



# Role of transshipment infrastructure towards Net Zero economy

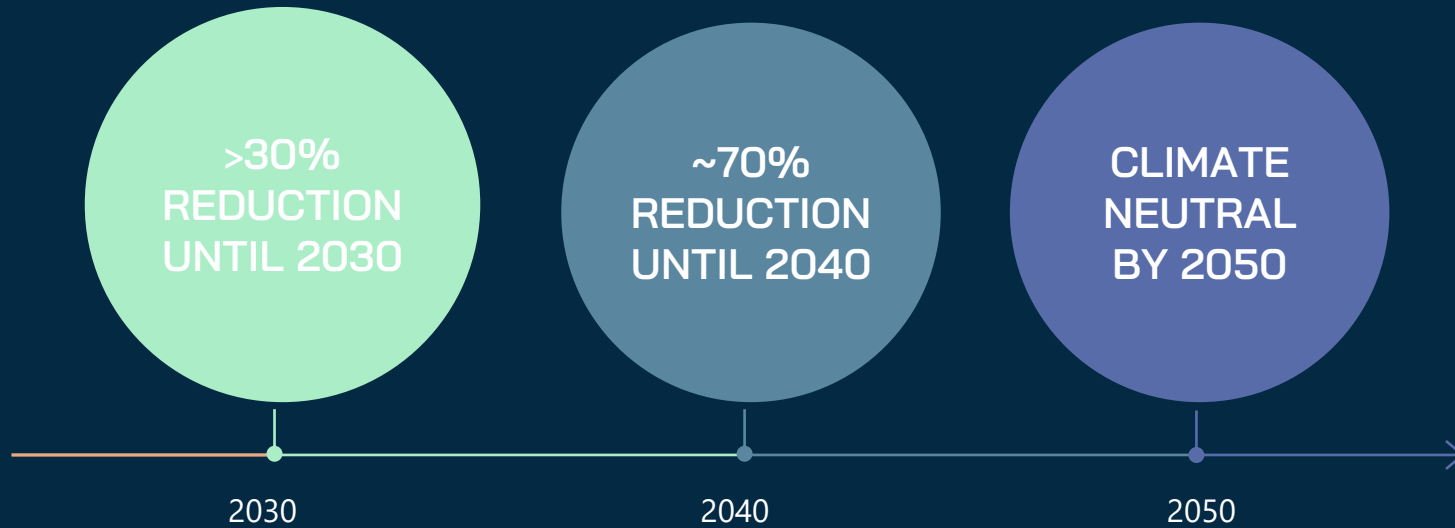
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# LONG TERM APPROACH: CLIMATE-NEUTRALITY BY 2050

## ROADMAP TO CLIMATE NEUTRALITY



Our overarching environmental commitment is to improve energy and operational efficiency, reducing CO2 emissions, and transitioning towards low-carbon product portfolio to achieve climate neutrality.

## PATHWAY TO INTEGRATE ESG INTO KN ENERGIES BUSINESS

### SETTING THE FOUNDATION

- Improve value proposition for liquid products transshipment.
- Scale up global LNG terminals business.
- Set the foundations for new energy businesses.

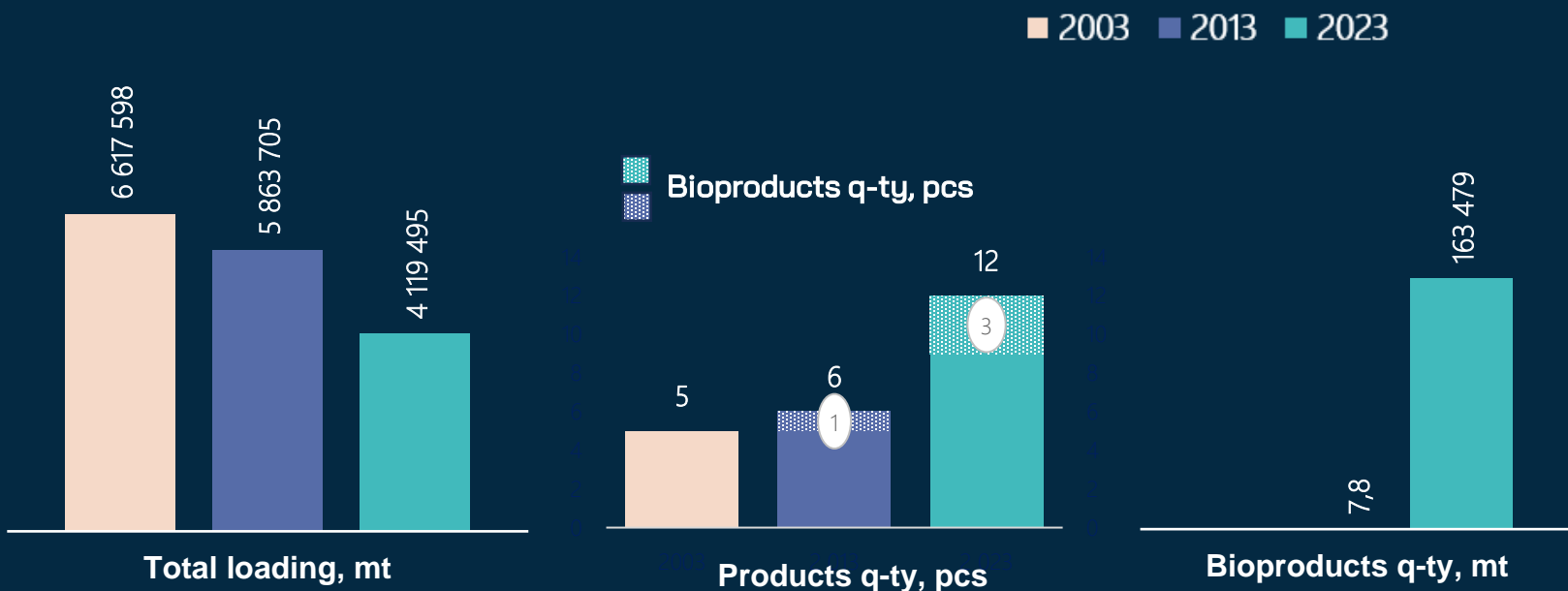
### COMMERCIALIZING NEW ENERGY

- Capitalize on hydrogen carriers.
- Carbon transshipment.
- Maintain business and improve operations.

### EXPANDING THE FOOTPRINT

- Expand footprint of renewables.

# CASE: TRENDS OF PRODUCTS IN KLAIPEDA LIQUID ENERGY TERMINAL



### Biodiesel

13 Jul 2023

Region	Product	Delivery	Publ.	USD/mt	Prev.
West-EU	FAME 0	FOB ARA	12 Jul	1,209	3.07%
West-EU	FAME B10	FOB ARA	12 Jul	635	0.41%
West-EU	FAME B20	FOB ARA	12 Jul	687	0.32%
West-EU	FAME B30	FOB ARA	12 Jul	739	0.25%
West-EU	FAME B50	FOB ARA	12 Jul	843	0.12%
West-EU	FAME B100	FOB ARA	12 Jul	1,083	-0.09%
West-EU	HVO (Tallow)	FOB ARA	12 Jul	2,009	0.27%
West-EU	HVO (UCO)	FOB ARA	12 Jul	2,125	0.26%
West-EU	HVO (Vegetable)	FOB ARA	12 Jul	1,907	0.29%
West-EU	POME	CIF ARA	12 Jul	860	0%
West-EU	RME	FOB ARA	12 Jul	1,210	1.62%
China	UCO 5% FFA	FOB China	12 Jul	885	0%
West-EU	UCO 5% FFA	CIF Rotterdam, Flexitanks	12 Jul	880	-12.24%
West-EU	UCO 5% FFA	CIF Rotterdam, Isotanks	12 Jul	915	-8.75%
West-EU	UCO 5% FFA	EXW Netherlands	12 Jul	1,061	5.80%
West-EU	UCOME	FOB ARA	12 Jul	1,428	1.54%

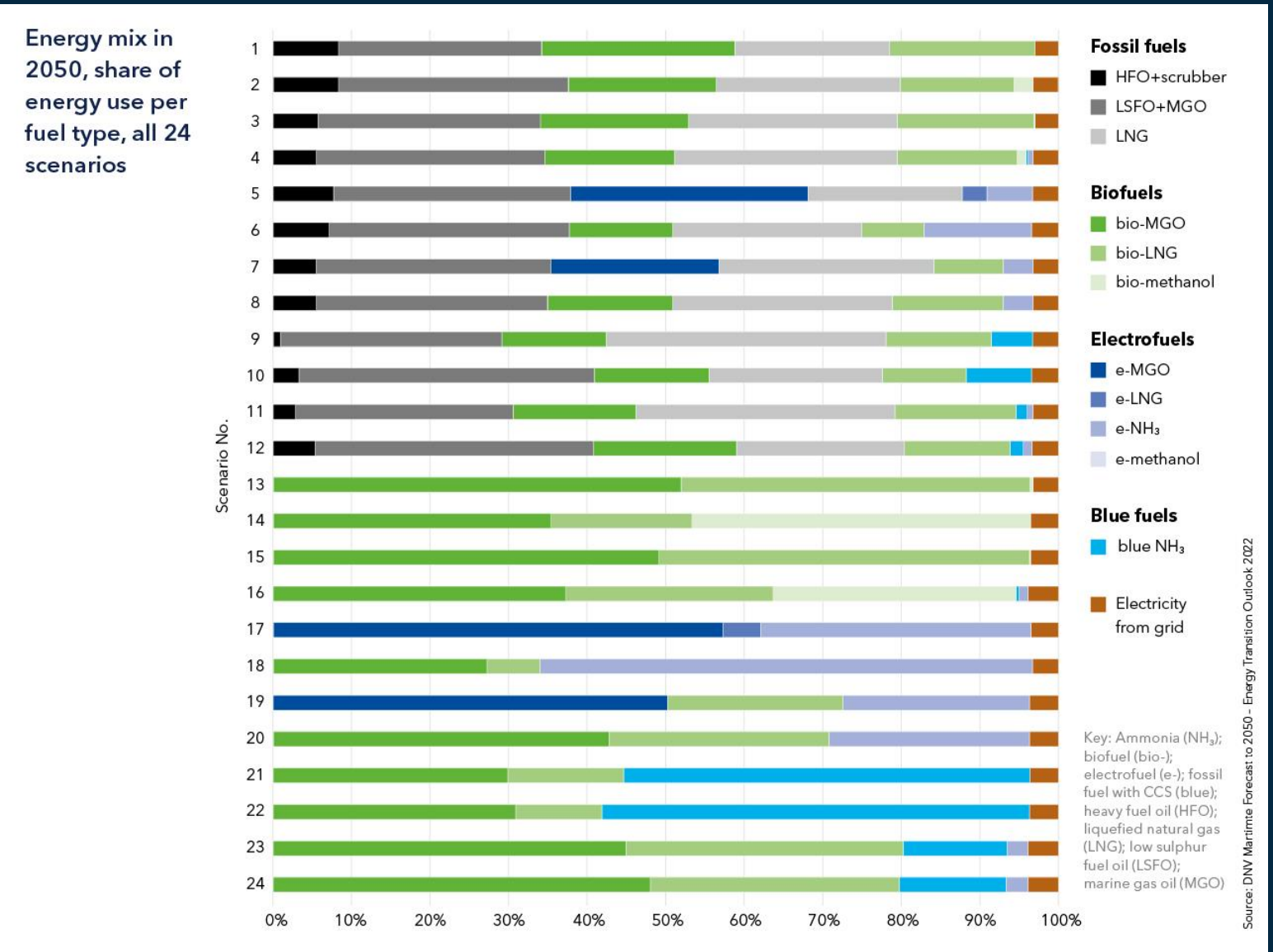
Exchange rate used EUR/USD: 1.1146 Previous: 2.75% WOW

- Due to energy transition (decarbonatization) **number of products** handled in terminal is **increasing** which affects logistics and has influence on total volume.
- This means that batches of products are getting smaller but more **diverse**.
- This puts pressure on the logistics chains of terminals to become more agile or to enhance their **flexibility**.



# WHAT TO BET ON?

- On the journey towards a carbon-neutral economy by 2050, various energy sources may be employed as disruptive technologies emerge, influencing the total cost of ownership along the value chain.
- E.g. DNV for maritime sector alone forecasts 24 different scenarios for the uptake for each fuel type in 2050.
- It is expressed by the range from minimum to maximum across all scenarios within the pathways IMO ambitions and Decarbonization by 2050 (DC2050). (Figure on the right)



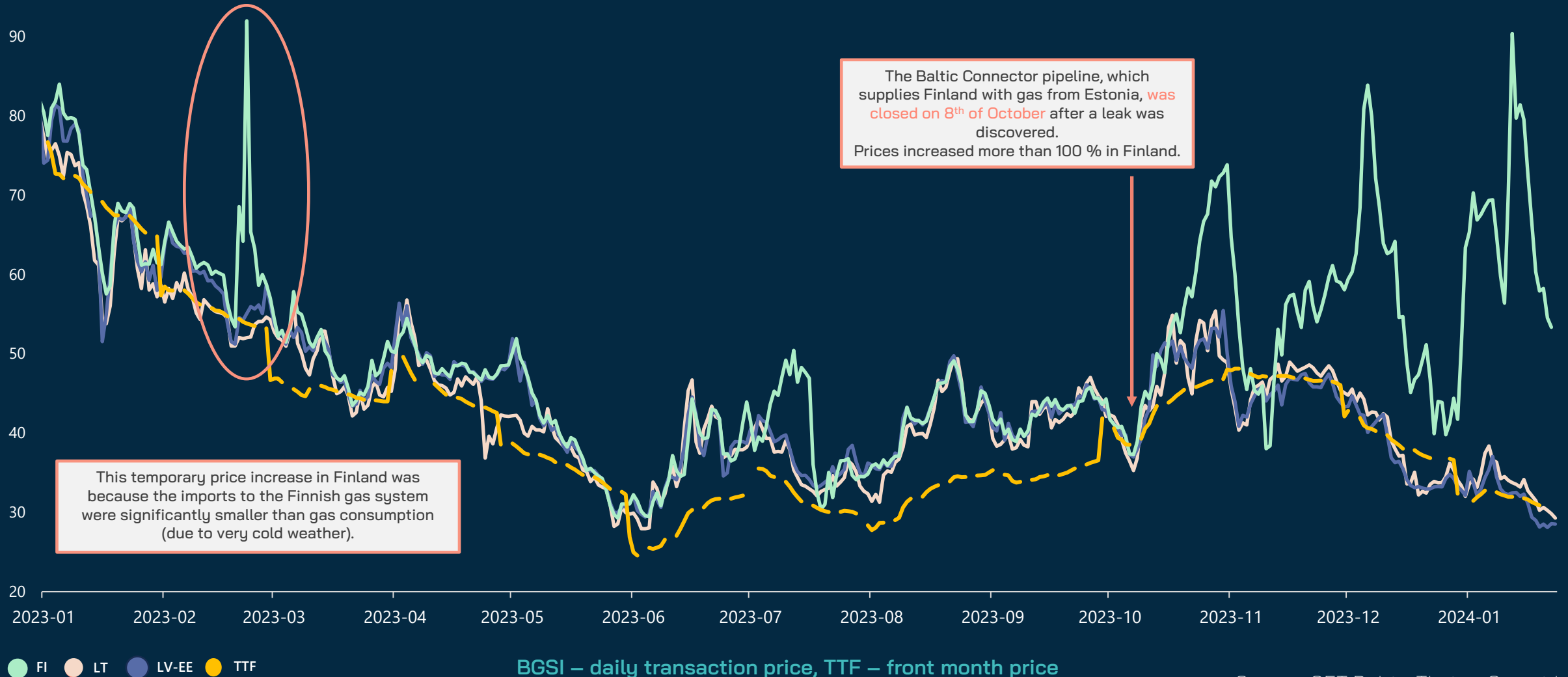




# INFLUENCE OF INFRASTRUCTURE ON COMMODITY PRICE

BALTIC NATURAL GAS AND TTF PRICE INDEX, EUR/MWH

BGSI – Baltic Gas Spot Index



## FINAL NOTES

- As we transition towards a net-zero economy, the variety of products is increasing, while volumes per product batch – decreasing. Therefore, **huge investments in new infrastructure** are required.
- Lesson learnt is that development of new commodities value chain requires simultaneous investments in production, **transshipment and storage**, as well as end-use.
- The best practice is to start with **partnership agreements** of MoU's and develop **coordinated FID's** to establish new value chains.



**THANK YOU!**

