



**AB KLAIPĖDOS NAFTA**

**INTERIM CONDENSED FINANCIAL STATEMENTS,  
PREPARED ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS,  
AS ADOPTED BY THE EUROPEAN UNION**

**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018  
(UNAUDITED)**



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## STATEMENT OF FINANCIAL POSITION

	Notes	31-03-2018	31-12-2017
		<i>(unaudited)</i>	<i>(audited)</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets		451	490
Property, plant and equipment	3	200,948	201,449
Long-term receivables	5	2,494	2,628
Investment into subsidiaries		200	200
Investment into associates		210	210
<b>Total non-current assets</b>		<b>204,303</b>	<b>204,977</b>
<b>Current assets</b>			
Inventories	6	1,515	1,126
Prepayments		434	246
Trade receivables	7	12,229	11,998
Prepaid income tax		673	384
Other receivables and accrued incomes	8	1,085	767
Short term deposits	9	60,000	65,000
Cash and cash equivalents	10	26,813	16,747
<b>Total current assets</b>		<b>102,749</b>	<b>96,268</b>
<b>Total assets</b>		<b>307,052</b>	<b>301,245</b>

(cont'd on the next page)

Explanatory notes, set out on pages 8 - 16, is an integral part of these financial statements.

## STATEMENT OF FINANCIAL POSITION (CONT'D)

	Notes	31-03-2018 <i>(unaudited)</i>	31-12-2017 <i>(audited)</i>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	1	110,376	110,376
Share premium		3,913	3,913
Legal reserve		9,899	9,899
Reserve for own shares		15,929	15,929
Other reserves		43,196	43,196
Retained earnings		23,785	17,031
<b>Total equity</b>		<b>207,098</b>	<b>200,344</b>
<b>Non-current amounts payable and liabilities</b>			
Deferred income tax liability		496	363
Non-current employee benefits		333	291
Loan	11	75,864	76,105
Grants related to assets		4,898	4,006
<b>Total non-current amounts payable and liabilities</b>		<b>81,591</b>	<b>80,765</b>
<b>Current amounts payable and liabilities</b>			
Loan	11	492	246
Loan interest	11	50	28
Trade payables	12	10,521	13,641
Payroll related liabilities	13	3,262	2,680
Prepayments received		2,726	2,642
Other payables and current liabilities	14	1,312	899
<b>Total current amounts payable and liabilities</b>		<b>18,363</b>	<b>20,136</b>
<b>Total equity and liabilities</b>		<b>307,052</b>	<b>301,245</b>

Explanatory notes, set out on pages 8 - 16 an integral part of these financial statements,

## STATEMENT OF COMPREHENSIVE INCOME

	Notes	For the three months period ended 31 March 2018 <i>(unaudited)</i>	For the three months period ended 31 March 2017 <i>(unaudited)</i>
Sales	15	27,823	27,280
Cost of sales	16	<u>(19,920)</u>	<u>(20,754)</u>
Gross profit		<b>7,903</b>	<b>6,526</b>
Operating expenses		(1,300)	(1,275)
Other income		<u>258</u>	<u>51</u>
<b>Profit from operating activities</b>		<b>6,861</b>	<b>5,302</b>
Income from financial activities	17	121	7
Loss from financial activities	17	<u>(95)</u>	<u>(52)</u>
<b>Profit before income tax</b>		<b>6,887</b>	<b>5,257</b>
Income tax income (expense)		<u>(133)</u>	<u>(445)</u>
<b>Net profit</b>		<b>6,754</b>	<b>4,812</b>
Other comprehensive income (expenses)		-	-
Items that will not be subsequently reclassified to profit or loss		-	-
Items that may be subsequently reclassified to profit or loss		-	-
<b>Total comprehensive income</b>		<b>6,754</b>	<b>4,812</b>
Basic and diluted earnings (losses) per share, in EUR	18	0.02	0.01

Explanatory notes, set out on pages 8 - 16, is an integral part of these financial statements,

## STATEMENT OF CHANGES IN EQUITY

Notes	Share capital	Share premium	Legal reserve	Reserve for own shares	Other reserves	Retained earnings	Total
<b>Balance as at 31 December 2016</b> <i>(audited)</i>	<b>110,376</b>	<b>3,913</b>	<b>9,209</b>	<b>15,929</b>	<b>39,748</b>	<b>13,794</b>	<b>192,969</b>
Net profit for the three months	-	-	-	-	-	4,812	4,812
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	4,812	4,812
<b>Balance as at 31 March 2017</b> <i>(unaudited)</i>	<b>110,376</b>	<b>3,913</b>	<b>9,209</b>	<b>15,929</b>	<b>39,748</b>	<b>18,606</b>	<b>197,781</b>
<b>Balance as at 31 December 2017</b> <i>(audited)</i>	<b>110,376</b>	<b>3,913</b>	<b>9,899</b>	<b>15,929</b>	<b>43,196</b>	<b>17,031</b>	<b>200,344</b>
Net profit for the three months	-	-	-	-	-	6,754	6,754
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	6,754	6,754
<b>Balance as at 31 March 2018</b> <i>(unaudited)</i>	<b>110,376</b>	<b>3,913</b>	<b>9,899</b>	<b>15,929</b>	<b>43,196</b>	<b>23,785</b>	<b>207,098</b>

Explanatory notes, set out on pages 8 - 16, is an integral part of these financial statements,

## CASH FLOW STATEMENT

	Notes	For the three months period ended 31 March 2018 <i>(unaudited)</i>	For the three months period ended 31 March 2017 <i>(audited)</i>
<b>Cash flows from operating activities</b>			
Net profit	18	6,754	4,812
Adjustments for noncash items:			
Depreciation and amortization		3,426	3,423
Impairment and write-off (reversal) of non-current tangible assets		(4)	(8)
Loss (profit) from disposal of fixed assets		(250)	-
Change in vacation reserve	13	46	11
Change in non-current liabilities for employees		43	(29)
Change in allowance in inventory	6	(3)	72
Other non-cash adjustments		(911)	-
Accrued income		(221)	143
Income tax expenses		133	445
Change in allowance for doubtful receivables		(66)	-
Interest income		(11)	(7)
Interest expenses		51	-
		<b>8,987</b>	<b>8,862</b>
<b>Changes in working capital</b>			
(Increase) decrease in inventories		(387)	-
Decrease (increase) in prepayments		(187)	146
Decrease (increase) in trade and other accounts receivable		(166)	(1,211)
Decrease (increase) in other accounts receivable		38	(49)
Increase (decrease) in trade and other payables		(269)	(343)
(Decrease) increase in prepayments received		84	45
Increase (decrease) in other current liabilities and payroll related liabilities		1,446	(281)
		<b>9,546</b>	<b>7,169</b>
Income tax (paid)		(289)	(620)
Interest received	17	11	7
Net cash flows from operating activities		<b>9,268</b>	<b>6,556</b>
<b>Cash flows from investing activities</b>			
(Acquisition) of property, plant, equipment and intangible assets		(5,319)	(4,895)
Proceeds on sale of property, plant and equipment		250	-
Change in short term deposits	9	5,000	-
Received grants, subsidies		892	120
Net cash flows from investing activities		<b>823</b>	<b>(4,775)</b>
<b>Cash flows from financing activities</b>			
Interest (paid)		(25)	-
Net cash flows from financing activities		<b>(25)</b>	-
<b>Net increase (decrease) in cash flows</b>		<b>10,066</b>	<b>1,781</b>
<b>Cash and cash equivalents on 1 January</b>	10	<b>16,747</b>	<b>42,056</b>
<b>Cash and cash equivalents on 31 March</b>	10	<b>26,813</b>	<b>43,837</b>

Explanatory notes, set out on pages 8 - 15, is an integral part of these financial statements,

## EXPLANATORY NOTES TO FINANCIAL STATEMENTS

### 1 GENERAL INFORMATION

AB Klaipėdos Nafta (hereinafter referred to as “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.

The main activities of 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 Commission for Energy Control and Prices (hereinafter referred to as “NCC”) issued Natural Gas Regasification License to the Company on 27 November 2014.

The Company was established by AB Naftos Terminalas (Lithuania) and Lancaster Steel Inc, (USA) acquiring 51 and 49 percent of shares respectively, The Company was registered on 27 September 1994.

As of 31 March 2018 all the shares were owned by 2,187 shareholders (as of 31 March 2017 all the shares were owned by 2,043 shareholders). The Company’s share capital – EUR 110,375,793.36 (one hundred ten million three hundred seventy-five thousand seven hundred ninety-three and 36) cents is fully paid. It is divided into 380,606,184 (three hundred eighty million six hundred six thousand one hundred eighty-four) ordinary shares with a par value of twenty nine (0.29) euro cents, 72.32 % of the shares (275,241,290 shares) are owned by the State of Lithuania, represented by the Ministry of Energy.

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 2018 and 2017. 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 2018 and 31 March 2017 the shareholders of the Company were:

	31 March 2018		31 March 2017	
	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)	275,241	72.32	275,241	72.32
Concern UAB Achemos grupė (Jonalaukis village, Jonava district, 156673480)	39,148	10.29	38,975	10.24
Other (less than 5 per cent each)	66,217	17.39	66,390	17.44
Total	380,606	100.00	380,606	100.00

The average number of employees on 31 March 2018 was 390 (374 – on 31 March 2017).

### 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 Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (hereinafter the EU).

The 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 2017. The principles used in preparation of financial statements were presented in more detail in the Notes to the Financial Statements for 2017.

These financial statements have been prepared on a historical cost basis.

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

During the three months of 2018 the Company continued works in the following projects:

- Liquefied natural gas (LNG) onshore reloading station - The construction of Company's LNG reloading station is nearly finished. It is in commissioning mode right now. As of 31 March 2018 the value of constructions in progress amounted to EUR 29,257 thousand (During the three months of the year 2018 investment amounted to EUR 483 thousand).
- LFO (i.e. light oil products) storage tanks park development. Investment for additional 7 (seven) storage tanks to build. As of 31 March 2018 the value of constructions in progress amounted to EUR 7,312 thousand (During the three months of the year 2018 investment amounted to EUR 627 thousand).
- The second stage investment in the expansion of the light oil products storage tank park. The project started in July 2017. As of 31 March 2018 the value of construction in progress amounted to EUR 2,497 thousand (During the three months of the year 2018 investment amounted to EUR 1,433 thousand).
- Fuel oil tanks for treatment of contaminated water (2 x 4200 m3 construction). As of 31 March 2018 the value of constructions in progress amounted to EUR 2,880 thousand (During the three months of the year 2018 there were no investment to this project).
- Development of the railroad tracks (comprise of the acquired equipment). As of 31 March 2018 the value of construction in progress amounted to EUR 1,626 thousand. (During the three months of the year 2018 there were no investment to this project).
- Other investment. As of 31 March 2018 the value of constructions in progress amounted to EUR 2,266 thousand (During the three months of the year 2018 investment amounted to EUR 33 thousand).

Part of the Company's property, plant and equipment with the acquisition cost of EUR 31,682 thousand as on 31 March 2018 was completely depreciated (EUR 31,218 thousand on 31 December 2017), however, it was still in operation.

The depreciation of the Company's non-current tangible assets for the three months of 2018 amounts to EUR 3,336 thousand (EUR 3,380 thousand – in 2017 three months), EUR 3,319 thousand of depreciation charge has been included into cost of sales (EUR 3,322 thousand – in 2017 three months), EUR 2 thousand was reimbursement of the costs according the grant agreement (EUR 3 thousand – in 2017 three months) and the remaining amount EUR 47 thousand (EUR 50 thousand – in 2017 three months) has been included into operating expenses in the Statement of comprehensive income.

### 4 OPERATING SEGMENTS

The Management of the Company has identified the following business segments:

- KNF – oil terminal in Klaipėda supplying oil products, providing transshipment and other related services;
- SGD – LNG terminal in Klaipėda, which receives and stores liquefied natural gas, regasifies it and supplies to Gas Main;
- SNT - Subačius oil terminal in Kupiškis district provides services of long-term storage of oil products and loading of auto-tankers;
- GDP – LNG related business development which includes LNG reloading station activities and development of other LNG projects.

Main indicators of the business segments of the Company included into the statement of comprehensive income for the financial year as of 31 March 2018 and Statement of financial position as of 31 March 2017, are described below:

#### 4 OPERATING SEGMENTS (CONT'D)

For the three months period ended 31 March 2018	SGD	SNT	GDP	KNF	Total
Revenues from external customers	16,571	627	217	10,408	27,823
Profit before income tax	2,366	153	(286)	4,654	6,887
Segment net profit	2366	153	(286)	4,521	6,754
Interest revenue	11	-	-	-	11
Interest expense	44	-	5	2	51
Depreciation and amortisation	1,386	217	3	1,816	3,422
Impairment and write-off of non-current tangible assets	-	-	-	(132)	(132)
Acquisitions of tangible and intangible assets	166	15	422	2,223	2,826
Segment total assets*	65,530	12,805	30,599	111,304	220,238
Financial liabilities	76,457	-	(55)	3	76,405
Segment total liabilities	84,542	197	7,766	7,448	99,953

For the three months period ended 31 March 2017	SGD	SNT	GDP	KNF	Total
Revenues from external customers	18,546	587	-	8,147	27,280
Profit before income tax	2,692	111	(163)	2,617	5,257
Segment net profit (loss)	2,464	102	(149)	2,395	4,812
Interest revenue	7	-	-	-	7
Interest expense	37	-	-	-	37
Depreciation and amortisation	1,408	233	-	1,785	3,426
Impairment and write-off of non-current tangible assets	-	-	-	(60)	(60)
Acquisitions of tangible and intangible assets	194	214	982	5,790	7,180
Segment total assets*	71,426	1,140	12,750	116,487	201,803
Loan and related liabilities	29,693	-	-	-	29,693
Segment total liabilities	38,078	175	4,055	5,551	47,859

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

#### 5 LONG-TERM RECEIVABLES AND ACCRUED INCOME

	31-03-2018	31-12-2017
Long-term accrued income	2,494	2,628

Subačius fuel storage reservoirs rent agreement signed with the Lithuanian petroleum products Agency in 2012 for the duration of 10 years is treated as operating leasing contract. The rent tariffs are different for the first 5 years and for the remaining period, Therefore, the rent income is recognised on a straight line basis over the lease term, i.e. the income is calculated on average tariff of the all leasing term (10 years).

#### 6 INVENTORIES

	31-03-2018	31-12-2017
Diesel fuel for the LNG Terminal purpose	747	770
Natural gas	613	221
Fuel for transport and other equipment	26	34
Spare parts, construction materials and other inventories	1,243	1,218
	2,629	2,243
Write-down of spare parts, construction materials and other inventories	(1,114)	(1,117)
	1,515	1,126

As of 31 March 2018 the Company had accounted write-off of inventories in the amount of EUR 1,114 thousand (EUR 1,117 thousand on 31 December 2017), that have been written off down to the net realisable value. The Company makes write-off the inventories to the net realisable value if they are not used for more than 6 months. Write-off has been accounted for mostly construction materials and spare parts, which were not used during the reconstruction (1996 – 2005).

Reversal of write-off of inventories to the net realizable value of EUR 3 thousand for the three months ended of 31 March 2018 (31 December 2017 - EUR 8 thousand) are included under operating expenses in the profit (loss).

## 6 INVENTORIES (CONT'D)

As of 31 March 2018 the Company stored 1,4 thousand MWh (As of 31 December 2017 – 1,4 thousand MWh) (the quantities are unaudited) natural gas in the connecting pipeline for the Liquefied natural gas terminal activities. As of 31 March 2018 in the Liquefied natural gas reloading station the Company owned 13,3 thousand MWh natural gas for the purpose of debugging and commissioning works (As of 31 December 2017 – 4,6 thousand MWh).

Oil products for sale are energy products collected in the Waste Water Treatment Facilities. On 31 March 2018 and 31 December 2017 the Company didn't have such products.

As of 31 March 2018 the Company stored 240 thousand tons of oil products delivered for transshipment in its storage tanks (198 thousand tons as on 31 December 2017) (the quantities are unaudited). Such oil products are not recognised in the Company's financial statements, they are accounted for in the off-balance sheet accounts as the Company has no ownership rights into oil products. The oil products belonged to third parties are insured by the Company in order to cover the loss or damages incurred (if any).

As of 31 March 2018 the Company stored 462 thousand MWh (As of 31 December 2017 – 919 thousand MWh) (the quantities are unaudited) of natural gas products delivered for transshipment in the Liquefied natural gas terminal. Such natural gas products are not recognised in the Company's financial statements. They are accounted for in the off-balance sheet accounts as the Company has no ownership rights for these products. The Company is responsible for the insurance of the products.

As of 31 March 2018 in the Liquefied natural gas reloading station the Company stored 3 thousand MWh natural gas products, belonged to the third parties (As of 31 December 2017 – 23 thousand MWh) (the quantities are unaudited). Such natural gas products are not recognised in the Company's financial statements. They are accounted for in the off-balance sheet accounts as the Company has no ownership rights for these products.

## 7 TRADE RECEIVABLES

	31-03-2018	31-12-2017
Receivables from LNG terminal activities	9,489	9,489
Receivables for trans-shipment of oil products and other related services	3,436	3,271
Less: impairment allowance	(696)	(762)
	<u>12,229</u>	<u>11,998</u>

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

## 8 OTHER RECEIVABLES AND ACCRUED INCOME

	31-03-2018	31-12-2017
Short-term accrued income for storage of oil products	952	597
Real estate tax receivable	1	33
Receivable grant	10	9
VAT receivable	77	4
Other receivables	45	124
	<u>1,085</u>	<u>767</u>

## 9 SHORT TERM DEPOSITS

	31-03-2018	31-12-2017
Short-term bank deposits at the commercial bank	60,000	65,000

As of 31 March 2018 the Company had 2 term deposits at banks, amounted to EUR 60,000 thousand, with maturity of more than 3 months (As of 31 December 2017 – EUR 65,000 thousand).

## 10 CASH AND CASH EQUIVALENTS

	31-03-2018	31-12-2017
Cash at bank	26,813	16,747

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

Currency	31-03-2018	31-12-2017
EUR	21,568	12,374
USD	5,245	4,373
	<u>26,813</u>	<u>16,747</u>

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

	31-03-2018	31-12-2017
A +	867	663
AA -	17,369	8,918
A -	3,447	-
A	5,130	7,166
	<u>26,813</u>	<u>16,747</u>

The maximum exposure of these investments to credit risk at the reporting date was represented by carrying value of the securities and term deposits, classified as investments held to maturity.

## 11 FINANCIAL LIABILITIES

	31-03-2018	31-12-2017
European Investment Bank's loan	54,551	54,351
Nordic Investment Bank's loan	21,805	22,000
Payable loan interest	50	28
	<u>76,406</u>	<u>76,379</u>

## 12 TRADE DEBTS AND OTHER PAYABLES

	31-03-2018	31-12-2017
Payables for FSRU operating leasing	4,726	4,482
Payable to contractors	4,749	7,185
Payable for rent of land	328	393
Payable for gas services	242	371
Payable for railway services	92	291
Other trade payables	384	919
	<u>10,521</u>	<u>13,641</u>

On 31 March 2018 trade payables of EUR 4,443 thousand were denominated in USD (EUR 4,202 thousand – on 31 December 2017).

### 13 LIABILITIES RELATED TO LABOUR RELATIONS

	31-03-2018	31-12-2017
Accrual of annual bonuses	287	1,246
Accrued vacation reserve	1,098	1,052
Salaries payable	1,004	11
Social insurance payable	640	368
Income tax payable	233	3
	<u>3,262</u>	<u>2,680</u>

### 14 OTHER CURRENT LIABILITIES

	31-03-2018	31-12-2017
Accrued tax expenses and liabilities	784	289
Accrued expenses and liabilities	503	519
Other liabilities	25	91
	<u>1,312</u>	<u>899</u>

Other liabilities are non-interest bearing and have an average term of one month.

### 15 SALES INCOME

	For the three months period ended 31 March 2018	For the three months period ended 31 March 2017
Income from LNGT services regulated by NCC	16,625	18,546
Sales of oil transshipment services	10,603	7,230
Other sales related to transshipment	595	277
Income from sale of inventory	-	1,227
	<u>27,823</u>	<u>27,280</u>

Other sales related to transshipment include moorage, sales of fresh water, transportation of crew and other sales related to transshipment.

## 16 COST OF SALES

	For the three months period ended 31 March 2018	For the three months period ended 31 March 2017
FSRU lease and other related expenses	(11,334)	(13,047)
Depreciation and amortization	(3,351)	(3,354)
Wages, salaries and social security	(1,785)	(1,699)
Railway services	(661)	(461)
Natural gas	(1,102)	(633)
Rent of land and quays	(579)	(562)
Electricity	(479)	(346)
Insurance services	(106)	(112)
Tax on environmental pollution	(48)	(14)
Tax on real estate	(76)	(114)
Repair and maintenance of assets	(112)	(133)
Transport	(66)	(66)
Services for tankers	(63)	(44)
Work safety costs	(27)	(14)
Rent of facilities	(17)	(17)
Other	(114)	(138)
	<u>(19,920)</u>	<u>(20,754)</u>

## 17 INCOME (EXPENSES) FROM FINANCIAL AND INVESTMENT ACTIVITIES – NET

	For the three months period ended 31 March 2018	For the three months period ended 31 March 2017
Interest income	11	7
Fines income	110	-
Financial income, total	<u>121</u>	<u>7</u>
(Losses) from currency exchange	(43)	(11)
Interest expenses	(51)	(37)
Other financial activity expenses	(1)	(4)
Financial activity expenses, total	<u>(95)</u>	<u>(52)</u>

## 18 EARNINGS PER SHARE, BASIC AND DILUTED

Basic earnings per share are calculated by dividing net profit of the Company by the number of the shares available, Diluted earnings per share equal to basic earnings per share as the Company has no instruments issued that could dilute shares issued, Basic and diluted earnings per share are as follows:

	For the three months period ended 31 March 2018	For the three months period ended 31 March 2017
Net profit attributable to shareholders	6,754	4,812
Weighted average number of ordinary shares (thousand)	<u>380,606</u>	<u>380,606</u>
Earnings per share (in EUR)	<u>0.02</u>	<u>0.01</u>

## 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 Company and transactions with them during the three months of 2018 and 2017 were as follows:

Transactions with Lithuanian State controlled enterprises and institutions:

		Purchases	Sales	Receivables	Payables
State Enterprise Klaipėda State Seaport Authority owned by the State of Lithuania represented by the Ministry of transportation	2018 three months	579	-	-	328
	2017 three months	578	-	-	169
AB Lietuvos geležinkeliai owned by the State of Lithuania represented by the Ministry of transportation	2018 three months	685	-	-	92
	2017 three months	469	-	-	63
AB Lesto, owned by the State of Lithuania represented by the Ministry of Energy	2018 three months	-	-	-	-
	2017 three months	-	-	-	-
AB Lietuvos dujos	2018 three months	796	56	68	242
	2017 three months	669	76	-	254
UAB Lietuvos dujų tiekimas	2018 three months	-	16,410	9,355	-
	2017 three months	-	18,215	9,507	-
AB Amber Grid	2018 three months	-	668	808	-
	2017 three months	-	664	803	-
VĮ Lietuvos naftos produktų agentūra	2018 three months	-	130	55	-
	2017 three months	-	251	79	-
UAB LITGAS	2018 three months	196	-	-	79
	2017 three months	164	-	-	60
AB Energijos skirstymo operatorius	2018 three months	281	-	-	121
	2017 three months	181	-	-	58
UAB Energijos tiekimas	2018 three months	-	-	-	-
	2017 three months	-	4	3	-
Other related parties	2018 three months	2,538	17,263	10,286	861
	2017 three months	2,061	19,210	10,392	604

### Remuneration to the Management and other payments

The Company's Management is comprised of Chief Executive Officer, Heads of Divisions and Functional Managers.

	For the three months period ended 31 March 2018	For the three months period ended 31 March 2017
Labour related disbursements	862	840
Number of managers	38	36

During the three months of the years 2018 and 2017 the Management of the Company did not receive any loans, guarantees, or any other payments or property transfers were made or accrued.

## 20 SUBSEQUENT EVENTS

AB Klaipėdos nafta and the Swiss-registered company K2 SAGL on 4 April 2018 have signed an agreement on the provision of oil product transshipment services at AB Klaipėdos nafta terminal (hereinafter – the Contract).

The Contract is concluded for a one year term. This Contract shall guarantee an additional volume of oil products at the Company's oil terminal located in Klaipėda.

The main terms of the Contract is approved by the Board of the Company as provided for in the Articles of Association of the Company.

On the initiative and by the resolution of the Board of the Company on 27 March 2018 and by the additional resolution of the Board of the Company on 16 April 2018 an ordinary General Meeting of Shareholders of the Company will be held on 27 April 2018.

Agenda of the meeting (including its supplemented issue):

1. On the announcement of the Auditor's Report regarding the Financial Statements and Annual Report of the Company for the year 2017 to the shareholders.
2. On the announcement of the Annual Report of the Company for the year 2017 to the shareholders.
3. On the approval of the audited Financial Statements of the Company for the year 2017.
4. On the appropriation of profit (loss) of the Company for the year 2017.
5. On confirmation of Guidelines on determination the remuneration for the activity in AB Klaipėdos Nafta collegial bodies.
6. On the election of the members of the Supervisory Board of AB Klaipėdos Nafta.
7. On confirmation of remuneration to the independent Supervisory board members of AB Klaipėdos Nafta and approval of standard contract form of AB Klaipėdos Nafta independent supervisory board member.

No more significant subsequent 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, Mindaugas Jusius, Chief Executive Officer of AB Klaipėdos Nafta, Mindaugas Jurkaitis, Temporary 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 Financial Statements of AB Klaipėdos Nafta for the three months period ended on 31 March 2018, 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

Mindaugas Jusius

Acting Chief Financial Officer

Mindaugas Jurkaitis

Chief Accountant

Rasa Tamaliūnaitė