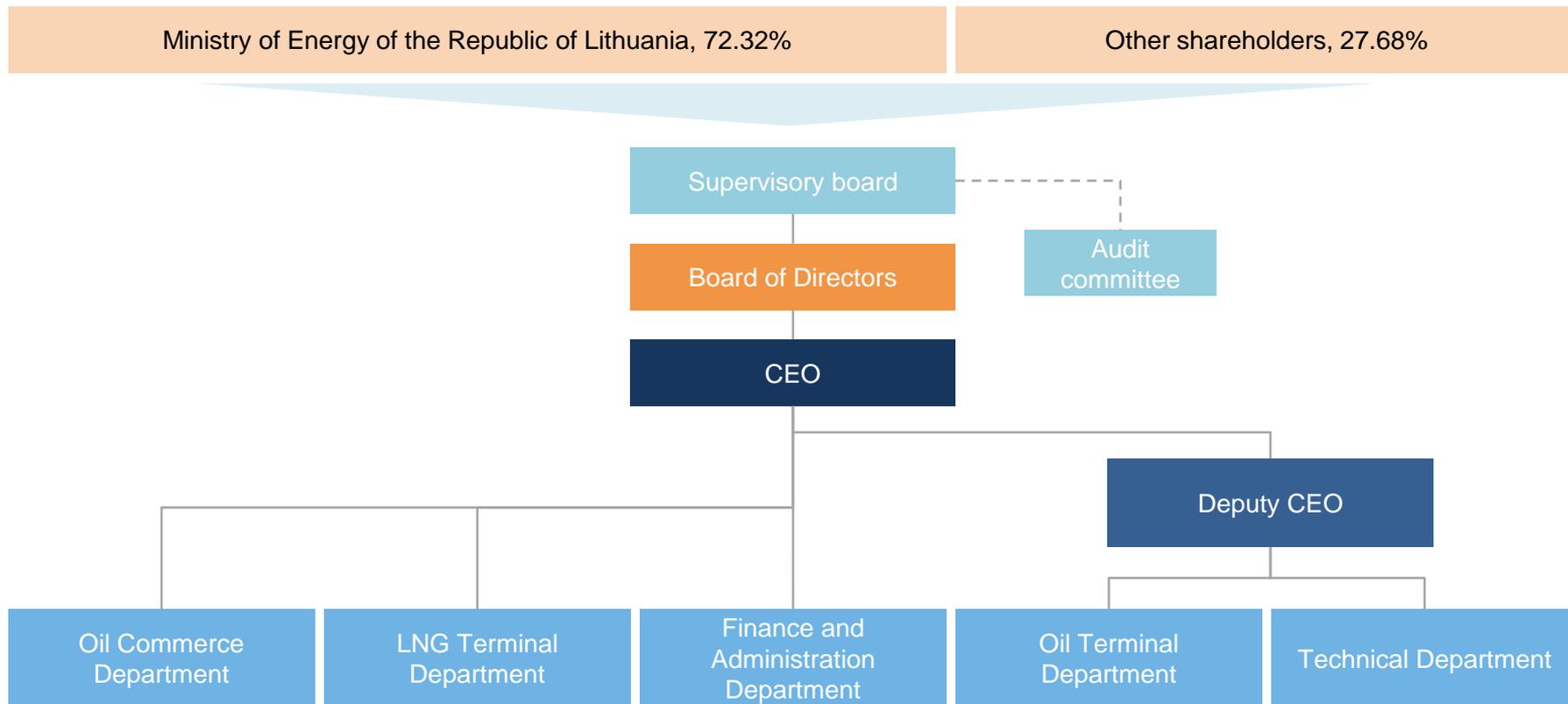
On 25<sup>th</sup> January, 2016 the Board of the Company has approved the corporate strategy of the Company for the year 2016 -2020 and Dividend Policy which defines dividend calculation, payment and declaration processes.

## Dividend policy objectives



According to the strategy the plan is to distribute **50%** of Company's net profit as dividends to shareholders

# Shareholders and organisational structure of SC Klaipėdos nafta:



## Members of the Board of the Company



### **Rytis Ambrazevičius**

**Independent Member** of the Board of the Company. Elected as the Board member by the Supervisory Board on 24 October 2011. The Supervisory renewed the mandate on 29 April 2014 for 4 years or until the time, when the new Board is elected and starts acting.



### **Mindaugas Jusius**

**Independent Member** of the Board of the Company. Elected as the Board member by the Supervisory Board on 24 October 2011. The Supervisory renewed the mandate on 29 April 2014 for 4 years or until the time, when the new Board is elected and starts acting.



### **Dainius Bražiūnas**

Member of the Board of the Company. Elected as the Board member by the Supervisory Board on 25 August 2014 until the term of office of the acting Board of Company.



### **Mantas Bartuška**

Member of the Board of the Company, General Manager. Elected as the Board member by the Supervisory Board on 25 September 2014 until the term of office of the acting Board of Company.

- There is no permanent Chairman of the Board elected, therefore, the Chairman of the Board is elected from the Board members every meeting by ad hoc principle.

# The Directors of the Company



**Mantas Bartuška**  
General Manager



**Osvaldas Sabaliauskas**  
Deputy General Manager



**Marius Pulkauninkas**  
Director of Finance and Administration  
Department



**Genadijus Andrejevas**  
Director of Technical Department  
(since 1 October 2015)



**Gediminas Vitkauskas**  
Director of the Oil terminal  
department



**Tadas Matulionis**  
Director of the LNG terminal  
department (since the 17 February  
2015)



**Darius Šilenskis**  
Director of Oil Commerce  
department (since 28 September  
2015)



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**THANK YOU FOR YOUR ATTENTION!**

**Stock company Klaipedos nafta**

Company code 1106488893

VAT payer code LT06488917

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