



2018

**AB KLAIPĖDOS NAFTA**

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

**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2018  
(UNAUDITED)**



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## STATEMENT OF FINANCIAL POSITION

	Notes	30-09-2018 <i>(unaudited)</i>	31-12-2017 <i>(audited)</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets		555	490
Property, plant and equipment	3	198,219	201,449
Long-term receivables	5	2,224	2,628
Investment into subsidiaries		200	200
Investment into associates		157	210
<b>Total non-current assets</b>		<b>201,355</b>	<b>204,977</b>
<b>Current assets</b>			
Inventories	6	1,988	1,126
Prepayments		449	246
Trade receivables	7	12,418	11,998
Prepaid income tax		943	384
Other receivables and accrued incomes	8	1,172	767
Short term deposits	9	-	65,000
Cash and cash equivalents	10	74,346	16,747
<b>Total current assets</b>		<b>91,316</b>	<b>96,268</b>
<b>Total assets</b>		<b>292,671</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	30-09-2018 <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		10,750	9,899
Reserve for own shares		15,929	15,929
Other reserves		42,345	43,196
Retained earnings		11,360	17,031
<b>Total equity</b>		<b>194,673</b>	<b>200,344</b>
<b>Non-current amounts payable and liabilities</b>			
Deferred income tax liability		282	363
Non-current employee benefits		347	291
Loan	11	74,671	76,105
Grants related to assets		4,911	4,006
<b>Total non-current amounts payable and liabilities</b>		<b>80,211</b>	<b>80,765</b>
<b>Current amounts payable and liabilities</b>			
Loan	11	1,693	246
Loan interest	11	51	28
Trade payables	12	9,750	13,641
Payroll related liabilities	13	2,549	2,680
Prepayments received		2,848	2,642
Other payables and current liabilities	14	896	899
<b>Total current amounts payable and liabilities</b>		<b>17,787</b>	<b>20,136</b>
<b>Total equity and liabilities</b>		<b>292,671</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 nine months period ended 30 September 2018 <i>(unaudited)</i>	For the three months period ended 30 September 2018 <i>(unaudited)</i>	For the nine months period ended 30 September 2017 <i>(audited)</i>	For the three months period ended 30 September 2017 <i>(unaudited)</i>
Sales	15	75,756	23,017	79,498	27,157
Cost of sales	16	<u>(60,495)</u>	<u>(20,443)</u>	<u>(61,892)</u>	<u>(20,616)</u>
Gross profit		<b>15,261</b>	<b>2,574</b>	<b>17,606</b>	<b>6,541</b>
Operating expenses		(4,178)	(1,494)	(4,201)	(1,387)
Other income		260	1	65	30
<b>Profit from operating activities</b>		<b>11,343</b>	<b>1,081</b>	<b>13,470</b>	<b>5,184</b>
Income from financial activities	17	167	6	124	50
Loss from financial activities	17	<u>(210)</u>	<u>(6)</u>	<u>(208)</u>	<u>(75)</u>
<b>Profit before income tax</b>		<b>11,300</b>	<b>1,081</b>	<b>13,386</b>	<b>5,159</b>
Income tax income (expense)		60	69	(1,068)	(230)
<b>Net profit</b>		<b>11,360</b>	<b>1,150</b>	<b>12,318</b>	<b>4,929</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>11,360</b>	<b>1,150</b>	<b>12,318</b>	<b>4,929</b>
Basic and diluted earnings (losses) per share, in EUR	18	0.030	0.003	0.032	0.013

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 (audited)</b>	<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 nine months	-	-	-	-	-	12,318	12,318
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	12,318	12,318
Dividends declared	-	-	-	-	-	(9,656)	(9,656)
Transfers between reserves	-	-	690	-	3,448	(4,138)	-
<b>Balance as at 30 September 2017 (unaudited)</b>	<b>110,376</b>	<b>3,913</b>	<b>9,899</b>	<b>15,929</b>	<b>43,196</b>	<b>12,318</b>	<b>195,631</b>
<b>Balance as at 31 December 2017 (audited)</b>	<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 nine months	-	-	-	-	-	11,360	11,360
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	11,360	11,360
Dividends declared	-	-	-	-	-	(17,031)	(17,031)
Transfers between reserves	-	-	851	-	(851)	-	-
<b>Balance as at 30 September 2018 (unaudited)</b>	<b>110,376</b>	<b>3,913</b>	<b>10,750</b>	<b>15,929</b>	<b>42,345</b>	<b>11,360</b>	<b>194,673</b>

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## CASH FLOW STATEMENT

	Notes	For the nine months period ended 30 September 2018 <i>(unaudited)</i>	For the nine months period ended 30 September 2017 <i>(audited)</i>
<b>Cash flows from operating activities</b>			
Net profit	18	11,360	12,318
Adjustments for noncash items:			
Depreciation and amortization		10,964	10,402
Impairment and write-off (reversal) of non-current tangible assets		(20)	(24)
Loss (profit) from disposal of fixed assets		(239)	-
Change in vacation reserve	13	(89)	10
Change in non-current liabilities for employees		56	4
Change in allowance in inventory	6	23	52
Other non-cash adjustments		(219)	106
Accrued income		241	399
Income tax expenses		(60)	1,068
Change in allowance for doubtful receivables		(251)	-
Interest income		(40)	(26)
Interest expenses		155	-
		<b>21,881</b>	<b>24,309</b>
<b>Changes in working capital</b>			
(Increase) decrease in inventories		(866)	86
Decrease (increase) in prepayments		(203)	270
Decrease (increase) in trade and other accounts receivable		(169)	(2,268)
Decrease (increase) in other accounts receivable		123	
Increase (decrease) in trade and other payables		(939)	97
(Decrease) increase in prepayments received		206	201
Increase (decrease) in other current liabilities and payroll related liabilities		150	10
		<b>20,183</b>	<b>22,705</b>
Income tax (paid)		(943)	(1,557)
Interest received	17	40	26
Net cash flows from operating activities		<b>19,280</b>	<b>21,174</b>
<b>Cash flows from investing activities</b>			
(Acquisition) of property, plant, equipment and intangible assets		(10,741)	(20,299)
Proceeds on sale of property, plant and equipment		250	-
Change in short term deposits	9	65,000	(30,000)
(Acquisition) of other Investments		-	(4)
Received grants, subsidies		907	1,226
Received dividends		54	56
Net cash flows from investing activities		<b>55,470</b>	<b>(49,021)</b>
<b>Cash flows from financing activities</b>			
Dividends (paid)		(17,031)	(9,656)
Loans received (paid)		-	22,000
Interest (paid)		(120)	(108)
Net cash flows from financing activities		<b>(17,151)</b>	<b>12,236</b>
<b>Net increase (decrease) in cash flows</b>		<b>57,599</b>	<b>(15,611)</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 30 September</b>	10	<b>74,346</b>	<b>26,445</b>

Explanatory notes, set out on pages 8 - 16, 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 30 September 2018 all the shares were owned by 2,172 shareholders (as of 30 September 2017 all the shares were owned by 2,103 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 nine hundred nine 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 nine 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 30 September 2018 and 30 September 2017 the shareholders of the Company were:

	30 September 2018		30 September 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)	39,556	10.39	38,975	10.24
Other (less than 5 per cent each)	65,809	17.29	66,390	17.44
<b>Total</b>	<b>380,606</b>	<b>100.00</b>	<b>380,606</b>	<b>100.00</b>

The average number of employees on 30 September 2018 was 390 (380 – on 30 September 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 nine months of 2018 the Company continued works in the following most significant projects:

- The second stage investment in the expansion of the light oil products storage tank park. The project started in July 2017. As of 30 September 2018 the value of construction in progress amounted to EUR 8,546 thousand (During the nine months of the year 2018 investment amounted to EUR 5,852 thousand).
- Liquefied natural gas (LNG) onshore reloading station. On June - July 2018 the major part of the project completed and taken into exploitation amounting to EUR 26,376 thousand. The remaining part of construction in progress amounts to EUR 3,134 thousand as of 30 September 2018.
- Development of the railroad tracks (comprise of the acquired equipment). As of 30 September 2018 the value of construction in progress amounted to EUR 1,626 thousand.
- Other investment. As of 30 September 2018 the value of constructions in progress amounted to EUR 627 thousand.

Part of the Company's property, plant and equipment with the acquisition cost of EUR 31,863 thousand as on 30 September 2018 was completely depreciated (EUR 30,613 thousand on 31 December 2017), however, it was still in operation.

The depreciation of the Company's non-current tangible assets for the nine months of 2018 amounts to EUR 10,756 thousand (EUR 10,219 thousand – in 2017 nine months), EUR 10,607 thousand of depreciation charge has been included into cost of sales (EUR 10,052 thousand - in 2017 nine months), EUR 5 thousand was reimbursement of the costs according the grant agreement (EUR 10 thousand – in 2017 nine months), EUR 18 thousand of depreciation transferred to inventory value during the nine months of 2018 (EUR 5 thousand of depreciation charge was transferred to inventory value in 2017 nine months) and the remaining amount EUR 149 thousand (EUR 152 thousand – in 2017 nine 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:

- KNT – 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 30 September 2018 and Statement of financial position as of 30 September 2017, are described below:

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

For the nine months period ended 30 September 2018

	SGD	SNT	GDP	KNT	Total
Revenues from external customers	48,409	2,023	383	24,941	75,756
Profit before income tax	4,092	572	(1,698)	8,334	11,300
Segment net profit	4,118	575	(1,689)	8,356	11,360
Interest revenue	39	-	-	1	40
Interest expense	(132)	-	(16)	(7)	(155)
Depreciation and amortisation	(4,113)	(653)	(453)	(5,745)	(10,964)
Impairment and write-off of non-current tangible assets	-	(158)	-	(21)	(179)
Acquisitions of tangible and intangible assets	175	54	674	7,011	7,914
Segment total assets*	57,922	11,669	30,316	118,418	218,325
Financial liabilities	76,467	-	(26)	(26)	76,415
Segment total liabilities	85,603	360	7,613	4,422	97,998

For the nine months period ended 30 September 2017

	SGD	SNT	GDP	KNT	Total
Revenues from external customers	51,719	1,763	-	26,016	79,498
Profit before income tax	5,093	328	(521)	8,486	13,386
Segment net profit (loss)	4,687	302	(480)	7,809	12,318
Interest revenue	25	-	-	1	26
Interest expense	(119)	-	(9)	(4)	(132)
Depreciation and amortisation	(4,241)	(696)	-	(5,465)	(10,402)
Impairment and write-off of non-current tangible assets	1	-	-	(25)	(24)
Acquisitions of tangible and intangible assets	318	110	13,401	8,574	22,403
Segment total assets*	69,295	12,867	23,919	108,671	214,752
Loan and related liabilities	51,676	-	6	3	51,685
Segment total liabilities	59,989	171	8,605	6,801	75,566

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

	30-09-2018	31-12-2017
Long-term accrued income	2,224	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

	30-09-2018	31-12-2017
Diesel fuel for the LNG Terminal purpose	682	770
Oil products for sale	87	-
Natural gas	428	221
Natural gas receivable from third parties	266	-
Fuel for transport and other equipment	38	34
Spare parts, construction materials and other inventories	1,626	1,218
	3,127	2,243
Write-down of spare parts, construction materials and other inventories	(1,139)	(1,117)
	1,988	1,126

As of 30 September 2018 the Company had accounted write-off of inventories in the amount of EUR 1,139 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).

## 6 INVENTORIES (CONT'D)

Write-off of inventories to the net realizable value of EUR 23 thousand for the nine months ended of 30 September 2018 (reversal of write-off of inventories to the net realizable value amounts to EUR 8 thousand as of 31 December 2017) are included under operating expenses in the profit (loss).

Oil products for sale are energy products collected in the Waste Water Treatment Facilities. On 30 September 2018 the Company had 1.8 thousand tons of oil products for sale do (31 December 2017 the Company didn't have such products).

As of 30 September 2018 the Company stored 242 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 30 September 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 30 September 2018 in the Liquefied natural gas reloading station the Company owned 12.8 thousand MWh natural gas for the purpose of debugging and commissioning works (As of 31 December 2017 – 4.6 thousand MWh).

As of 30 September 2018 the Company stored 1,020 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 30 September 2018 in the Liquefied natural gas reloading station the Company stored 8.7 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

	30-09-2018	31-12-2017
Receivables from LNG terminal activities	9,693	9,489
Receivables for trans-shipment of oil products and other related services	3,235	3,271
Less: impairment allowance	(510)	(762)
	<u>12,418</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

	30-09-2018	31-12-2017
Short-term accrued income for storage of oil products	760	597
Receivable grant	35	9
VAT receivable	8	4
Real estate tax receivable	3	33
Other receivables	366	124
	<u>1,172</u>	<u>767</u>

## 9 SHORT TERM DEPOSITS

	30-09-2018	31-12-2017
Short-term bank deposits at the commercial bank	-	65,000

## 10 CASH AND CASH EQUIVALENTS

	30-09-2018	31-12-2017
Cash at bank	74,346	16,747

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

Currency	30-09-2018	31-12-2017
EUR	69,954	12,374
USD	4,392	4,373
	<u>74,346</u>	<u>16,747</u>

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

	30-09-2018	31-12-2017
A +	936	663
A	1,489	7,166
AA -	35,637	8,918
BBB+	36,284	-
	<u>74,346</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

	30-09-2018	31-12-2017
European Investment Bank's loan	54,555	54,351
Nordic Investment Bank's loan	21,809	22,000
Payable loan interest	51	28
	<u>76,415</u>	<u>76,379</u>

## 12 TRADE DEBTS AND OTHER PAYABLES

	30-09-2018	31-12-2017
Payables for FSRU operating leasing	4,821	4,482
Payable to contractors	4,175	7,185
Payable for rent of land	314	393
Payable for gas services	78	371
Payable for railway services	82	291
Other trade payables	280	919
	<u>9,750</u>	<u>13,641</u>

On 30 September 2018 trade payables of EUR 4,577 thousand were denominated in USD (EUR 4,202 thousand – on 31 December 2017). Remaining amounts are in EUR.

### 13 LIABILITIES RELATED TO LABOUR RELATIONS

	30-09-2018	31-12-2017
Accrual of annual bonuses	828	1,246
Accrued vacation reserve	963	1,052
Salaries payable	377	11
Social insurance payable	286	368
Income tax payable	94	3
Other deductions	1	-
	<u>2,549</u>	<u>2,680</u>

### 14 OTHER CURRENT LIABILITIES

	30-09-2018	31-12-2017
Accrued tax expenses and liabilities	281	289
Accrued expenses and liabilities	500	519
Other liabilities	115	91
	<u>896</u>	<u>899</u>

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

### 15 SALES INCOME

	For the nine months period ended 30 September 2018	For the nine months period ended 30 September 2017
Income from LNGT services regulated by NCC	47,440	50,406
Sales of oil products transshipment and storage services	26,027	24,598
Other sales related to transshipment and other services	1,219	1,346
Other income from LNG terminals	1,070	1,313
Income from sale of inventory	-	1,835
	<u>75,756</u>	<u>79,498</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 nine months period ended 30 September 2018	For the nine months period ended 30 September 2017
FSRU lease and other related expenses	35,545	37,743
Depreciation and amortization	10,710	10,180
Wages, salaries and social security	5,523	5,385
Natural gas	2,172	1,951
Rent of land and quays	1,740	1,721
Railway services	1,565	1,667
Electricity	1,067	844
Repair and maintenance of assets	392	462
Insurance services	335	338
Tax on real estate	253	342
Transport	214	200
Tax on environmental pollution	194	102
Services for tankers	147	128
Work safety costs	79	41
Rent of facilities	56	52
Cost of sold inventory	-	265
Other	503	471
	<u>60,495</u>	<u>61,892</u>

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

	For the nine months period ended 30 September 2018	For the nine months period ended 30 September 2017
Interest income	40	26
Fines income	127	42
Dividends receive	-	56
Financial income, total	<u>167</u>	<u>124</u>
(Losses) from currency exchange	(54)	(72)
Interest expenses	(155)	(132)
Other financial activity expenses	(1)	(4)
Financial activity expenses, total	<u>(210)</u>	<u>(208)</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 nine months period ended 30 September 2018	For the nine months period ended 30 September 2017
Net profit attributable to shareholders	11,360	12,318
Weighted average number of ordinary shares (thousand)	<u>380,606</u>	<u>380,606</u>
Earnings per share (in EUR)	<u>0.030</u>	<u>0.032</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 nine 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 nine months	1,740	4	-	314
	2017 nine months	1,737	-	-	234
AB Lietuvos geležinkeliai owned by the State of Lithuania represented by the Ministry of transportation	2018 nine months	1,688	-	-	82
	2017 nine months	2,266	-	-	388
AB Lesto, owned by the State of Lithuania represented by the Ministry of Energy	2018 nine months	-	-	-	-
	2017 nine months	-	-	-	-
UAB Lietuvos energijos tiekimas (formerly UAB Lietuvos dujų tiekimas)	2018 nine months	1,249	334	216	78
	2017 nine months	2,005	369	100	286
AB Amber Grid	2018 nine months	-	47,440	9,397	-
	2017 nine months	-	50,406	10,008	-
VĮ Lietuvos naftos produktų agentūra	2018 nine months	-	2,096	1,188	-
	2017 nine months	-	1,991	268	-
UAB LITGAS	2018 nine months	-	316	80	-
	2017 nine months	-	325	9	-
AB Energijos skirstymo operatorius	2018 nine months	436	-	-	41
	2017 nine months	408	-	-	48
UAB Energijos tiekimas	2018 nine months	632	-	-	67
	2017 nine months	433	-	-	52
Other related parties	2018 nine months	-	-	-	-
	2017 nine months	3	9	-	-
	2018 nine months	5,745	50,190	10,881	582
	2017 nine months	6,852	53,100	10,385	1,008

### 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 nine months period ended 30 September 2018	For the nine months period ended 30 September 2017
Labour related disbursements	2,022	2,002
Number of managers	39	37

During the nine 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

On the initiative and by the resolution of the Company's Board an extraordinary general meeting of shareholders of the Company will be held on 8 November 2018.

Agenda of the meeting:

1. Regarding an approval of AB Klaipedos nafta rules for granting shares;
2. Regarding a formation of AB Klaipedos nafta reserve for the acquisition of own shares.



## 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, Jonas Lenkšas, 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 nine months period ended on 30 September 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

Chief Financial Officer

Jonas Lenkšas

Chief Accountant

Rasa Tamaliūnaitė