



AB KLAIPĖDOS NAFTA UNAUDITED FINANCIAL RESULTS FOR THE 9 MONTHS OF 2017

31st October 2017



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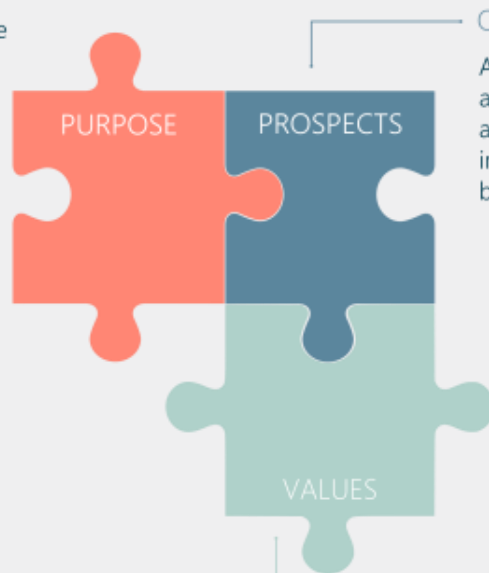
ABOUT THE COMPANY



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

Initiative, transparency, professionalism and reliability, social responsibility.



ACTIVITIES OF THE COMPANY



OIL TERMINALS



KLAIPĖDA OIL
TERMINAL



SUBAČIUS OIL
TERMINAL

LNG TERMINALS



KLAIPĖDA LNG
TERMINAL



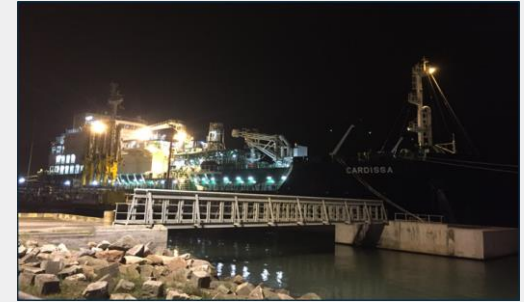
KLAIPĖDA SMALL-
SCALE LNG
TERMINAL



HIGHLIGHTS



HIGHLIGHTS OF THE 3RD QUARTER OF 2017



4th July

- An extraordinary general meeting of the shareholders of the Company approved the two agreements for LFO tanks construction (EPC): i) 2x10,000 m³ and 4x5,000 m³ tanks for amount EUR 7,473 thousand and ii) 6x20,000 m³ tanks for amount EUR 11,453 thousand.

12th July

- The additional 960,000 MWh LNG terminal capacities allocated to UAB Lietuvos dujų tiekimas during the period from the 1st of August, 2017 until the 31st of October, 2017.

21st August

- For the first time in the Baltic States LNG cargo from the United States of America was delivered in Klaipėda, total 140 thousand m³ of LNG.

17th September

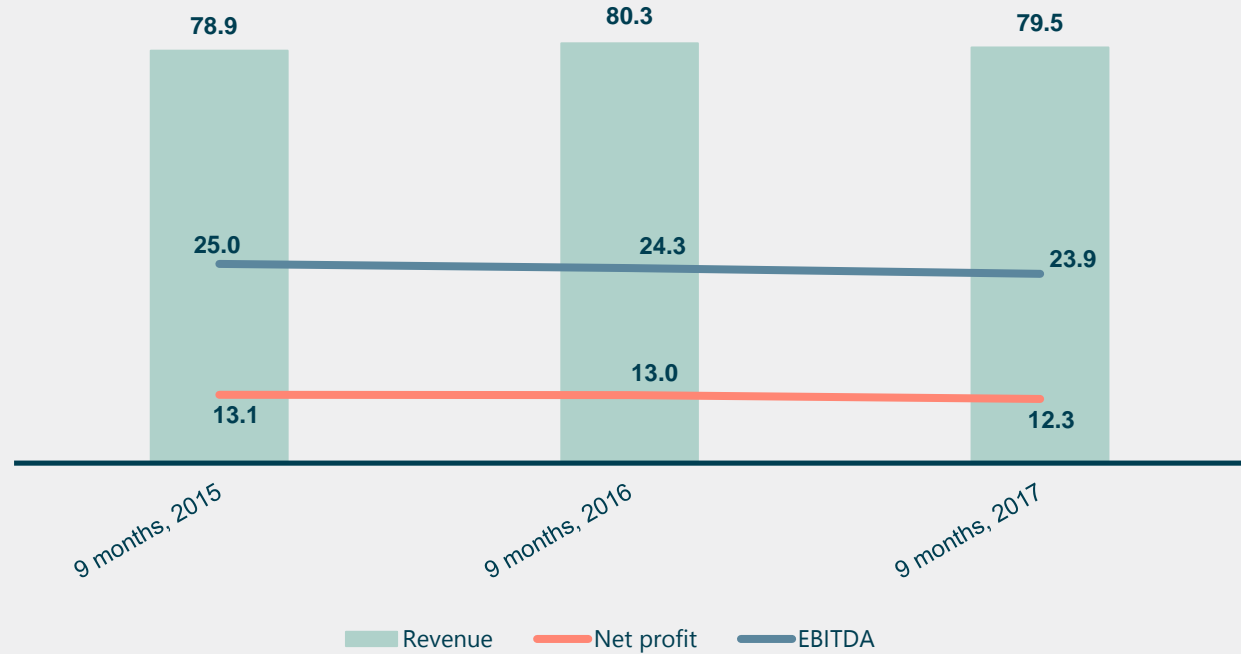
- Commissioning cargo of LNG was delivered at KN LNG reloading station for the completion and testing works.
- In October 2017 the first LNG truck has been successfully loaded.



FINANCIAL RESULTS



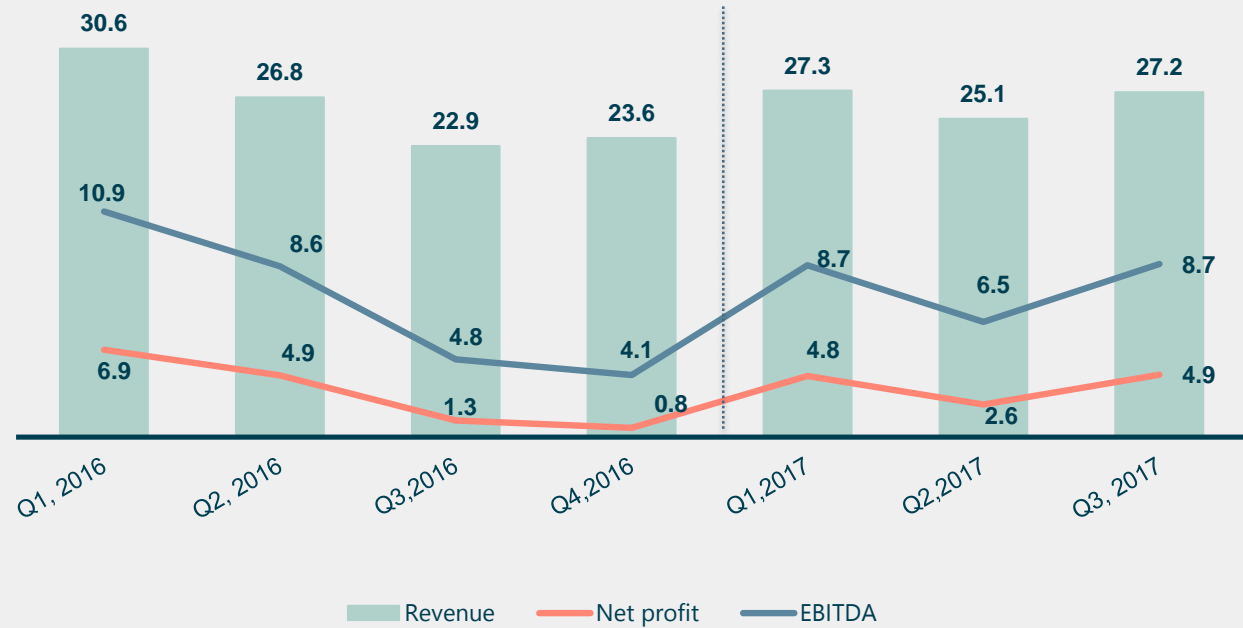
REVENUE, EBITDA, NET PROFIT (UNAUDITED), MEUR



Note: The initial net profit budget for the year 2017 (approved before the start of the year) was 10.8 MEUR.



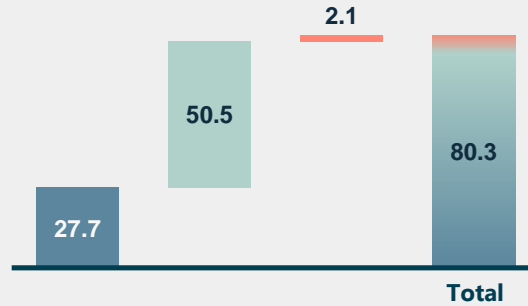
REVENUE, EBITDA, NET PROFIT (UNAUDITED), MEUR



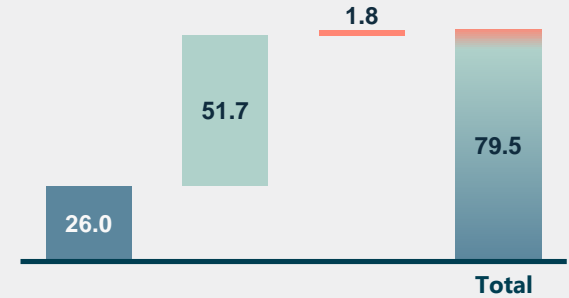


STRUCTURE OF SALES REVENUE AND EBITDA BASED ON OPERATING SEGMENTS (UNAUDITED)

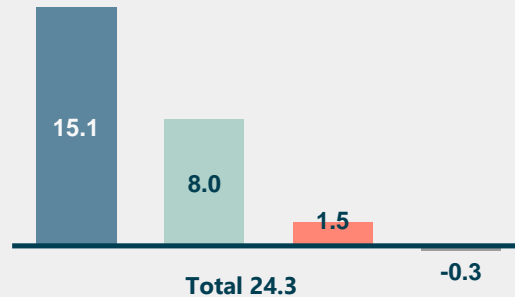
Revenue for 9 months of 2016, MEUR



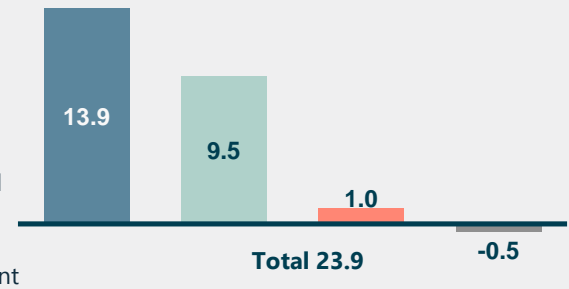
Revenue for the 9 months of 2017, MEUR



EBITDA for 9 months of 2016, MEUR



EBITDA for 9 months of 2017, MEUR

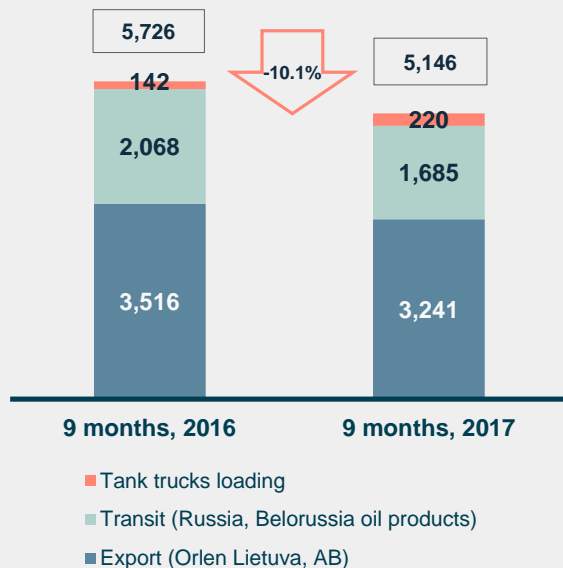


- Oil terminal
- LNG terminal
- Subačius oil terminal
- LNG related business development

KLAIPĖDA OIL TERMINAL RESULTS FOR THE 9 MONTHS OF 2017



Transshipment, thousand tons



MEUR	9 months, 2016	9 months, 2017
Revenue	27.7	26.0
Net profit	9.1	7.8
EBITDA	15.1	13.9

BUSINESS FACTORS:

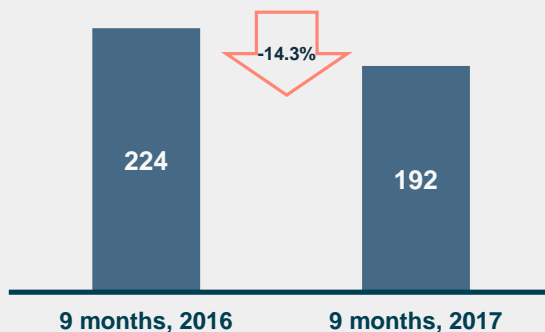
Transshipment volume reduced by 10.1% in 2017 Q1-Q3. Main factors:

- Due to geopolitical reasons in the beginning of the year Belorussia refineries suffered reduction of crude oil supply and subsequently delivered less fuel oil cargos;
- AB ORLEN Lietuva quantities slightly decreased in connection with refinery maintenance performed in March-May 2017;
- Transshipment into the tank trucks increased even by 55%. The increase was enabled after modernization of the Company's tank truck loading system finished in the beginning of the year.



SUBAČIUS OIL TERMINAL RESULTS FOR THE 9 MONTHS OF 2017

**Average storage volume,
thousand tons**



MEUR	9 months, 2016	9 months, 2017
Revenue	2.1	1.8
Net profit	0.9	0.3
EBITDA	1.5	1.0

BUSINESS FACTORS:

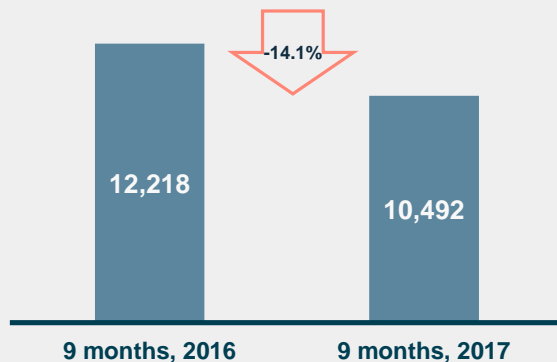
The storage quantities of oil products has reduced by 14.3% in 2017 (comparing the 9 months of 2016) that accordingly affected revenues and net profit. Storage volumes were affected by the decreased long term storage demand in commercial oil products markets.

Transshipment volume amounted to 79.9 thousand tons in 2017 (9 months of 2016 – 84.6 thousand tons).



LNG TERMINAL RESULTS FOR THE 9 MONTHS OF 2017

Re-gasification and reloading, thousand MWh



*According to preliminary calculations of KN the LNG profit is estimated to EUR 3.2 million. The additionally received amount of revenue (or lack of income) will be dedicated for compensation of the LNG terminal necessarily expenses for the coming financial periods.

MEUR	9 months, 2016	9 months, 2017
Revenue	50.5	51.7
Net profit	3.3	4.7
EBITDA	8.0	9.5

BUSINESS FACTORS:

During the 9 months of 2017 thirteen LNG carriers have been accepted, which have delivered 714.6 thousand tons in total of LNG.

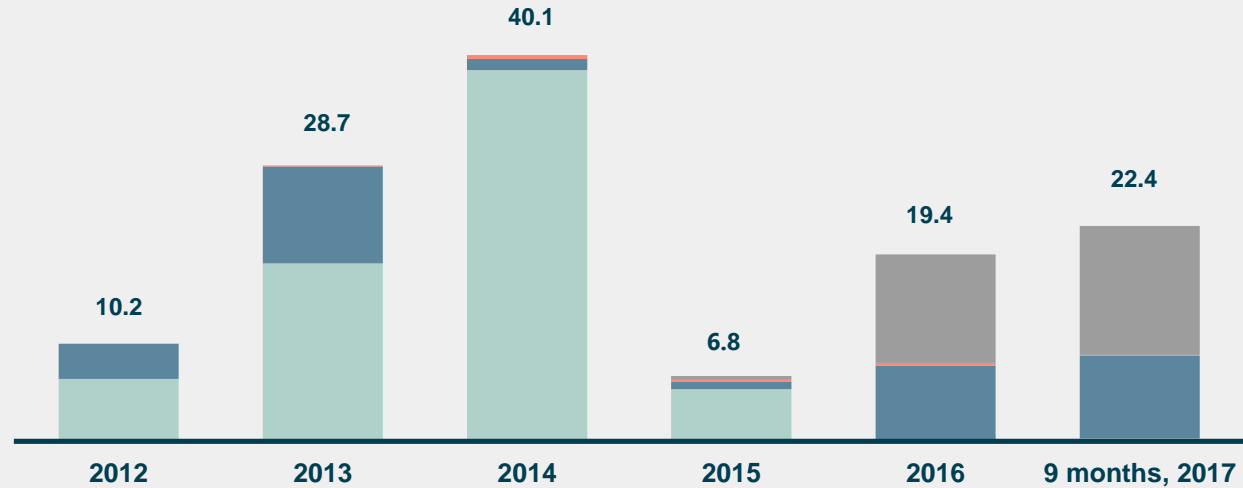
In 2017 LNG reloading service from FSRU was held for the first time. In 2017 total 3 reloading operations (11.5 thousand tons of LNG) were made.

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.



INVESTMENTS OF THE COMPANY, MEUR



Oil terminal
LNG terminal

Subačius oil terminal
LNG small scale



THE BIGGEST INVESTMENTS TO PROJECTS IN THE 9 MONTHS OF 2017, MEUR



LNG reloading station – MEUR 12.0

Expansion of LFO* park – MEUR 4.3

Construction of fuel oil with water tanks – MEUR 1.5



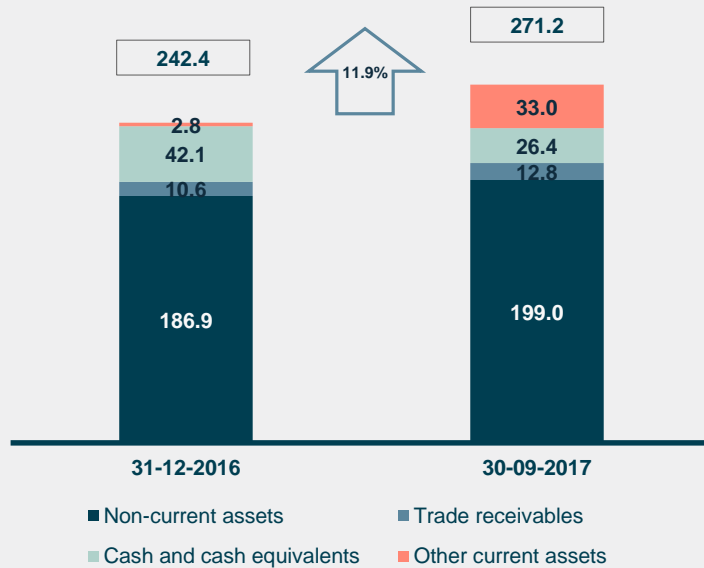
* LFO – Light Oil Products



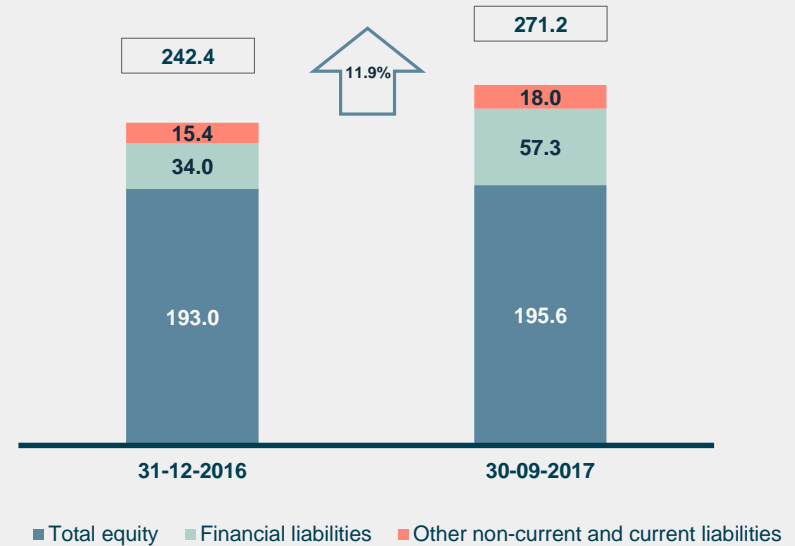


BALANCE SHEET (UNAUDITED)

Assets, MEUR



Equity and liabilities, MEUR





FINANCIAL FIGURES (UNAUDITED)

MEUR	9 months, 2016	9 months, 2017	Change, %
Sales Revenue	80.3	79.5	-1.0%
Gross profit	18.4	17.6	-4.2%
EBITDA	24.3	23.9	-1.6%
Profit before taxation (EBIT)	14.4	13.5	-6.2%
Net profit	13.0	12.3	-5.4%
Gross profit margin	22.9%	22.1%	
EBITDA margin	30.3%	30.1%	
Net profit margin	16.2%	15.5%	
Return on equity (ROE)*	11.6%	6.7%	
Return on assets (ROA)*	9.1%	5.1%	
Profit per share (EPS), EUR/share	0.034	0.032	
Average number of shares	380,606,184	380,606,184	-

* 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.



OTHER INFORMATION



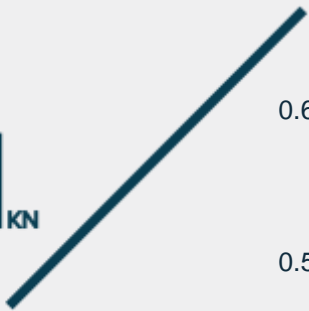
SHAREHOLDERS AND SHARES

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

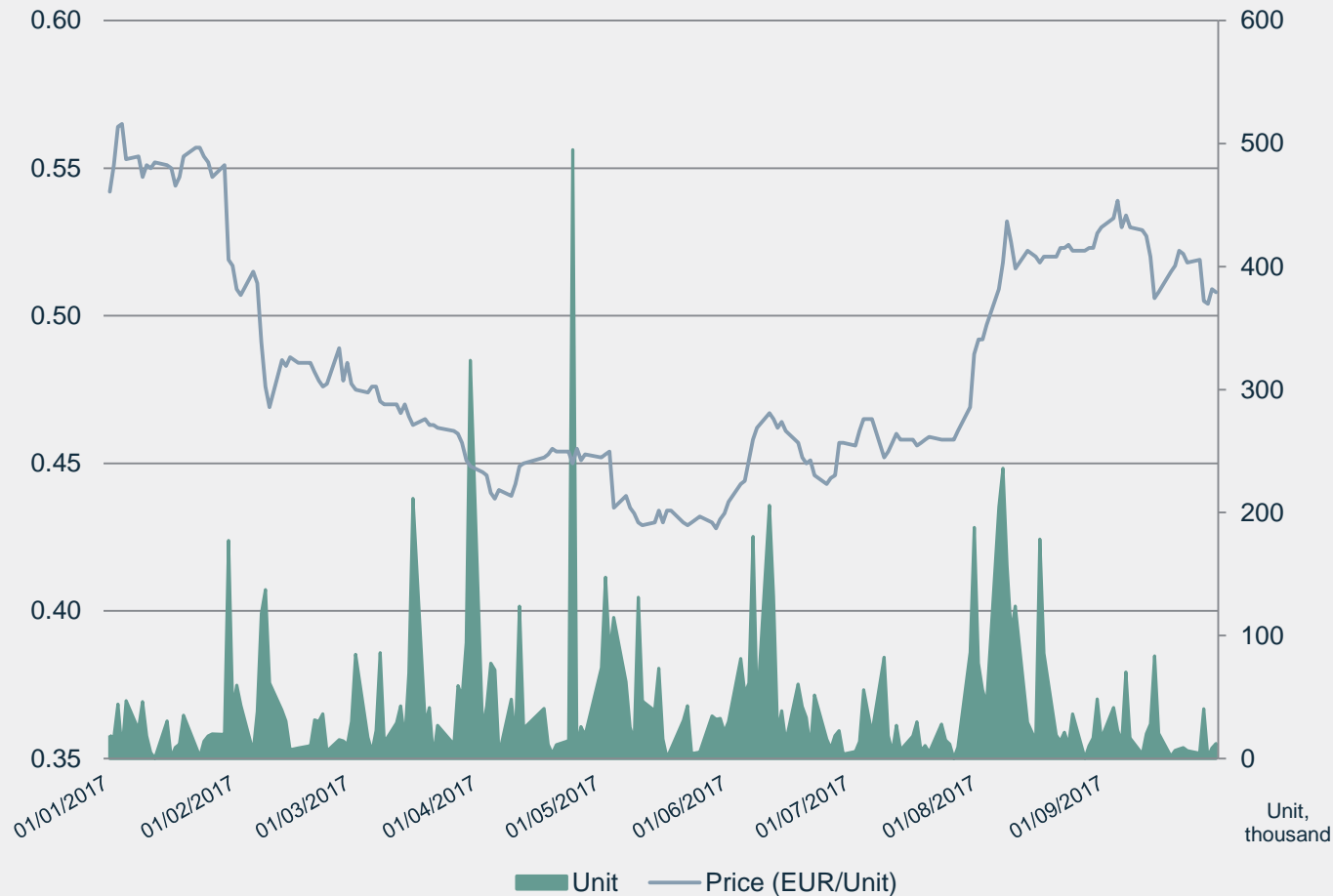
- ISIN code – LT0000111650
- Abbreviation – KNF1L

As at 30th September 2017, all the shares of the Company were owned by 2,103 shareholders (as at 31st December 2016 – 1,993).

Shareholder's name (company's name, address, company code of registration)	<u>30th of September 2017</u>		<u>31st of December 2016</u>	
	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	275,241,290	72.32	275,241,290	72.32
Concern AB Achemos grupe	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
Total	380,606,184	100.00	380,606,184	100.00

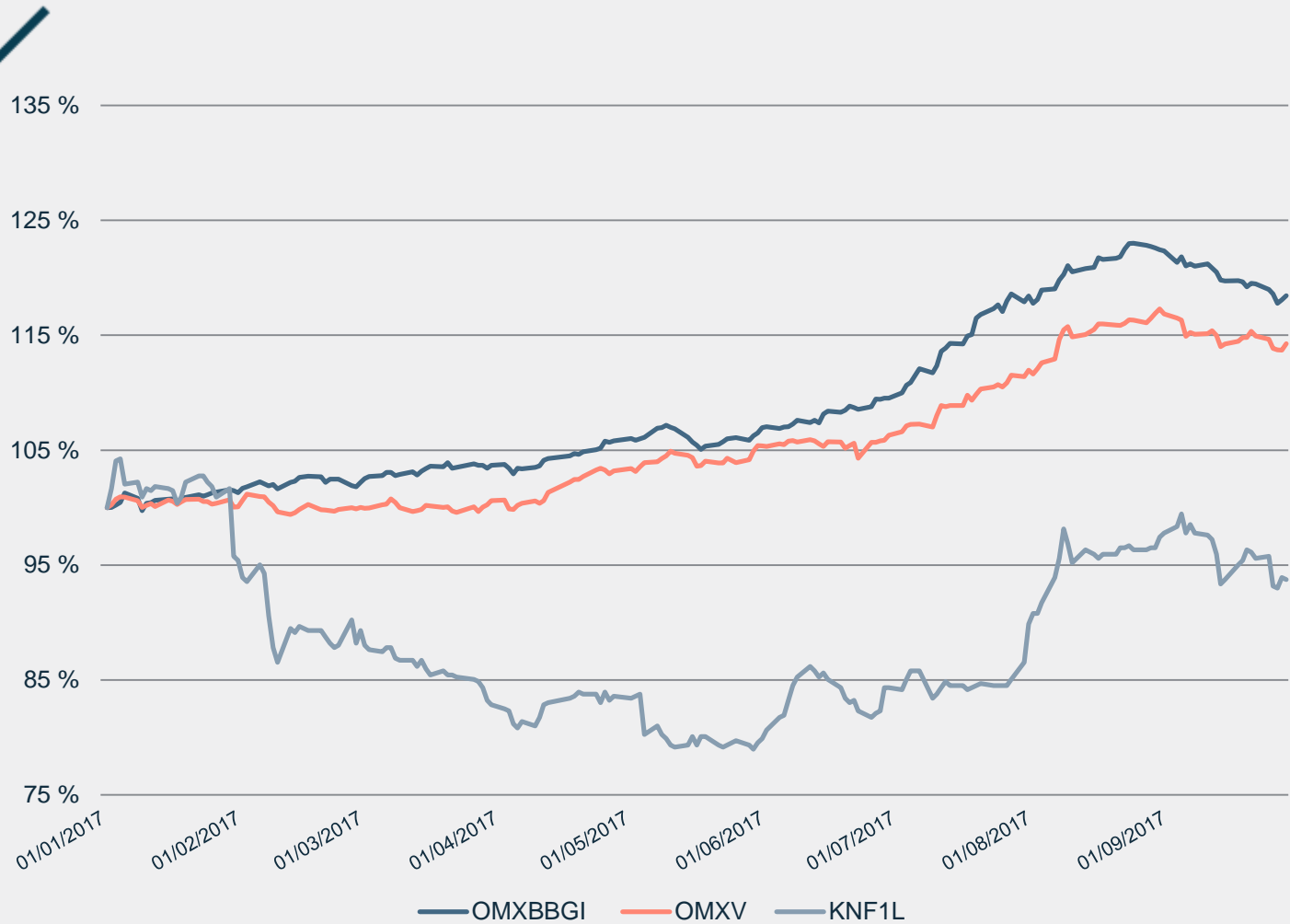


TRADING IN KNF1L SHARES ON NASDAQ VILNIUS STOCK EXCHANGE FOR THE 9 MONTHS OF 2017





**KNF1L SHARE PRICE,
NASDAQ VILNIUS
AND BALTIC
BENCHMARK GI
INDEXES
COMPARISON FOR
THE 9 MONTHS OF
2017**





ORGANIZATIONAL STRUCTURE

BOARD members:

Dainius Bražiūnas

Mantas Bartuška

Giedrius Dusevičius

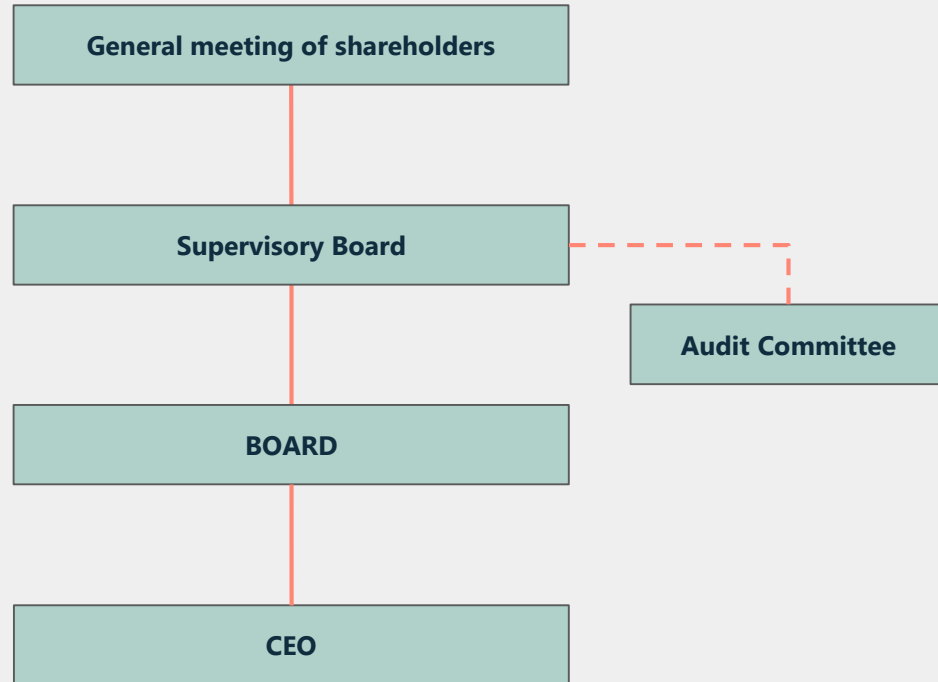
Bjarke Pålsson (since 24th January 2017)

Mindaugas Jusius (till 11th April 2017)

The term of office for the Supervisory Board has ended from the 21st of April, 2017.

The term of office for the Audit Committee has ended from the 21st of April, 2017.

New members until the 30th of September, 2017 have not been appointed.





MANAGEMENT OF THE COMPANY



Mindaugas Jusius
Chief Executive Officer



Marius Pulkauninkas
Chief Financial Officer



Genadijus Andrejevas
Technical Director



Darius Šilenskis
Oil Business Director



Rytis Valūnas
Chief Administrative Officer and
General Counsel



Tadas Matulionis
LNG Business Director



THANK YOU

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