



**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 TWELVE MONTHS PERIOD ENDED 31 DECEMBER 2021  
(UNAUDITED)**

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## STATEMENT OF FINANCIAL POSITION

	Notes	Group		Company	
		31-12-2021 <i>(unaudited)</i>	31-12-2020 <i>(audited)</i>	31-12-2021 <i>(unaudited)</i>	31-12-2020 <i>(audited)</i>
<b>ASSETS</b>					
<b>Non-current assets</b>					
Intangible assets		456	496	256	288
Property, plant and equipment	3	150,686	201,845	150,565	201,719
Right-of-use assets	3	338,256	357,053	338,256	357,053
Non-current contract assets and long-term receivables	7	-	349	-	349
Investment in subsidiaries		-	-	4,578	4,553
Investment in associates		226	256	226	256
Deferred income tax asset		3,698	-	3,698	-
<b>Total non-current assets</b>		<b>493,322</b>	<b>559,999</b>	<b>497,579</b>	<b>564,218</b>
<b>Current assets</b>					
Inventories	5	1,798	2,415	1,796	2,397
Trade receivables and other receivables	6	11,643	10,646	10,636	9,941
Contract assets	7	612	1,311	612	1,311
Prepaid income tax		-	349	-	349
Short term deposits	8	-	24,000	-	24,000
Other financial assets	9	3,271	1,898	3,271	1,898
Cash and cash equivalents	10	61,517	51,076	57,148	47,433
<b>Total current assets</b>		<b>78,841</b>	<b>91,695</b>	<b>73,463</b>	<b>87,329</b>
<b>Total assets</b>		<b>572,163</b>	<b>651,694</b>	<b>571,042</b>	<b>651,547</b>

(cont'd on the next page)

Explanatory notes are an integral part of these financial statements.

## STATEMENT OF FINANCIAL POSITION (CONT'D)

	Notes	Group		Company	
		31-12-2021 <i>(unaudited)</i>	31-12-2020 <i>(audited)</i>	31-12-2021 <i>(unaudited)</i>	31-12-2020 <i>(audited)</i>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	1	110,315	110,505	110,315	110,505
Share premium		4,002	4,002	4,002	4,002
Own shares		-	(267)	-	(267)
Reserve		94,604	68,947	94,604	68,947
Foreign currency translation reserve		(82)	(72)	-	-
Retained earnings		(64,044)	33,211	(64,888)	33,272
<b>Total equity</b>		<b>144,795</b>	<b>216,326</b>	<b>144,033</b>	<b>216,459</b>
<b>Non-current amounts payable and liabilities</b>					
Deferred income tax liability		-	8,605	-	8,605
Non-current employee benefits		707	632	707	632
Loans	11	116,044	92,704	116,044	92,704
Deferred government grants	12	5,771	5,817	5,771	5,817
Lease liabilities	11	243,430	265,339	243,412	265,339
<b>Total non-current amounts payable and liabilities</b>		<b>365,952</b>	<b>373,097</b>	<b>365,934</b>	<b>373,097</b>
<b>Current amounts payable and liabilities</b>					
Current employee benefits		49	43	49	43
Loans	11	3,879	3,806	3,879	3,806
Lease liabilities	11	43,675	40,280	43,668	40,280
Trade payables and other liabilities	13	3,695	7,946	3,513	7,720
Derivatives	14	15	1,946	15	1,946
Payroll related liabilities	15	2,669	2,731	2,517	2,677
Provisions		3,596	1,709	3,596	1,709
Contract liabilities		3,838	3,810	3,838	3,810
<b>Total current amounts payable and liabilities</b>		<b>61,416</b>	<b>62,271</b>	<b>61,075</b>	<b>61,991</b>
<b>Total equity and liabilities</b>		<b>572,163</b>	<b>651,694</b>	<b>571,042</b>	<b>651,547</b>

Explanatory notes are an integral part of these financial statements.

## STATEMENT OF COMPREHENSIVE INCOME

	Notes	Group		Group	
		For the twelve months period ended 31 December 2021 <i>(unaudited)</i>	For the three months period ended 31 December 2021 <i>(unaudited)*</i>	For the twelve months period ended 31 December 2020 <i>(audited)</i>	For the three months period ended 31 December 2020 <i>(unaudited)</i>
Revenue from contracts with customers	16	61,811	15,471	80,114	19,321
Cost of sales	17	(53,109)	(13,261)	(50,960)	(14,250)
<b>Gross profit</b>		<b>8,702</b>	<b>2,210</b>	<b>29,154</b>	<b>5,071</b>
Operating expenses	18	(61,928)	(2,487)	(9,811)	(3,069)
Other income and (expenses)		62	34	36	13
<b>Profit from operating activities</b>		<b>(53,164)</b>	<b>(243)</b>	<b>19,379</b>	<b>2,015</b>
Income from financial activities	19	1,987	238	28,897	14,199
Expenses from financial activities	19	(24,557)	(8,225)	(4,550)	(2,381)
Share of the associate's profit or (loss)		(32)	21	113	113
<b>Profit (loss) before tax</b>		<b>(75,766)</b>	<b>(8,209)</b>	<b>43,839</b>	<b>13,946</b>
Income tax (expenses)		11,837	1,814	(9,881)	(4,180)
<b>Profit (loss) for the year</b>		<b>(63,929)</b>	<b>(6,395)</b>	<b>33,958</b>	<b>9,766</b>
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)		(63)	(63)	(353)	(353)
Exchange differences on translation of foreign operations		(10)	12	(72)	51
Related taxes		9	9	53	53
<b>Total comprehensive income, net of tax</b>		<b>(63,993)</b>	<b>(6,437)</b>	<b>33,586</b>	<b>9,517</b>
<b>Profit attributable to:</b>					
The shareholders of the Company		(63,929)	(6,395)	33,958	9,766
Non-controlling interests		-	-	-	-
<b>Total comprehensive income attributable to:</b>					
The shareholders of the Company		(63,993)	(6,437)	33,586	9,517
Non-controlling interests		-	-	-	-
Basic and diluted earnings (losses) per share, in EUR	20	(0.17)	(0.02)	0.09	0.03

Explanatory notes are an integral part of these financial statements.

## STATEMENT OF COMPREHENSIVE INCOME (CONT'D)

\*The Group has accounted additional impairment for Klaipėda oil terminal's non-current assets, amounting to EUR 3,222 thousand, as of 31 August 2021, thus the impairment costs and related deferred income tax was restated.

	Announced figures for the nine months period ended 30 September 2021	Correction amount	Restated figures for the nine months period ended 30 September 2021
Cost of sales	(39,864)	16	(39,848)
Operating expenses	(56,220)	(3,221)	(59,441)
Income tax (expenses)	9,542	481	10,023
<b>Profit (loss) for the year</b>	<b>(54,810)</b>	<b>(2,724)</b>	<b>(57,534)</b>

## STATEMENT OF COMPREHENSIVE INCOME (CONT'D)

	Notes	Company		Company	
		For the twelve months period ended 31 December 2021 <i>(unaudited)</i>	For the three months period ended 31 December 2021 <i>(unaudited)*</i>	For the twelve months period ended 31 December 2020 <i>(audited)</i>	For the three months period ended 31 December 2020 <i>(unaudited)</i>
Revenue from contracts with customers	16	58,633	14,670	77,474	18,992
Cost of sales	17	(52,144)	(13,017)	(50,191)	(14,017)
<b>Gross profit</b>		<b>6,489</b>	<b>1,653</b>	<b>27,283</b>	<b>4,975</b>
Operating expenses	18	(61,160)	(2,366)	(8,787)	(3,019)
Other income and (expenses)		62	34	36	13
<b>Profit from operating activities</b>		<b>(54,609)</b>	<b>(679)</b>	<b>18,532</b>	<b>1,969</b>
Income from financial activities	19	1,969	199	28,896	14,200
Expenses from financial activities	19	(24,456)	(8,146)	(4,438)	(2,405)
Share of the associate's profit or (loss)		(32)	21	113	113
<b>Profit (loss) before tax</b>		<b>(77,128)</b>	<b>(8,605)</b>	<b>43,103</b>	<b>13,877</b>
Income tax (expenses)		12,294	1,978	(9,608)	(3,978)
<b>Profit (loss) for the year</b>		<b>(64,834)</b>	<b>(6,627)</b>	<b>33,495</b>	<b>9,899</b>
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)		(63)	(63)	(353)	(353)
Exchange differences on translation of foreign operations		-	-	-	-
Related taxes		9	9	53	53
<b>Total comprehensive income, net of tax</b>		<b>(64,888)</b>	<b>(6,681)</b>	<b>33,195</b>	<b>9,599</b>
Basic and diluted earnings (losses) per share, in EUR					
	20	-	-	-	-

Explanatory notes are an integral part of these financial statements.

\*The Company has accounted additional impairment for Klaipėda oil terminal's non-current assets, amounting to EUR 3,222 thousand, as of 31 August 2021, thus the impairment costs and related deferred income tax was restated.

	Announced figures for the nine months period ended 30 September 2021	Correction amount	Restated figures for the nine months period ended 30 September 2021
Cost of sales	(39,143)	16	(39,127)
Operating expenses	(55,573)	(3,221)	(58,794)
Income tax (expenses)	9,835	481	10,316
<b>Profit (loss) for the year</b>	<b>(55,483)</b>	<b>(2,724)</b>	<b>(58,207)</b>

## 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
<b>Balance as of 31 December 2019 (audited)</b>		<b>110,476</b>	<b>3,993</b>	<b>(267)</b>	<b>11,038</b>	<b>15,929</b>	<b>42,057</b>	<b>-</b>	<b>7,423</b>	<b>190,649</b>
Net profit (loss) for the twelve months		-	-	-	-	-	-	-	33,958	33,958
Other comprehensive income		-	-	-	-	-	-	(72)	(300)	(372)
Total comprehensive income		-	-	-	-	-	-	(72)	33,658	33,586
Dividends declared		-	-	-	-	-	-	-	(7,947)	(7,947)
Increase in share capital	1	29	9	-	-	-	-	-	-	38
Transfer between reserves		-	-	-	10	-	(87)	-	77	-
<b>Balance as of 31 December 2020 (audited)</b>		<b>110,505</b>	<b>4,002</b>	<b>(267)</b>	<b>11,048</b>	<b>15,929</b>	<b>41,970</b>	<b>(72)</b>	<b>33,211</b>	<b>216,326</b>
Net profit (loss) for the twelve months		-	-	-	-	-	-	-	(63,929)	(63,929)
Other comprehensive income		-	-	-	-	-	-	(10)	(54)	(64)
Total comprehensive income		-	-	-	-	-	-	(10)	(63,983)	(63,993)
Dividends declared		-	-	-	-	-	-	-	(7,538)	(7,538)
Decrease in share capital	1	(190)	-	267	-	-	-	-	(77)	-
Transfer between reserves		-	-	-	3	-	25,654	-	(25,657)	-
<b>Balance as of 31 December 2021 (unaudited)</b>		<b>110,315</b>	<b>4,002</b>	<b>-</b>	<b>11,051</b>	<b>15,929</b>	<b>67,624</b>	<b>(82)</b>	<b>(64,044)</b>	<b>144,795</b>

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
<b>Balance as of 31 December 2019 (audited)</b>		<b>110,476</b>	<b>3,993</b>	<b>(267)</b>	<b>11,038</b>	<b>15,929</b>	<b>42,057</b>	<b>7,947</b>	<b>191,173</b>
Net profit for the twelve months		-	-	-	-	-	-	33,495	33,495
Other comprehensive income		-	-	-	-	-	-	(300)	(300)
Total comprehensive income		-	-	-	-	-	-	33,195	33,195
Dividends declared		-	-	-	-	-	-	(7,947)	(7,947)
Increase in share capital	1	29	9	-	-	-	-	-	38
Transfer between reserves		-	-	-	10	-	(87)	77	-
<b>Balance as of 31 December 2020 (audited)</b>		<b>110,505</b>	<b>4,002</b>	<b>(267)</b>	<b>11,048</b>	<b>15,929</b>	<b>41,970</b>	<b>33,272</b>	<b>216,459</b>
Net profit (loss) for twelve months		-	-	-	-	-	-	(64,834)	(64,834)
Other comprehensive income		-	-	-	-	-	-	(54)	(54)
Total comprehensive income		-	-	-	-	-	-	(64,888)	(64,888)
Dividends declared		-	-	-	-	-	-	(7,538)	(7,538)
Decrease in share capital	1	(190)	-	267	-	-	-	(77)	-
Transfer between reserves		-	-	-	3	-	25,654	(25,657)	-
<b>Balance as of 31 December 2021 (unaudited)</b>		<b>110,315</b>	<b>4,002</b>	<b>-</b>	<b>11,051</b>	<b>15,929</b>	<b>67,624</b>	<b>(64,888)</b>	<b>144,033</b>

Explanatory notes are an integral part of these financial statements.

## CASH FLOW STATEMENT

	Notes	Group		Company	
		For the twelve months period ended 31 December 2021 (unaudited)	For the twelve months period ended 31 December 2020 (audited)	For the twelve months period ended 31 December 2021 (unaudited)	For the twelve months period ended 31 December 2020 (audited)
<b>Cash flows from operating activities</b>					
Net profit (loss)		(63,929)	33,958	(64,834)	33,495
<b>Adjustments for non-cash items</b>					
Depreciation and amortization	3	25,646	26,489	25,565	26,459
Impairment of non-current assets		54,338	(1)	54,338	(1)
Change in vacation reserve	15	(312)	(1)	(319)	(42)
Change in provisions		1,887	1,637	1,887	1,637
Change in non-current liabilities for employees		18	41	18	41
Contract assets	7	1,048	469	1,048	469
Income tax expenses		(11,837)	9,881	(12,294)	9,608
Share of (profit) or loss of equity-accounted investees		32	(113)	32	(113)
Change in allowance for doubtful trade and other receivables	6, 18	(711)	1,855	(711)	1,855
Interest income	19	(13)	(53)	(13)	(53)
Interest expenses	19	2,279	2,456	2,278	2,404
Other financial expenses		(1,898)	2,092	(1,898)	2,092
Currency impact from lease liabilities	19	22,073	(28,765)	22,073	(28,765)
Other non-cash adjustments		942	782	922	790
		<b>29,563</b>	<b>50,727</b>	<b>28,092</b>	<b>49,876</b>
<b>Changes in working capital</b>					
(Increase) decrease in inventories	5	617	(10)	600	8
Decrease (increase) in trade and other accounts receivable	6	(1,610)	(252)	(1,392)	493
Increase (decrease) in trade and other payables	13	(4,377)	(627)	(4,231)	(597)
Increase (decrease) in contract liabilities		28	390	28	390
Increase (decrease) in payroll related liabilities	15	(672)	(777)	(735)	(723)
		<b>23,549</b>	<b>49,451</b>	<b>22,362</b>	<b>49,447</b>
Income tax (paid)		(440)	(27)	-	-
Interest received	19	13	53	13	53
Net cash flows from (used in) operating activities		<b>23,122</b>	<b>49,477</b>	<b>22,375</b>	<b>49,500</b>
<b>Cash flows from investing activities</b>					
(Acquisition) of property, plant, equipment and intangible assets	4	(9,026)	(6,926)	(8,989)	(6,573)
Income from sales of non-current assets		27	-	27	-
Short term deposits (placed)/received	8	24,000	(3,000)	24,000	(3,000)
(Acquisition) of other investments		(2)	-	(27)	-
Dividends received		-	54	-	54
Grants, subsidies received		302	289	302	289
Net cash flows from (used in) investing activities		<b>15,301</b>	<b>(9,583)</b>	<b>15,313</b>	<b>(9,230)</b>

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## CASH FLOW STATEMENT (CONT'D)

	Notes	Group		Company	
		For the twelve months period ended 31 December 2021 <i>(unaudited)</i>	For the twelve months period ended 31 December 2020 <i>(audited)</i>	For the twelve months period ended 31 December 2021 <i>(unaudited)</i>	For the twelve months period ended 31 December 2020 <i>(audited)</i>
<b>Cash flows from financing activities</b>					
Dividends (paid)		(7,538)	(7,947)	(7,538)	(7,947)
Loans received	11	26,829	26,829	26,829	26,829
Loans paid		(3,492)	(3,387)	(3,492)	(3,387)
Interest and fee related to loans (paid)		(255)	(156)	(255)	(156)
Guarantee fees (paid)		(146)	(474)	(146)	(474)
Lease liabilities (paid)	11	(41,459)	(43,548)	(41,455)	(43,548)
Interest on lease liabilities (paid)		(1,917)	(2,000)	(1,916)	(2,000)
Net cash flows from (used in) financing activities		<b>(27,978)</b>	<b>(30,683)</b>	<b>(27,973)</b>	<b>(30,683)</b>
<b>Net increase (decrease) in cash flows</b>					
		<b>10,441</b>	<b>9,211</b>	<b>9,715</b>	<b>9,587</b>
Cash and cash equivalents on 1 January	10	<b>51,076</b>	<b>41,865</b>	<b>47,433</b>	<b>37,846</b>
Cash and cash equivalents on 31 December	10	<b>61,517</b>	<b>51,076</b>	<b>57,148</b>	<b>47,433</b>

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 Ministry of Finance of the Republic of Lithuania granted the Company permission to decrease the authorised capital of the Company by cancelling 655,808 units of Company’s acquired own shares which each nominal value EUR 0.29

During the year of 2021 and 2020 the Company has not acquired any own shares.

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 December 2021 and 31 December 2020 the shareholders of the Company were:

	31 December 2021		31 December 2020	
	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	72.35
Concern UAB Achemos grupė (Jonalaukis village, Jonava district, 156673480)	39,663	10.43	39,663	10.41
Other (less than 5 per cent each)	65,047	17.10	65,702	17.24
Total	380,397	100.00	381,052	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 December 2021 was 388 (400 – on 31 December 2020).

The average number of employees of the Company on 31 December 2021 was 355 (372 – on 31 December 2020).

## 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 2020. The principles used in preparation of financial statements were presented in more detail in the Notes to the Financial Statements for 2020.

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 40,537 thousand as of 31 December 2021 was completely depreciated (EUR 40,019 thousand on 31 December 2020), however, it was still in operation.

The Group's and the Company's depreciation of property, plant and equipment amounts to EUR 11,408 thousand and EUR 11,378 thousand for the year 2021, respectively (EUR 12,227 and 12,212 thousand – in 2020). In 2021 the depreciation EUR 348 thousand was reduced by amortisation of related grant (EUR 394 thousand – in 2020). EUR 11,245 thousand and EUR 11,169 thousand of depreciation charge has been included into cost of sales of the Group and the Company, respectively (EUR 11,955 and 11,940 thousand – in 2020). The remaining amount EUR 209 thousand (EUR 272 thousand – in 2020) 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 14,329 thousand and EUR 14,324 thousand for the year 2021, respectively (EUR 14,431 thousand in 2020). EUR 14,052 thousand of depreciation charge has been included into cost of sales of both, the Group and the Company (EUR 14,096 thousand in 2020) and the remaining amount of EUR 277 thousand and EUR 272 thousand has been included into operating expenses in the Statement of comprehensive income of the Group and the Company, respectively (EUR 335 thousand in 2020).

### 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 August 2021 the Group's and the Company's management carried out an impairment test in order to determine whether Klaipėda oil terminal CGU's recoverable amount may differ from its carrying amount.

Main indicators for performing impairment test and reassessing possible impairment indications within the Group and the Company in Q3 were related to a complex of risks that materialized throughout the year and are expected to significantly impact future cashflows of CGU of Klaipėda oil terminal:

- Due to sanctions to Belarus introduced by Council Regulation (EU) 2021/1030 of 24th June 2021 no more transit of oil products flows from Belarus are possible and not expected in the future.
- KN client AB Orlen Lietuva plans to invest into deeper crude oil processing. Implementation of mentioned project would enable client to refine higher portion of lighter petroleum products to replace high-sulphur residue products, which currently makes a significant portion of oil products, transshipped via Klaipėda oil terminal.

### 3 NON-CURRENT TANGIBLE ASSETS (CONT'D)

Subsequently after occurrence of the abovementioned events, the management of the Group and the Company revised the projections of future cash flows of Klaipėda oil terminal.

The recoverable amount of CGU was determined at the higher of CGU's fair value less costs of disposal and its value in use. Based on the impairment testing procedures performed it was identified that the value in use is higher and set as a recoverable amount.

Klaipėda oil terminal cash-flows were projected for the period of 2022-2047 as segment is operating in asset-heavy and stable industry, relying on long-term contracts, allowing to execute long term cash flow projections. Moreover, essential part of assets is expected to be fully depreciated by the end of 2047.

Cash flows up to 2026, used in the assessment, are projected based on the assumption made by the management that AB Orlen Lietuva investment would be finished till that date, significantly impacting scope of CGU activity and cash flows in subsequent periods. Operating assumptions used in cash flow calculations are projected based on global oil market forecast from the year 2030, meanwhile, income and expense assumptions for the remaining periods are projected based on 2% growth rate, which is aimed inflation target in order to maintain price stability over the medium term, according to the decision of ECB Governing Council in July 2021.

To determine the value in use of CGU, future pre-tax cash flows are calculated and discounted with a pre-tax discount rate that represents current market valuation of time value of money as well as the significant risks allocated to related assets.

The estimate of value in use was determined using a pre-tax discount rate of 6.65 % (31 December 2020 – 5.8%).

As at 31 December 2021 the Group's and the Company's management revised cash-flow projections made as at 31 August 2021 in order to reflect expected changes in long-term lease contracts, and retrospectively recalculated the amount of impairment as at 31 August 2021. Furthermore, as at 31 December 2021 the management assessed whether there are any indications for additional impairment of property, plant and equipment, intangible assets and other non-current assets, and no such indications were identified.

As a result of impairment testing carried out as of 31 August 2021 for Klaipėda oil terminal CGU, the impairment loss of EUR 54,206 thousand for the CGU's assets with the carrying amount of EUR 139,326 thousand was recognized as follows:

	Carrying amount as of 31 August 2021	Impairment loss recognized in the statement of comprehensive income attributed to the assets	Carrying amount as of 31 August 2021, after impairment
Property, plant and equipment and intangible assets	115,803	(45,049)	70,754
Construction in progress	8,585	(3,342)	5,243
Right-of-use assets	14,938	(5,815)	9,123
	139,326	(54,206)	85,120

#### Sensitivity analysis of Klaipėda oil terminal assets value in use within an impairment test carried out as of 31 August 2021

The major elements impacting the amount of the value in use of Klaipėda oil terminal assets within the individual CGU are income generated from terminal operation and the discount rate applied.

The sensitivity of changes of the elements mentioned above on the impairment are presented below.

#### Reversal of impairment loss / (additional impairment loss)

		Change in discount rate				
		-1.0 p.p.	-0.5 p.p.	0.0 p.p.	+0.5 p.p.	+1.0 p.p.
Change in income projection (other assumptions held constant)	<b>(10.0%)</b>	(21,178)	(25,188)	(28,896)	(32,329)	(35,510)
	<b>(5.0%)</b>	(5,221)	(10,015)	(14,448)	(18,552)	(22,357)
	<b>0.0%</b>	10,735	5,158	-	(4,776)	(9,203)
	<b>5.0%</b>	26,691	20,331	14,448	9,001	3,950
	<b>10.0%</b>	42,648	35,504	28,896	22,777	17,104

Future financial projections are based on several assumptions, a part of which concern macroeconomic factors such as: commodity prices, regional and global market demands, global oil business development will remain beyond the control of the Group and the Company. Changes in mentioned assumptions can affect impairment test results of non-current assets and may result to changes in the financial position and financial results of the Group and the Company. Accordingly, the CGU of Klaipėda oil terminal remains very sensitive to further impairment losses (or reversal of impairment losses) in the future reporting periods.

Separately from major impairment recognition in 2021, the Group and the Company accounted impairment of EUR 214 thousand for the construction in progress (in 2020 the Group and the Company reviewed property, plant and equipment and accounted impairment of EUR

### 3 NON-CURRENT TANGIBLE ASSETS (CONT'D)

384 thousand). The impairment of such non-current asset items was included into operating expenses in the Statement of comprehensive income during the year 2021 and 2020. The management has not identified any indications, that the remaining property, plant and equipment as of 31 December 2021 and 31 December 2020 might be impaired.

### 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;
- comLNG – LNG commercial activities - includes LNG reloading station and execution of other LNG projects.

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

#### Group

For the twelve months period ended 31 December 2021	LNGT	OT	comLNG	Total
Revenues from contracts with customers	34,831	21,427	5,553	61,811
Profit (loss) before income tax	(20,584)	(55,699)	517	(75,766)
Segment net profit (loss)	(16,427)	(47,564)	62	(63,929)
Interest revenue	-	13	-	13
Loan interest expense	481	-	-	481
Interest on financial lease liabilities	1,484	303	13	1,800
Depreciation and amortisation	3,172	6,737	1,408	11,317
Depreciation of right-of-use-assets	13,745	464	120	14,329
Write-off of non-current assets	-	19	-	19
Impairment of non-current asset (reversal)	-	54,338	-	54,338
Acquisitions of tangible and intangible assets	210	8,764	97	9,071
Segment total assets*	377,131	106,872	26,643	510,646
Loan and related liabilities	119,985	(20)	(42)	119,923
Lease liabilities	270,594	14,872	1,639	287,105
Segment total liabilities	408,937	6,075	12,356	427,368

Main indicators of the business segments of the Group and the Company included into the statement of comprehensive income for the twelve months of 2020 and statement of financial position as of 31 December 2020, are described below:

#### Group

For the twelve months period ended 31 December 2020	LNGT	OT	comLNG	Total
Revenues from contracts with customers	43,395	31,414	5,305	80,114
Profit (loss) before income tax	37,443	6,945	(549)	43,839
Segment net profit (loss)	29,169	5,812	(1,023)	33,958
Interest revenue	9	44	-	53
Loan interest expense	349	-	-	349
Interest on lease liabilities	1,737	309	9	2,055
Depreciation and amortisation	3,313	7,253	1,559	12,125
Depreciation of right-of-use-assets	13,752	567	112	14,431
Write-off of non-current assets	-	5	-	5
Impairment of non-current asset (reversal)	-	384	-	384
Acquisitions of tangible and intangible assets	156	6,423	405	6,984
Segment total assets*	394,341	154,827	27,450	576,618
Loan and related liabilities	96,572	(20)	(42)	96,510
Lease liabilities	289,798	15,432	389	305,619
Segment total liabilities	406,923	22,299	6,146	435,368

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	
	31-12-2021	31-12-2020	31-12-2021	31-12-2020
Diesel fuel for the LNG Terminal purpose	234	269	234	269
Oil products for sale	23	499	23	499
Liquefied natural gas	47	48	47	48
Fuel for transport and other equipment	48	39	48	39
Spare parts, construction materials and other inventories	1,446	1,560	1,444	1,542
<b>Total inventories</b>	<b>1,798</b>	<b>2,415</b>	<b>1,796</b>	<b>2,397</b>

As at 31 December 2021 and 31 December 2020 the Group and the Company did not have any inventory items that needed impairment allowance.

## 6 TRADE RECEIVABLES AND OTHER RECEIVABLES

	Group		Company	
	31-12-2021	31-12-2020	31-12-2021	31-12-2020
Trade receivable	9,411	9,551	8,939	9,167
Prepayments	553	391	523	371
Other receivable	1,679	704	1,174	403
<b>Total</b>	<b>11,643</b>	<b>10,646</b>	<b>10,636</b>	<b>9,941</b>

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

Trade receivable disclosed below:

	Group		Company	
	31-12-2021	31-12-2020	31-12-2021	31-12-2020
Receivables from LNG terminal activities	7,435	8,126	7,435	8,202
Receivables for transshipment of oil products and other related services	2,902	3,187	2,902	3,187
Receivable for operating and management services	585	460	113	-
Less: impairment allowance	(1,511)	(2,222)	(1,511)	(2,222)
<b>Total</b>	<b>9,411</b>	<b>9,551</b>	<b>8,939</b>	<b>9,167</b>

The Group and the Company has recognized impairment allowance in the amount of EUR 1,511 thousand on 31 December 2021 (EUR 2,222 thousand on 31 December 2020).

Change in allowance (reverse) for trade receivables for 2021, amounting to EUR 711 thousand (for 2020 – EUR 1,494 thousand) has been included into operating expenses in the statement of the comprehensive income. A part of impaired trade receivables was covered by paying back or taking over the client's surplus of fuel oil – total covered amount EUR 122 thousand. Remaining part was reversed after credit invoices to two clients were issued by the decision of the management.

Other receivables disclosed below:

	Group		Company	
	31-12-2021	31-12-2020	31-12-2021	31-12-2020
VAT receivable	820	151	820	151
Other receivable taxes (1)	505	284	-	-
Excise duty receivable	354	216	354	216
Receivable grant	-	16	-	16
Other receivables	-	37	-	20
<b>Total</b>	<b>1,679</b>	<b>704</b>	<b>1,174</b>	<b>403</b>

(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

	31-12-2021	31-12-2020
<b>Non-current contract assets:</b>		
Accrued rent income (1)	-	349
	-	349
<b>Current contract assets:</b>		
Accrued rent income (1)	349	624
Accrued income (2)	263	687
	612	1,311

- (1) As of 31 December 2021 and 31 December 2020 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 December 2021 and 2020 respectively amounted to 349 thousand EUR and 973 thousand EUR. As of 31 December 2021 total amount of the accrued income is presented under short-term contract assets (EUR 624 thousand as of 2020).

- (2) Accrued income for storage of oil products as of 31 December 2021 and 31 December 2020 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 SHORT TERM DEPOSITS

### The Group and the Company

	31-12-2021	31-12-2020
Short-term bank deposits at the commercial banks	-	24,000

As of 31 December 2021 the Group and the Company had no deposits at banks. As of 31 December 2020, the Group and the Company had 6 term deposits at banks, amounted to EUR 24,000 thousand, with maturity of more than 3 months. Annual interest rate was 0.07% for all 6 agreements signed.

## 9 OTHER FINANCIAL ASSETS

	Group		Company	
	31-12-2021	31-12-2020	31-12-2021	31-12-2020
Excise duty guarantee receivable	3,271	1,271	3,271	1,271
Receivable from SEB bank	-	594	-	594
Derivatives	-	33	-	33
	3,271	1,898	3,271	1,898

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 2021.

## 10 CASH AND CASH EQUIVALENTS

	<b>Group</b>		<b>Company</b>	
	31-12-2021	31-12-2020	31-12-2021	31-12-2020
Cash at bank	61,517	51,076	57,148	47,433

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

Currency	<b>Group</b>		<b>Company</b>	
	31-12-2021	31-12-2020	31-12-2021	31-12-2020
EUR	60,827	46,347	57,145	43,133
USD	3	4,300	3	4,300
BRL	687	429	-	-
	<u>61,517</u>	<u>51,076</u>	<u>57,148</u>	<u>47,433</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:

	<b>Group</b>		<b>Company</b>	
	31-12-2021	31-12-2020	31-12-2021	31-12-2020
A+	6,061	7,246	2,379	4,032
AA -	27,337	34,717	27,337	34,717
BBB+	27,432	8,684	27,432	8,684
BB-	687	429	-	-
	<u>61,517</u>	<u>51,076</u>	<u>57,148</u>	<u>47,433</u>

## 11 LOANS AND LEASE LIABILITIES

### Loans

#### The Group and the Company

	31-12-2021	31-12-2020
Nordic Investment Bank's loan	70,733	45,481
European Investment Bank's loan	49,175	51,133
Guarantee payment to the Ministry of Finance to the Republic of Lithuania	(132)	(134)
Payable loan interest	147	30
	<u>119,923</u>	<u>96,510</u>

### Lease liabilities

	<b>Group</b>		<b>Company</b>	
	31-12-2021	31-12-2020	31-12-2021	31-12-2020
Lease liabilities	287,105	305,619	287,080	305,619

Lease liabilities as at 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
	<u>265,499</u>	<u>16,318</u>	<u>5,086</u>	<u>202</u>	<u>287,105</u>

#### 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
	<u>265,499</u>	<u>16,318</u>	<u>5,086</u>	<u>177</u>	<u>287,080</u>

## 11 LOANS AND LEASE LIABILITIES (CONT'D)

Lease liabilities as of 31 December 2020 can be specified as follows:

### The Group and the Company

	FSRU lease	Land rent	Jetty rent	Other*	Total
Long term lease liabilities	245,026	15,167	5,101	45	265,339
Short term lease liabilities	39,596	320	74	290	40,280
	284,622	15,487	5,175	335	305,619

\* Other comprises lease of transport vehicles, office rent.

## 12 DEFERRED GOVERNMENT GRANTS

### The Group and the Company

	31-12-2021	31-12-2020
<b>Balance at the beginning of the period</b>	<b>5,817</b>	<b>5,988</b>
Received during the year	302	223
Amortisation	(348)	(394)
<b>Balance at the end of the period</b>	<b>5,771</b>	<b>5,817</b>

## 13 TRADE PAYABLES AND OTHER LIABILITIES

	Group		Company	
	31-12-2021	31-12-2020	31-12-2021	31-12-2020
Trade payables	3,053	6,544	3,045	6,511
Other payables and current liabilities	642	1,402	468	1,209
	3,695	7,946	3,513	7,720

Trade payables disclosed below:

	Group		Company	
	31-12-2021	31-12-2020	31-12-2021	31-12-2020
Payable to contractors	740	726	740	726
Payable for rent of land	322	333	322	333
Payable for gas services	313	231	313	231
Other payments related FSRU	257	285	257	285
Payable for railway services	86	65	86	65
Payables for FSRU	-	4,558	-	4,558
Other trade payables	1,335	346	1,327	313
	3,053	6,544	3,045	6,511

On 31 December 2021 trade payables of EUR 3 thousand were denominated in USD (EUR 5,249 thousand – on 31 December 2020).

Trade payables are non-interest bearing and are normally settled on 30-day payment terms.

Other payables and current liabilities disclosed below:

	Group		Company	
	31-12-2021	31-12-2020	31-12-2021	31-12-2020
Accrued expenses and liabilities	327	335	327	335
Other taxes payable	205	-	31	-
Real estate tax payable	90	215	90	207
Subsidies payable to partners	-	532	-	532
Other liabilities	20	320	20	135
	642	1,402	468	1,209

## 14 DERIVATIVES

Derivatives disclosed below:

### The Group and the Company

	31-12-2021	31-12-2020
Derivatives	15	1,946

Due to the specifics of the business, the Group and the Company are exposed to the risk of EUR/USD foreign exchange rate fluctuations due to FSRU lease payments in US dollars and EUR/BRL foreign exchange rate fluctuations due to intercompany transactions with the Group company KN Acu Servicos de Terminal de GNL Ltda. The Group and the Company hedge against changes in EUR/USD and EUR/BRL exchange rates by using futures contracts. When derivatives are realized, the result is recorded in the statement of other comprehensive income each calendar month. The fair value as at the end of reporting period is confirmed by SEB bank. The maturity term of future USD agreements is 31 December 2021. The maturity term for the BRL agreements is 15 June 2022.

## 15 PAYROLL RELATED LIABILITIES

	Group		Company	
	31-12-2021	31-12-2020	31-12-2021	31-12-2020
Accrual of annual bonuses	977	646	930	646
Accrued vacation reserve	818	1,130	759	1,077
Salaries payable	451	518	450	517
Social insurance payable	262	249	217	249
Income tax payable	158	185	158	185
Other deductions	3	3	3	3
	<u>2,669</u>	<u>2,731</u>	<u>2,517</u>	<u>2,677</u>

## 16 REVENUE FROM CONTRACTS WITH CUSTOMERS

	Group		Company	
	For the twelve months period ended 31 December 2021	For the twelve months period ended 31 December 2020	For the twelve months period ended 31 December 2021	For the twelve months period ended 31 December 2020
Income from LNGT services regulated by NERC <sup>1</sup>	27,732	35,729	27,732	35,729
Sales of oil transshipment services	19,066	28,247	19,066	28,247
Other sales related to LNG terminals activity	12,431	11,808	9,050	9,168
Other sales related to transshipment	1,303	2,830	1,304	2,830
Sales of inventories	1,066	344	1,066	344
Sales of consulting services	213	1,156	415	1,156
	<u>61,811</u>	<u>80,114</u>	<u>58,633</u>	<u>77,474</u>

In December 2020 the client of the Company BNK (UK) Limited has informed about the temporary suspension of oil products sales through Klaipėda. In the future tenders announced by BNK Klaipėda will not be indicated as their sales point. All contracts between BNK and the Company remain in force, but the contractual obligations are suspended until further notice.

<sup>1</sup> NERC – National Energy Regulatory Council

## 17 COST OF SALES

	<b>Group</b>		<b>Company</b>	
	For the twelve months period ended 31 December 2021	For the twelve months period ended 31 December 2020	For the twelve months period ended 31 December 2021	For the twelve months period ended 31 December 2020
Depreciation of right-of-use asset	(14,052)	(14,096)	(14,052)	(14,096)
Depreciation and amortisation (incl. amortisation of grants)	(11,076)	(11,815)	(11,001)	(11,785)
Wages, salaries and social security	(7,720)	(8,076)	(7,177)	(7,646)
Expenses related to FSRU rent (OPEX element, management, crew cost)	(5,641)	(5,496)	(5,641)	(5,496)
Emission allowances	(4,274)	(1,805)	(4,274)	(1,805)
Natural gas	(2,184)	(1,560)	(2,184)	(1,560)
Port charges	(1,541)	(1,545)	(1,541)	(1,545)
Electricity	(1,314)	(838)	(1,314)	(838)
Railway services	(934)	(1,458)	(934)	(1,458)
Repair and maintenance of assets	(818)	(782)	(745)	(775)
Cost of oil products sold	(599)	-	(599)	-
Contribution for NERC	(595)	(972)	(595)	(972)
Tax on real estate	(490)	(407)	(490)	(407)
Insurance	(397)	(443)	(343)	(398)
Cleaning expenses	(287)	(208)	(287)	(208)
Work safety costs	(235)	(320)	(235)	(330)
Services for tankers	(155)	(193)	(155)	(193)
Transport	(123)	(284)	(112)	(248)
Other expenses related to FSRU	(112)	(118)	(112)	(118)
Research costs	(57)	(82)	(57)	(82)
Impairment of inventories (reversal)	-	6	-	6
Other	(505)	(468)	(296)	(237)
	<u>(53,109)</u>	<u>(50,960)</u>	<u>(52,144)</u>	<u>(50,191)</u>

## 18 OPERATING EXPENSES

	<b>Group</b>		<b>Company</b>	
	For the twelve months period ended 31 December 2021	For the twelve months period ended 31 December 2020	For the twelve months period ended 31 December 2021	For the twelve months period ended 31 December 2020
Impairment of non-current assets (Note 3)	(54,338)	(384)	(54,338)	(384)
Wages, salaries and social security	(4,963)	(4,688)	(4,667)	(4,254)
Consulting and legal costs	(930)	(472)	(839)	(349)
Telecommunication and IT expenses	(384)	(258)	(355)	(252)
Depreciation of right-of-use asset	(277)	(335)	(272)	(335)
Administration of bank accounts	(277)	(191)	(270)	(189)
Expenses for operating taxes	(227)	(463)	(68)	(55)
Depreciation and amortization	(241)	(310)	(240)	(310)
Salaries and other related expenses to governing bodies	(161)	(156)	(161)	(156)
Advertising and external communication	(95)	(54)	(88)	(44)
Expenses for utilities	(89)	(96)	(87)	(95)
Expenses for refresher courses	(87)	(58)	(81)	(58)
Long-term employee benefits	(61)	(41)	(61)	(41)
Expenses for business trips	(43)	(60)	(43)	(60)
Impairment of doubtful receivables (reversal)	711	(1,855)	711	(1,855)
Other	(466)	(390)	(301)	(350)
	<u>(61,928)</u>	<u>(9,811)</u>	<u>(61,160)</u>	<u>(8,787)</u>

## 19 INCOME (EXPENSES) FROM FINANCIAL AND INVESTMENT ACTIVITIES

	<b>Group</b>		<b>Company</b>	
	For the twelve months period ended 31 December 2021	For the twelve months period ended 31 December 2020	For the twelve months period ended 31 December 2021	For the twelve months period ended 31 December 2020
Gain from derivatives	1,898	-	1,898	-
Fines income	30	75	30	75
Interest income	13	53	13	53
Income from currency exchange on the lease liabilities	-	28,765	-	28,765
Income from currency exchange	-	-	-	-
Other financial income	46	4	28	3
<b>Financial activity income, total</b>	<b>1,987</b>	<b>28,897</b>	<b>1,969</b>	<b>28,896</b>
Losses from currency exchange on the lease liabilities	(22,073)	-	(22,073)	-
Interest on the lease liabilities	(1,800)	(2,055)	(1,798)	(2,055)
Interest expenses	(481)	(349)	(479)	(349)
Losses from currency exchange	(174)	(256)	(105)	(164)
Loss from financial derivatives	-	(1,869)	-	(1,869)
Fines and penalties expenses	(19)	(2)	-	(1)
Other financial activity expenses	(10)	(19)	(1)	-
<b>Financial activity expenses, total</b>	<b>(24,557)</b>	<b>(4,550)</b>	<b>(24,456)</b>	<b>(4,438)</b>

## 20 EARNINGS 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:

<b>Group</b>	For the twelve months period ended 31 December 2021	For the twelve months period ended 31 December 2020
Net profit (loss) attributable to shareholders	(63,929)	33,958
Weighted average number of ordinary shares (thousand)	380,416	381,000
Earnings and reduced earnings (in EUR)	(0.17)	0.09

## 21 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 twelve months of 2021 and 2020 were as follows:

## 21 RELATED PARTY TRANSACTIONS (CONT'D)

### Transactions with Lithuanian State controlled enterprises and institutions and other related parties

#### Group

		Purchases	Sales	Receivable	Payables
State Enterprise Klaipeda State Seaport Authority	2021 twelve months	2,442	-	-	257
	2020 twelve months	2,334	-	-	328
AB "Amber Grid"	2021 twelve months	-	27,732	7,005	-
	2020 twelve months	-	35,729	7,240	-
UAB „Ignitis“	2021 twelve months	4	1,930	339	-
	2020 twelve months	293	2,905	178	-
Public Institution Lithuanian Energy Agency	2021 twelve months	-	3,329	-	-
	2020 twelve months	-	3,133	-	-
Energijos skirstymo operatorius, AB	2021 twelve months	429	-	-	55
	2020 twelve months	459	-	-	64
AB LTG CARGO	2021 twelve months	966	-	-	86
	2020 twelve months	1,529	-	-	65
Other related parties	2021 twelve months	31	-	-	1
	2020 twelve months	67	-	-	-
Transactions with related parties, in total:	2021 twelve months	3,872	32,991	7,344	399
	2020 twelve months	4,682	41,767	7,418	457

#### Company

		Purchases	Sales	Receivable	Payables
State Enterprise Klaipeda State Seaport Authority	2021 twelve months	2,442	-	-	257
	2020 twelve months	2,334	-	-	328
AB "Amber Grid"	2021 twelve months	-	27,732	7,005	-
	2020 twelve months	-	35,729	7,240	-
UAB „Ignitis“	2021 twelve months	4	1,930	339	-
	2020 twelve months	293	2,905	178	-
Public Institution Lithuanian Energy Agency	2021 twelve months	-	3,329	-	-
	2020 twelve months	-	3,133	-	-
Energijos skirstymo operatorius, AB	2021 twelve months	-	294	15	-
	2020 twelve months	-	879	75	-
AB LTG CARGO	2021 twelve months	429	-	-	55
	2020 twelve months	459	-	-	64
KN Acu Servicios de Terminal de GNL Ltda	2021 twelve months	966	-	-	86
	2020 twelve months	1,529	-	-	65
Other related parties	2021 twelve months	31	-	-	1
	2020 twelve months	43	-	-	-
Transactions with related parties, in total:	2021 twelve months	3,872	33,285	7,359	399
	2020 twelve months	4,658	42,646	7,493	457

## 21 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 twelve months period ended 31 December 2021	For the twelve months period ended 31 December 2020	For the twelve months period ended 31 December 2021	For the twelve months period ended 31 December 2020
Payroll related costs	648	691	570	588
Number of managers	10	10	6	6

During the twelve months of 2021 and the twelve months of 2020 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.

## 22 SUBSEQUENT EVENTS

- On 19 January 2022 the Company received the payment, amounting to EUR 1.267 thousand, from AB Amber grid based on the court decision rendered on 29 September 2021.

- Extraordinary General Meeting of Shareholders of the Company, held on 25 February 2022, adopted the following resolutions:

1. Regarding the approval of AB Klaipėdos nafta's Board decision to acquire the floating storage regasification unit (FSRU) INDEPENDENCE:

To approve the decision of AB Klaipėdos nafta Board, to:

- Acquire the following floating storage-regasification unit (FSRU):

1.1. Name of the FSRU – INDEPENDENCE.

1.2. International Maritime Organization identification number - 9629536.

- Approve the following terms for FSRU INDEPENDENCE acquisition which are predetermined in the Time Charter Party:

2.1. The Buyer shall be KN.

2.2. The Seller shall be HÖEGH LNG KLAIPEDA PTE. LTD, a company incorporated under the laws of Singapore with registered number 201 22 6551 and whose registered office is at 4 Robinson Road, #05-01 The House of Eden, Singapore 048543 or/and its parent company HÖEGH LNG LTD., a company incorporated under the laws of Bermuda with registered number 38061 and whose registered office is at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.

2.3. The price for the FSRU INDEPENDENCE shall be USD 153.500.000,00 (one hundred fifty-three and a half million United States dollars), which excludes value-added tax (VAT).

2.4. The FSRU INDEPENDENCE shall be purchased on an "as is where is" basis.

2.5. The FSRU INDEPENDENCE sale and purchase agreement shall be signed between counterparties no later than 6 December 2024.

2.6. The acquisition of FSRU INDEPENDENCE shall be in line with the other terms and conditions specified in the Time Charter Party, as well as market conditions, market's best practice and standard of prudent businessman.

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 twelve months period ended on 31 December 2021, 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