

AB Kauno energija

Company code 235014830

Raudondvario pl. 84

Kaunas, Lithuania



**COMPANY'S CONSOLIDATED CONDENSED SET OF
INTERIM FINANCIAL STATEMENTS OF THE 12
MONTHS OF 2022 PREPARED IN ACCORDANCE
WITH INTERNATIONAL FINANCIAL REPORTING
STANDARDS AS ADOPTED BY THE EUROPEAN
UNION (UNAUDITED)**

**CONFIRMATION OF RESPONSIBLE PERSONS OF AB KAUNO ENERGIJA
TO THE SHAREHOLDERS AND THE BANK OF LITHUANIA**

In accordance with the provisions of the Republic of Lithuania Law on Securities and the Information Disclosure Rules approved by the Board of the Bank of Lithuania, we, Tomas Garasimavičius, Director General, and Edmundas Damanskis, Chief Financial Officer and Chief Accountant Rita Plančiūnienė, hereby confirm that to the best of our knowledge, the set of condensed interim financial statements of AB Kauno energija for the 12 months ended 31 December 2021, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, is true and fair and presents fairly the Company's assets, liabilities, financial position, profit (loss) and cash flows.

Tomas Garasimavičius
Director General

Edmundas Damanskis
Chief Financial Officer

Rita Plančiūnienė
Chief Accountant

CONDENSED INTERIM FINANCIAL STATEMENTS

| | Notes | Group | | Company | |
|--|-------|----------------|----------------|----------------|----------------|
| | | 2022-12-31 | 2021-12-31 | 2022-12-31 | 2021-12-31 |
| ASSETS | | | | | |
| Fixed assets | | | | | |
| Intangible fixed assets | | 98 | 77 | 98 | 77 |
| Land and buildings | | 6 472 | 6 115 | 6 403 | 5 731 |
| Buildings | | 127 521 | 121 810 | 127 521 | 121 348 |
| Machinery and equipment | | 15 065 | 15 514 | 14 975 | 14 263 |
| Vehicles | | 397 | 445 | 397 | 445 |
| Plant and tools | | 2 761 | 1 997 | 2 761 | 1 996 |
| Constructions in progress and prepayments | | 13 519 | 8 089 | 13 477 | 8 072 |
| Investment property | | 1 180 | 1 273 | - | |
| Total property, plant and equipment | | 166 917 | 155 243 | 165 534 | 151 855 |
| Assets managed under the right of use | | 956 | 1 207 | 884 | 1 006 |
| Non-current financial assets | | | | | |
| Investments in subsidiaries | | - | - | 2 763 | 3 498 |
| Amounts receivable after one year | | 39 | 111 | - | - |
| Other financial assets | | 75 | 75 | 75 | 518 |
| Financial fixed assets, total | | 114 | 186 | 2 838 | 4 016 |
| Non-current assets, total | | 168 085 | 156 713 | 169 354 | 156 954 |
| Current assets | | | | | |
| Stock and prepayments | | | | | |
| Inventories | 7 | 2 638 | 1 756 | 1 879 | 1 407 |
| Prepayments | | 2 274 | 4 407 | 1 851 | 4 055 |
| Total inventories and prepayments | | 4 912 | 6 163 | 3 730 | 5 462 |
| Amounts receivable within one year | | | | | |
| Trade receivables | 8 | 17 851 | 11 529 | 17 663 | 11 662 |
| Loans to the companies of the group of companies | | - | - | - | - |
| Other amounts receivable | | 5 472 | 1 833 | 5 445 | 1 794 |
| Amounts receivable within one year, total | | 23 323 | 13 362 | 23 108 | 13 456 |
| Cash and cash equivalents | 11 | 4 550 | 3 696 | 3 891 | 2 782 |
| Term deposits | | 3 000 | 0 | 3 000 | 0 |
| Current assets, total | | 35 785 | 23 221 | 33 729 | 21 700 |
| Assets, total: | | 203 870 | 179 934 | 203 083 | 178 654 |

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CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

| | Notes | Group | | Company | |
|---|----------|---------------|---------------|---------------|---------------|
| | | 2022-12-31 | 2021-12-31 | 2022-12-31 | 2021-12-31 |
| EQUITY AND LIABILITIES | | | | | |
| Property | | | | | |
| Capital | 1 | 74 476 | 74 476 | 74 476 | 74 476 |
| Legal reserve | 13 | 7 447 | 7 447 | 7 447 | 7 447 |
| Other reserves | 13 | 3 000 | 3 000 | 3 000 | 3 000 |
| Profit (loss) available for distribution | | | | | |
| Current year profit | | 6 428 | 72 | 6 137 | 457 |
| Profit (loss) of the previous years | | 4 822 | 4 750 | 4 621 | 4 910 |
| Total retained profit (loss) | | 11 250 | 4 822 | 10 758 | 5 367 |
| Total equity | | 96 173 | 89 745 | 95 681 | 90 290 |
| Non-current amounts payable after one year and liabilities | | | | | |
| Long-term financial debts | 9 | 43 949 | 32 658 | 43 949 | 32 658 |
| Lease (financial lease) | | 884 | 1 316 | 886 | 1 113 |
| Deferred profit tax liabilities | | 5 814 | 5 633 | 5 824 | 5 924 |
| Grants and subsidies | | 32 210 | 32 715 | 32 210 | 32 229 |
| Employee benefit liabilities | | 374 | 465 | 363 | 455 |
| Accounts payable after one year, and long-term liabilities, total | | 83 231 | 72 787 | 83 100 | 72 379 |
| Accounts payable within one year of and other liabilities | | | | | |
| Current year's share of long-term financial debt and leasing/financial leases | 9 | 2 892 | 3 014 | 2 890 | 2 445 |
| Short-term financial debts | | - | - | - | - |
| Trade debtors | | 18 563 | 11 376 | 18 483 | 10 701 |
| Payroll related liabilities | | 692 | 649 | 686 | 632 |
| Received prepayments | | 773 | 570 | 660 | 464 |
| Tax payable | | 673 | 609 | 596 | 588 |
| Derivative financial instruments | 11 | | | | |
| Current year's share of employee benefit obligations | | 90 | 122 | 89 | 122 |

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CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

| | Notes | Group | | Company | |
|---|-------|----------------|----------------|----------------|----------------|
| | | 2022-12-31 | 2021-12-31 | 2022-12-31 | 2021-12-31 |
| Other provisions | 10 | 78 | 577 | 78 | 577 |
| Accrued costs and income of future periods | | 336 | 210 | 322 | 187 |
| Other short-term amounts payable and liabilities | | 369 | 275 | 366 | 269 |
| Accounts payable within one year of and other liabilities, total | | 24 466 | 17 402 | 24 170 | 15 985 |
| Total accounts payable and liabilities | | 107 697 | 90 189 | 107 402 | 88 364 |
| Total equity and liabilities | | 203 870 | 179 934 | 203 083 | 178 654 |

(end)

The notes below form an integral part of these financial statements.

CONDENSED INTERIM STATEMENT OF PROFIT (LOSS) AND OTHER GROSS INCOME

| Group | Comments | 2022 from the beginning of year | | 2021 from the beginning of year | |
|---|----------|--|-----------------|--|-----------------|
| | | Q4 2022 | Q4 2021 | Q4 2022 | Q4 2021 |
| Operating income | | | | | |
| Sales revenue | 14 | 38 491 | 87 265 | 20 738 | 50 963 |
| Other operational incomes | 16 | 95 | 1 441 | 678 | 4 543 |
| Total operating income | | 38 586 | 88 706 | 21 416 | 55 506 |
| Operating expenses | | | | | |
| Fuel and purchased energy | | (25509) | (57 421) | (16 880) | (32 998) |
| Salaries, social insurance | | (2 034) | (7 905) | (1 917) | (7 376) |
| Depreciation and amortisation | | (1 359) | (6 327) | (1 786) | (7 333) |
| Repair and maintenance | | (284) | (867) | (218) | (680) |
| Change in impairment of receivables | 8 | (485) | 111 | 250 | 587 |
| Taxes, other than income tax | | (608) | (2 249) | (588) | (2 130) |
| Electricity | | (1 083) | (2 532) | (405) | (1 265) |
| Raw materials and materials | | (569) | (1 417) | (748) | (1 065) |
| Water | | (286) | (1 048) | (283) | (1 086) |
| Change in realisable value of inventories and impairment of fixed assets | 7 | 58 | (44) | (33) | 51 |
| Other costs | 15 | (739) | (2 304) | (558) | (1 984) |
| Other operational expenses | 16 | (288) | (747) | 5 | (434) |
| Operating expenses, total | | (33 186) | (82 750) | (23 161) | (55 713) |
| Operating profit (loss) | | 5 400 | 5 956 | (1 745) | (207) |
| Other interest and similar income | 17 | 91 | 248 | 291 | 673 |
| Value impairment of financial assets and short-term investment | | 258 | 258 | (208) | (208) |
| Interest and other similar costs | 18 | (133) | (298) | (23) | (117) |
| Income from financing and investment activities, net value | | 216 | 208 | 60 | 348 |
| Profit before taxation | | 5 616 | 6 164 | (1 685) | 141 |
| Income tax | | (245) | (245) | (20) | (20) |
| Deferred income tax income (loss) | | 11 | 11 | - | (120) |
| Profit for the reporting period | | 5 382 | 5 930 | (1 705) | 1 |
| Termination benefits (accrual), other provisions to be reclassified to profit or loss when certain conditions are met | | 498 | 498 | 648 | 71 |
| Gross income | | 5 880 | 6 428 | (1 057) | 72 |
| Profit for the period attributable to the Company's shareholders | | 5 382 | 5 930 | (1 705) | 1 |
| Gross income attributable to the Company's shareholders | | 5 880 | 6 428 | (1 057) | 72 |
| Earnings per share (EUR) | 19 | 0,13 | 0,14 | (0,04) | 0,00 |

CONDENSED INTERIM STATEMENT OF PROFIT (LOSS) AND OTHER GROSS INCOME

| Company | Comments | Q4 2022 | 2022 from the beginning of year | Q4 2021 | 2021 from the beginning of year |
|---|-----------|-----------------|--|-----------------|--|
| Operating income | | | | | |
| Sales revenue | 14 | 38 133 | 87 013 | 20 749 | 50 981 |
| Other operational incomes | 16 | 283 | 903 | 211 | 3 808 |
| Total operating income | | 38 416 | 87 916 | 20 960 | 54 789 |
| Operating expenses | | | | | |
| Fuel and purchased energy | | (25 794) | (57 847) | (16 309) | (33 223) |
| Salaries, social insurance | | (2 011) | (7 798) | (1 857) | (7 265) |
| Depreciation and amortisation | | (1 453) | (6 293) | (1 648) | (6 756) |
| Repair and maintenance | | (286) | (859) | (204) | (658) |
| Change in impairment of receivables | 8 | (485) | 114 | 242 | 587 |
| Taxes, other than income tax | | (579) | (2 182) | (552) | (2 074) |
| Electricity | | (1 085) | (2 529) | (358) | (1 160) |
| Raw materials and materials | | (224) | (682) | (175) | (545) |
| Water | | (286) | (1 048) | (281) | (1 081) |
| Change in realisable value of inventories and impairment of fixed assets | 7 | 58 | (44) | (34) | 52 |
| Other costs | 15 | (712) | (2 418) | (593) | (2 020) |
| Other operational expenses | 16 | (288) | (754) | (237) | (441) |
| Operating expenses, total | | (33 145) | (82 340) | (22 006) | (54 585) |
| Operating profit (loss) | | 5 271 | 5 579 | (1 046) | 204 |
| Other interest and similar income | 17 | 91 | 251 | 292 | 671 |
| Value impairment of financial assets and short-term investment | | 1004 | 258 | (208) | (208) |
| Interest and other similar costs | 18 | (134) | (296) | (24) | (100) |
| Income from financing and investment activities, net value | | 961 | 213 | 60 | 363 |
| Profit before taxation | | 6 232 | 5 789 | (986) | 567 |
| Income tax | | (161) | (161) | - | - |
| Deferred income tax income (loss) | | 11 | 11 | - | (181) |
| Profit for the reporting period | | 6 082 | 5 639 | (986) | 386 |
| Termination benefits (accrual), other provisions to be reclassified to profit or loss when certain conditions are met | | 498 | 498 | - | 71 |
| Gross income | | 6 580 | 6 137 | (986) | 457 |
| Earnings per share (EUR) | 19 | 0,14 | 0,13 | (0,02) | 0,01 |

The notes below form an integral part of these financial statements.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

| Group | Notes | Capital | Legal reserve | Other reserves | Profit (loss) available for distribution | Total |
|---------------------------------------|-------|---------------|---------------|----------------|--|---------------|
| Balance as at 31 December 2020 | | 74 476 | 7 447 | 2 900 | 4 850 | 89 673 |
| Formed reserves | | - | - | 3 000 | -3 000 | - |
| Reversed reserves | | - | - | -2 900 | 2 900 | - |
| Dividends | | - | - | - | - | - |
| Profit for the reporting period | | - | - | - | 1 | 1 |
| Other gross income | | - | - | - | 71 | 71 |
| Balance on 31 December 2021 | | 74 476 | 7 447 | 3 000 | 4 822 | 89 745 |
| Formed reserves | | - | - | - | - | - |
| Reversed reserves | | - | - | - | - | - |
| Profit (loss) of the previous years | | | | | | |
| Profit for the reporting period | | - | - | - | 5 930 | 5 930 |
| Other gross income | | - | - | - | 498 | 498 |
| Balance on 31 December 2022 | | 74 476 | 7 447 | 3 000 | 11 250 | 96 173 |

The notes below form an integral part of these financial statements.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

| Company | Notes | Capital | Legal reserve | Other reserves | Profit (loss) available for distribution | Total |
|---|-------|---------------|------------------|-------------------|--|---------------|
| Balance as at 31 December 2020 | | 74 476 | 7 447 | 2 900 | 5 010 | 89 833 |
| Formed reserves | | - | - | 3 000 | (3 000) | - |
| Reversed reserves | | - | - | (2900) | 2 900 | - |
| Dividends | | - | - | - | - | - |
| Profit for the reporting period | | - | - | - | 386 | 386 |
| Other gross income | | - | - | - | 71 | 71 |
| Balance on 31 December 2021 | | 74 476 | 7 447 | 3 000 | 5 367 | 90 290 |
| Profit for the reporting period | | - | - | - | 5 639 | 5 639 |
| AB Petrašiūnų boiler house connection result | | - | - | - | (746) | (746) |
| Other gross income | | - | - | - | 498 | 498 |
| Balance on 31 December 2022 | | 74 476 | 7 447 | 3 000 | 10 758 | 95 681 |

The notes below form an integral part of these financial statements.

CONDENSED INTERIM CASH FLOW STATEMENTS

| Notes | Group | | Company | |
|--|--------------|----------------|---------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| Cash flows from (to) operating activities | | | | |
| Gross income | 6 428 | 72 | 6 137 | 457 |
| Adjustments to non-cash items: | | | | |
| Depreciation and amortisation | 8 651 | 9 416 | 8 349 | 8 734 |
| Write-offs and changes in impairment of receivables | (111) | (587) | (114) | (587) |
| Interest costs | 298 | 117 | 296 | 100 |
| Change in the value of fixed-term deposits | (3000) | (6) | (3000) | - |
| Loss (gain) on sale and write-down of fixed assets and value of shares | (70) | (74) | (17) | (74) |
| Grants and subsidies (amortisation) | (1 296) | (1750) | (1 292) | (1 589) |
| Change in realisable value of inventories and impairment of fixed assets | 44 | (51) | 44 | (51) |
| Change in employee benefits liability | (91) | - | (125) | - |
| Change in lease liability | | | (227) | |
| Profit tax expense | 234 | 140 | 150 | 181 |
| Change in accruals | (172) | 150 | 10 | 144 |
| Change in provision liabilities | (318) | 22 | (499) | (70) |
| Reverse of other results of financing and investing activities | (248) | (673) | (503) | (1 726) |
| Adjustment to total non-cash items | 3 921 | 6 704 | 3 072 | 5 062 |
| Changes of working capital: | | | | |
| Decrease (increase) in inventories | (926) | (319) | (516) | (28) |
| Decrease (increase) in prepayments | 2 133 | (3 834) | 2 204 | (3 570) |
| Decrease (increase) in trade receivables | (6 211) | (4 502) | (5 696) | (4 635) |
| Decrease (increase) in other amounts receivable | (3 639) | (1 590) | (3 651) | (1 600) |
| Increase (decrease) in long-term trade debts | 72 | (111) | - | - |
| Increase (decrease) in trade debtors and advances received | 7 421 | 5 246 | 8 273 | 5 142 |
| Decrease (increase) in liabilities related to employment relations | 43 | 49 | 54 | 43 |
| Increase (decrease) in taxes payable | 64 | 222 | 8 | 221 |
| Decrease (increase) in received prepayments | 203 | (75) | 196 | (180) |
| Increase (decrease) in other current liabilities | (140) | 27 | 97 | 161 |
| Changes in total working capital | (980) | (4 887) | 969 | (4 446) |
| Net cash flows from operating activities | 9 369 | 1 889 | 10 178 | 1 073 |

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CONDENSED INTERIM CASH FLOW STATEMENTS (continued)

| Notes | Group | | Company | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 2022 | 2021 | 2022 | 2021 |
| Cash flows from (to) investing activities | | | | |
| Acquisition of intangible fixed assets and property, plant and equipment | (20 771) | (14 236) | (20 739) | (14 236) |
| Sale of property, plant and equipment | 594 | 563 | 594 | 563 |
| Interest received on overdue receivables | 252 | 621 | 252 | 621 |
| Acquisition of investments, change in value | (949) | - | (1 537) | (1 000) |
| Net (used) cash flows from investing activities | (20 874) | (13 483) | (21 430) | (14 052) |
| Cash flows from (to) financing activities | | | | |
| Loans received | 14 000 | 12 000 | 14 000 | 12 000 |
| Loans repaid | (2 532) | (2 833) | (2 532) | (2 225) |
| Interest paid | (284) | (116) | (284) | (101) |
| Rent payments | (98) | (60) | (96) | (57) |
| Subsidy received | 1 273 | 4 499 | 1 273 | 4 499 |
| Net cash flows from (used in) financing activities | 12 359 | 13 490 | 12 361 | 14 086 |
| Net increase (decrease) in cash flows | 854 | 1 896 | 1 109 | 1 107 |
| Cash and cash equivalents at the beginning of the period | 3 696 | 1 800 | 2 782 | 1 675 |
| Cash and cash equivalents at the end of the period | 4 550 | 3 696 | 3 891 | 2 782 |

(end)

The notes below form an integral part of these financial statements.

NOTES TO THE CONDENSED SET OF INTERIM FINANCIAL STATEMENTS**1. General information**

AB Kauno energija (hereinafter referred to as the Company) is a public limited liability company registered in the Republic of Lithuania. Its registered office address is Raudondvario pl. 84, Kaunas, Lithuania. Data about the Company is collected and stored in the Registry of Legal Entities.

The Company is engaged in the supply of heat and hot water, production and sale of electricity and maintenance of collector-tunnels. The Company also provides heating system maintenance services. The Company was registered on 1 July 1997 following the reorganisation of AB Lietuvos energija. The company code 235014830. The Company's shares are traded on the Baltic Additional Trading List of the Nasdaq Vilnius Stock Exchange.

As at 31 December 2022 and 31 December 2021 the Company's shareholders were:

| | 2022-12-31 | | 2021-12-31 | |
|---------------------------------|------------------------------|---------------|------------------------------|---------------|
| | Number of held shares, units | Ownership (%) | Number of held shares, units | Ownership (%) |
| Kaunas city municipality | 39.736.058 | 92,84 | 39.736.058 | 92,84 |
| Kaunas district municipality | 1.606.168 | 3,75 | 1.606.168 | 3,75 |
| Jurbarkas district municipality | 746.405 | 1,74 | 746.405 | 1,74 |
| Other small shareholders | 713.512 | 1,67 | 713.512 | 1,67 |
| | 42.802.143 | 100,00 | 42.802.143 | 100,00 |

The Company's authorised capital is equal to EUR 74,475,728.82 and is divided into 42,802,143 ordinary shares with a nominal value of EUR 1.74 each. The Company had no treasury shares on 31 December 2022 and 31 December 2021. As at 31 December 2022 and 31 December 2021, all shares were fully paid up.

The name of the Company was changed by the decision of the shareholders of the Company's subsidiary UAB Kauno energija NT. From 19 August 2020, the name of UAB Kauno energija NT is UAB GO Energy LT. Other details of the Company remain unchanged, all existing contracts remain valid.

On 2 March 2022, AB Petrašiūnų katilinė was reorganised by merging it with AB Kauno energija. AB Petrašiūnų katilinė was deregistered from the Register of Legal Entities

On 31 December 2022 the Company and its subsidiary UAB GO Energy LT form a group (the Group):

| Company | Company home address | Group's shareholding | Cost of investment | Profit (loss) for the reporting period | Equity | Main activities |
|------------------|-----------------------------|----------------------|--------------------|--|--------|-----------------|
| UAB GO Energy LT | Raudondvario pl. 84, Kaunas | 100 per cent. | 2 764 | 459 | 3 081 | Lease |

The Group's average number of listed employees during the reporting period was 383 and the Company's average number of listed employees was 354.

1. General information (continued)

Legal regulation

Pursuant to the Law of the Republic of Lithuania on the Heat Sector, the Company's activities are licensed and regulated by the State Energy Regulatory Council (hereinafter referred to as the Council). On 26 February 2004 the Council granted the Company a heat supply licence. The licence is valid for an unlimited period, but may be revoked by an appropriate decision of the Council depending on compliance with certain conditions. The Council also sets price caps for heat supply. On 13 September 2018 by resolution No O3E-283, the Council set new base heat price components for the Company, which will apply until 30 November 2021. In accordance with the price-setting methodology, the Council recalculates the price components after the first year of the basic price and the rate is adjusted prospectively. The recalculated components became applicable on 1 November 2020.

By resolution No O3E-351 of 2 September 2019, the Council set new heat base price components for UAB Petrašiūnų katilinė, which will be valid until 30 September 2024.

Economic activities

By decision of the Extraordinary General Meeting of Shareholders of the Company on 2 October 2015 "On the acquisition of Palemonas heat facilities" and the decision of the Board of Directors of the Company of 20 July 2017 "On the Acquisition of the Heat facilities of Palemonas Settlement" on 8 January 2020 AB Kauno energija and UAB Fortum Heat Lietuva concluded an agreement on the purchase and sale of the heat facilities of Palemonas in Kaunas, whereby AB Kauno energija acquired from UAB Fortum Heat Lietuva a boiler house with heat supply networks and related equipment and commenced the heat supply activities in Palemonas on 1 February 2020.

The Company's production capacities consist of the Petrašiūnai power plant, 4 boiler houses in Kaunas integrated network, 7 regional boiler houses in Kaunas district, 1 in Jurbarkas, 14 isolated network and 26 local (household) boiler houses in Kaunas city, as well as 8 boiler houses for water heating in Sargėnai district. The Group's production capacity consists of the Company's production capacity and 1 boiler house of the subsidiary in Kaunas.

In September 2021 at the boiler house of the integrated network at A. Juozapavičiaus pr. 23A, a gas boiler of 1.6 MW was dismantled. The Group's total thermal capacity on 31 December 2021 was approximately 683 MW (of which 48 MW are condensing economizers), and the total power generation capacity of the entire Group is approximately 692 MW (of which 48 MW are condensing economizers). The total installed thermal capacity of the Company is approximately 664 MW (of which 48 MW are condensing economizers), electrical capacity is 8.75 MW, of it in Petrašiūnai power plant – 314.6 MW thermal capacity (of which 17.8 MW is condensing economizer) and 8 MW of electrical capacity, 39.4 MW of thermal capacity in Jurbarkas (including 4.4 MW – a condensing economizer). The total power generation capacity of the Company as a whole is approximately 673 MW (of which 48 MW are condensing economizers).

The Company makes investments based on an assessment of the economic situation, the competitive environment and the availability of financing. Investment plans are approved by the shareholders and coordinated by the Board.

2. Basis of preparation of the financial statements

The condensed interim financial statements of the Company and the Group for the nine-month period ended 31 December 2022 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (hereinafter the IFRSs) as applicable to interim financial reporting (International Accounting Standard (IAS) 34 "Interim Financial Reporting"). This unaudited financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2021 which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. These financial statements do not include all the information necessary for the preparation of the full set of consolidated and separate financial statements. However, selected notes are included to explain events and transactions and to provide an understanding of significant changes in the Group's and the Company's financial position and financial performance.

2. Basis of preparation of the financial statements (continued)

All accounting principles applied in the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual financial statements for 2021.

The new standards and amendments effective from 1 January 2022 have no material impact on the Group's and Company's financial statements.

The currency of the submission is the euro. These statements are presented in thousands of euro, unless otherwise stated.

The Company's financial year coincides with the calendar year.

The management of the Company has approved the following interim financial statements as at 30 January 2023.

3. Application of assessments in preparation of financial statements

In preparing financial statements in accordance with IFRSs adopted for application in the EU, management shall make calculations and estimates of assumptions that affect the application of accounting principles and of amounts related to assets and liabilities, income and expenses. The estimates and related assumptions are based on historical experience and other factors that are consistent with current conditions and the results of which lead to conclusions about the residual values of assets and liabilities that are not available from other sources. The actual results could differ from the estimates. The estimates and related assumptions are kept under constant review. Adjustments to estimates are recognised prospectively.

The key assumptions and other significant sources of estimation uncertainty at the date of the interim statements of financial position that have a significant risk of causing a material adjustment to the carrying amounts of assets or liabilities within the next financial year are the same as those described in the most recent set of annual separate and consolidated financial statements.

4. Definition of lease

Until 1 January 2019 the Group and the Company determined at the time of signing the agreement whether the agreement meets the definition of lease in accordance with IFRIC 4 "Determining Whether an Arrangement Contains a Lease". From 1 January 2019, when an agreement is concluded, the determining whether an arrangement contains a lease or includes a lease is based on the new definition. Under IFRS 16, A contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

In evaluating or re-evaluating an agreement that contains a lease component, the Group and the Company allocate the contractual consideration provided for in the agreement to each of the parts of the agreement that have and do not have a lease component on the basis of their relative stand-alone prices. However, in the case of leases of immovable property where the Group and the Company are lessees, the Group and the Company have chosen not to separate the lease-free components and instead to account for the lease-free and lease-containing components together as a single lease component.

The Group and the Company, as tenant, have previously classified the lease as an operating or finance lease based on an assessment of whether the lease agreement essentially provides for the transfer of all risks and rewards of ownership. The Group and the Company recognise right-of-use assets and lease liabilities in lease agreements in accordance with the provisions of IFRS 16. These leases are shown in the balance sheet.

The Group and the Company includes the assets held under right-of-use in the right-of-use asset item on 31 December 2022 for EUR 956 thousand and EUR 884 thousand respectively (on 31 December 2021 for EUR 1.207 thousand and EUR 1.006 thousand, respectively).

Recognised lease liabilities are presented in the statements of financial position under leasing (finance lease) and long-term financial debts and leasing (finance lease) for the current year.

5. Measurement of fair value

At initial recognition, the transaction price of an acquired asset or a liability assumed in an exchange transaction entered into for a particular asset or liability is the price paid at the time the asset is acquired or the liability is assumed (the acquisition price). In comparison, the fair value of the asset or liability is the price that would be obtained from the sale of the asset or paid for the disposal of the liability (the sale/transfer price).

If the Company initially measures an asset or liability at fair value and the transaction price differs from fair value, the difference is recognised as a gain or loss unless otherwise specified in the IFRSs.

The fair value measurement is based on the assumption that a transaction for the sale of an asset or the disposal of a liability will be carried out either:

- in the underlying market for the asset or liability, or
- in absence of a principal market, the most favourable market for the asset or liability in question.

Where observable variables that are directly observable by the Company are not available at the measurement date, i.e. prices quoted (not adjusted) in active markets for identical assets or liabilities, fair value is determined by reference to adjusted observable variables that are directly observable. Adjusted variables are:

- prices quoted for similar assets or liabilities in active markets;
- prices quoted for identical or similar assets or liabilities in markets that are not active markets;
- variables other than quoted prices observed for a specific asset or liability;
- market-confirmed variables.

Where observable variables are not available (directly or indirectly), fair value shall be determined by reference to unobservable variables that the Group and the Company produce using valuation techniques.

The fair value measurement of a non-financial asset shall take into account the ability of the market participant to generate economic benefits by using the specific asset to its maximum and best value or by selling it to another market participant that will use it to its maximum and best value.

The fair value of liability reflects the impact of inactivity risk. Inactivity risk includes, but is not limited to, the entity's own credit risk. When determining the fair value of a liability, an entity shall assess the effects of its credit risk (financial position) and other factors that may affect the likelihood that the liability will or will not be met.

The Group and the Company must increase the use of relevant observable variables and reduce the use of unobservable variables in order to achieve the objective of fair value measurement by calculating the price at which a liability or equity instrument would be transferred under a legally orderly transaction between market participants at the valuation date in accordance with prevailing market conditions.

Assets and liabilities that are measured at fair value in the statement of financial position, or for which fair value is not determinable but for which disclosures are made, are classified by the Group and the Company in accordance with the fair value hierarchy, which categorises variables into three levels depending on their availability:

- Level 1 variables are quoted (unadjusted) prices for identical assets or liabilities in an active market that are available to the Company at the date of valuation;
- Level 2 variables are variables, other than quoted prices which are classified as Level 1, that are observable directly or indirectly for a specific asset or liability;
- Level 3 variables are unobserved variables applied to a specific asset or liability.

When the variables used to measure the fair value of an asset or liability may be classified in different levels of the fair value hierarchy, the entire fair value measurement result is classified in the same level of the fair value hierarchy as the lowest level variable that is significant to the entire measurement.

6. Property, plant and equipment

During the first 12 months of 2022, the Group's and the Company's acquisitions of property, plant and equipment amounted to EUR 21,293 thousand and EUR 21,261 thousand, respectively, and the residual value of property, plant and equipment sold and written off amounted to EUR 242 thousand and EUR 148 thousand.

Depreciation expense for property, plant and equipment of the Group and the Company as at 31 December 2022 amounts to EUR 9 315 thousand and EUR 8 336 thousand, respectively (31 December 2021: EUR 9 301 thousand and EUR 8 624 thousand). The amounts of the Group's and the Company's depreciation expenses were included in operating expenses in the profit and loss and other comprehensive income statements (depreciation and amortisation and other expenses).

The management of the Group and the Company has assessed internal and external indicators and has not identified any additional impairment of property, plant and equipment in 2022.

Part of the Group's property, plant and equipment with an acquisition value of EUR 75 394 thousand as at 31 December 2022 (on 31 December 2021: EUR 66 161 thousand), EUR 75 394 thousand for the Company, was fully depreciated (on 31 December 2021: EUR 66 036 thousand), but still used in business operations.

On 31 December 2022 and 31 December 2021 the Group's and the Company's construction in progress consists mainly of the reconstruction and overhaul of boiler plants and heat supply networks.

As at 31 December 2022, property, plant and equipment with a residual value equal to the Group were EUR 8,548 thousand (31 December 2021: EUR 11,945 thousand) and EUR 8,548 thousand (31 December 2021: EUR 9,300 thousand) of the Company's assets have been pledged to the banks as security for the loans.

7. Inventories

| | Group | | Company | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2022-12-31 | 2021-12-31 | 2022-12-31 | 2021-12-31 |
| Technological fuels | 1 602 | 1 254 | 1 602 | 1 177 |
| Spare parts | 1 459 | 927 | 700 | 655 |
| Materials | 346 | 300 | 346 | 300 |
| | 3 407 | 2 481 | 2 648 | 2 132 |
| To be deducted: write-down to net realisable value at the end of the period | (769) | (725) | (769) | (725) |
| Carrying amount of inventories | 2 638 | 1 756 | 1 879 | 1 407 |

The write-down of the Group's and the Company's inventories to net realisable value as at 31 December 2022 amounted to EUR 769 thousand. (on 31 December 2020: EUR 725 thousand). The change in the write-down of inventories to net realisable value in 2022 and 2021 is included in the Group's and the Company's Statements of Profit and Loss and Other Gross income under the item of costs of changes in the realisable value of inventories and fixed assets.

8. Amounts receivable within one year

| | Group | | Company | |
|--|---------------|---------------|---------------|---------------|
| | 2022-12-31 | 2021-12-31 | 2022-12-31 | 2021-12-31 |
| Trade receivables | 22 970 | 16 473 | 22 764 | 16 596 |
| To be deducted: expected credit losses | (5 119) | (4 944) | (5 101) | (4 934) |
| | 17 851 | 11 529 | 17 663 | 11 662 |

Change in impairment of doubtful receivables as at 31 December 2022 and 31 December 2021 in the Group's and the Company's Statements of Profit and Loss and Other Gross included in the item of impairment charges on receivables. Impairment of doubtful receivables is measured at expected credit losses.

The Group's and the Company's receivables from customers are interest-free and normally have a maturity of 30 days or individually agreed.

On 31 December 2022 and 31 December 2021 the Group's and the Company's other receivables consisted of taxes receivable from the State, debt owed by municipalities for compensation to low-income families, receivables for inventories sold (scrap metal, heating system equipment) and services rendered (collector maintenance services, etc).

The Group's and the Company's other receivables are interest-free and generally mature in 30 - 45 days.

No impairment is calculated on outstanding receivables as management does not consider that there is any indication that debtors will be unable to meet their obligations.

Credit risk

The Group and the Company are not exposed to significant concentrations of credit risk as they deal with a large number of customers.

9. Financial debts

All loans of the Group and the Company are accounted for and repaid in euro. The weighted average (percentage) of the interest rate on outstanding loans at 31 December 2022 and 31 December 2021 was as follows:

| | Group | | Company | |
|------------|------------|------------|------------|------------|
| | 2022-12-31 | 2021-12-31 | 2022-12-31 | 2021-12-31 |
| Short-term | - | - | - | - |
| Long-term | 0,84 | 0,73 | 0,84 | 0,72 |

On 7 August 2020, the Company signed a EUR 55 million loan agreement with the European Investment Bank. The signing of the agreement was approved by the Extraordinary General Meeting of Shareholders of AB Kauno energija on 4 August 2020.

The loan will be used to finance the Company's investment programme and repay loans over 5 years. Over the next 5 years, the Company plans to invest in the deployment of innovative heating and cooling plants using renewable energy sources, the digitalisation of processes, as well as the modernisation of pipelines and the construction of new pipelines.

On 16 August 2021, a loan tranche of EUR 12 million was taken out. The Company used part of the loan to repay the existing loans. On 22 August 2022, a loan tranche of EUR 14 million was taken out. The Company used part of the loan to repay the existing loans.

9. Financial debts (continued)

Repayment terms of long-term loans:

| | Group | | Company | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2022-12-31 | 2021-12-31 | 2022-12-31 | 2021-12-31 |
| Long-term financial debts (loans): | 43 949 | 32 658 | 43 949 | 32 658 |
| Payable between 2 and 5 years | 17 414 | 10 380 | 17 414 | 10 380 |
| Payable after 5 years | 26 535 | 22 278 | 26 535 | 22 278 |
| Current portion of long-term loans | 2 769 | 2 876 | 2 769 | 2 309 |
| | 46 718 | 35 534 | 46 718 | 34 967 |

On 31 December 2022 in the statement of financial standing, the Group and the Company have recorded interest payable to financial institutions under long-term financial debts amounted to EUR 136 thousand and EUR 136 thousand respectively.

Group's detailed information on loans as at 31 December 2022:

| | Credit institution | Date of contract | Amount, thousands EUR | Maturity | Balance as at 2022.12.31 in thousands EUR | Share of 2022 in thousands EUR |
|---|--|-------------------------|------------------------------|-----------------|--|---------------------------------------|
| 1 | Ministry of Finance of the of Lithuania * | 2010-04-09 | 2 410 | 2034-03-15 | 1 123 | 94 |
| 2 | Ministry of Finance of the Republic of Lithuania * | 2010-10-26 | 807 | 2034-03-15 | 462 | 38 |
| 3 | Luminor** | 2021-08-22 | 3 403 | 2022-04-29 | - | - |
| 4 | EIB*** | 2021-08-16 | 12 000 | 2036-08-18 | 12 000 | 453 |
| 5 | Ministry of Finance of the Republic of Lithuania * | 2014-01-15 | 793 | 2034-12-01 | 499 | 42 |
| 6 | Ministry of Finance of the Republic of Lithuania * | 2014-03-31 | 7 881 | 2034-12-01 | 4 963 | 414 |
| 7 | EIB*** | 2020-08-07 | 15 000 | 2035-08-24 | 12 750 | 1 000 |
| 8 | EIB*** | 2020-08-07 | 14 000 | 2035-08-24 | 14 000 | - |
| 9 | AB SEB bank | 2016-12-22 | 4 127 | 2024-11-30 | 921 | 728 |
| | | | | | 46 718 | 2 769 |

* Ministry of Finance; ** Luminor bank AS; *** European Investment Bank.

Details of the Company's loans as at 31 December 2022:

| | Credit institution | Date of contract | Amount, thousands EUR | Maturity | Balance as at 2022.09.30 in thousands EUR | To be refunded in 2022, thousand EUR |
|---|--|-------------------------|------------------------------|-----------------|--|---|
| 1 | Ministry of Finance of the Republic of Lithuania * | 2010-04-09 | 2 410 | 2034-03-15 | 1 123 | 94 |
| 2 | Ministry of Finance of the Republic of Lithuania * | 2010-10-26 | 807 | 2034-03-15 | 462 | 38 |
| 3 | Luminor** | 2021-08-22 | 3 403 | 2022-04-29 | - | - |
| 4 | EIB*** | 2021-08-16 | 12 000 | 2036-08-18 | 12 000 | 453 |
| 5 | Ministry of Finance of the Republic of Lithuania * | 2014-01-15 | 793 | 2034-12-01 | 499 | 42 |
| 6 | Ministry of Finance of the Republic of Lithuania * | 2014-03-31 | 7 881 | 2034-12-01 | 4 963 | 414 |
| 7 | EIB*** | 2020-08-07 | 15 000 | 2035-08-24 | 12 750 | 1 000 |
| 8 | EIB*** | 2020-08-07 | 14 000 | 2037-08-24 | 14 000 | - |
| 9 | AB SEB bank | 2016-12-22 | 4 127 | 2024-11-30 | 921 | 728 |
| | | | | | 46 718 | 2 769 |

* Ministry of Finance; ** Luminor bank AS; *** European Investment Bank.

9. Financial debts (continued)

AB SEB bankas has determined that the Company must comply with the net financial debt to EBITDA ratio set for the quarter, which must not exceed 4.5. Under the loan agreements, the Company's equity ratio (total equity/total assets) must be at least 35%. The European Investment Bank's requirements also stipulate that the Company must comply with both of these indicators.

The Company has met the target ratio of net financial debt to EBITDA on 31 December 2022 .

Loan agreements contain certain restrictions. The Company may not grant dividends, issue and/or obtain new loans, make grants, sell or lease mortgaged assets without the written consent of the banks. Such written consents were obtained from the banks.

The Group's and the Company's immovable property, bank accounts and land leases were pledged to banks as collateral for loans.

10. Other provisions

The cost of the heat production capacity reservation service is included in the basic heat price as one of the components in accordance with the methodology established by the Board. As a result of the installation of new generation facilities and the modernisation of existing generation facilities by the Company in recent years, the thermal capacity reservation service has not been purchased from 2020 onwards, and consequently no thermal capacity reserve costs are incurred. At the end of 2019, the Company applied to the Board to exclude the costs of the power reserve from the heat price, but the Board only approved the recalculation of the heat price from November 2020. The Company made a provision from the beginning of the year to reimburse the unrecovered, but over-priced, costs of the power reserve, and from the beginning of the autumn 2020 heating season started to reimburse the provision for this accumulated overpayment through a reduction in the price to consumers. The Company has made a power reserve tax provision of EUR 959 thousand in 10 months of 2020 to cover future price reduction obligations. In October to December 2020, EUR 312,000 was returned to consumers as a result of price cuts. During the months of January and August 2021, the remaining part of EUR 647 thousand was returned to consumers. The Company formed a provision of EUR 577 thousand as of 30 June 2021 to ensure reserve capacity, part of which has been returned to customers as of 2022, for a total of EUR 498 thousand returned during 2022.

11. Cash and cash equivalents

| | Group | | Company | |
|------------------|--------------|--------------|--------------|--------------|
| | 2022-12-31 | 2021-12-31 | 2022-12-31 | 2021-12-31 |
| Cash on the road | 619 | 166 | 619 | 166 |
| Cash in the bank | 3 931 | 3 530 | 3 272 | 2 616 |
| Term deposits | 3 000 | - | 3 000 | - |
| | 7 550 | 3 696 | 6 891 | 2 782 |

The Group's bank accounts with a balance of EUR 3,931 thousand (31 December 2021: EUR 3,530 thousand) and the Company's bank accounts with a balance of EUR 3,272 thousand (31 December 2021: EUR 2,616 thousand) at 31 December 2022 and 31 December 2021, respectively, are pledged to the banks as security for loans granted.

12. Changes in equity

Statutory reserve and other reserves

The statutory reserve is required under the legislation of the Republic of Lithuania. At least 5% of net profits,

calculated in accordance with International Financial Reporting Standards, must be transferred to the reserve annually until it reaches 10% of the authorised capital. The statutory reserve may not be distributed as dividends but can be used to cover future losses.

Dividends

In 2022, the result of 2021 was left in retained earnings.

13. Sales income

The Group and the Company are engaged in the supply of thermal energy, maintenance of building heating and hot water supply systems, electricity generation, and other activities. In 2010, some residents chose the Company as their hot water supplier. These activities are closely interlinked and, for management purposes, the Group and the Company are considered to be organised in a single segment – the supply of thermal energy.

The Group's and the Company's activities are seasonal, with the majority of revenue generated during the heating season, which starts in October and ends in April.

Sales revenues by the Group and the Company activities are presented below:

| | Group | | Company | |
|---|---------------|---------------|----------------|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| Heat supply | 82 214 | 47 125 | 81 458 | 47 133 |
| Hot water supply | 4 895 | 3 014 | 4 643 | 3 024 |
| Maintenance of hot water metering devices | 487 | 456 | 487 | 456 |
| Maintenance of collectors | 348 | 348 | 348 | 348 |
| Maintenance of heating and hot water systems in buildings | 17 | 12 | 17 | 12 |
| Cooling supply | 10 | 2 | 10 | 2 |
| Sale of tradable emission allowances | 50 | 6 | 50 | 6 |
| | 87 265 | 50 963 | 87 013 | 50 981 |

Sales revenues by consumer groups of the Group and the Company are presented below:

| | Group | | Company | |
|---|---------------|---------------|----------------|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| Residents | 65 236 | 38 640 | 65 236 | 38 640 |
| Other users | 8 846 | 5 138 | 8 846 | 5 138 |
| Budgetary organisations financed from the state budget | 6 044 | 3 579 | 6 044 | 3 579 |
| Budgetary organisations financed from municipal budgets | 4 203 | 2 447 | 4 203 | 2 447 |
| Institutions financed by territorial sickness funds | 2 182 | 957 | 2 182 | 957 |
| Industrial users | 754 | 202 | 502 | 220 |
| | 87 265 | 50 963 | 87 013 | 50 981 |

14. Other costs

Other expenses as at 31 December 2022 include:

| | Group | | Company | |
|--|--------------|--------------|--------------|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| Equipment inspection and testing | 234 | 177 | 234 | 177 |
| Maintenance of collectors | 362 | 361 | 362 | 361 |
| Money collection costs | 126 | 143 | 126 | 143 |
| Ash recovery costs | 173 | 162 | 173 | 162 |
| Information Technologies costs | 80 | 64 | 80 | 64 |
| Consulting Services | 181 | 132 | 181 | 132 |
| Employee-related costs | 118 | 87 | 118 | 87 |
| Invoicing costs | 98 | 74 | 98 | 74 |
| Membership fee | 97 | 100 | 97 | 100 |
| Maintenance of fixed assets and related services | 86 | 65 | 86 | 65 |
| Transport costs | 104 | 90 | 104 | 90 |
| Debt collection costs | 91 | 52 | 91 | 52 |
| Insurance | 49 | 57 | 49 | 57 |
| Communication costs | 32 | 25 | 32 | 25 |
| Costs for advertising | 35 | 36 | 35 | 36 |
| Audit costs | 23 | 27 | 23 | 27 |
| Rental of equipment and machinery | 56 | 63 | 56 | 63 |
| Sponsorship | 53 | 1 | 53 | 1 |
| Other costs | 490 | 268 | 420 | 304 |
| | 2 488 | 1 984 | 2 418 | 2 020 |

15. Other operating income and expense

Other operating income includes:

| | Group | | Company | |
|--------------------------------------|--------------|--------------|------------|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| Other operational incomes | | | | |
| Inventories sold | 213 | 829 | 213 | 242 |
| Miscellaneous services rendered | 986 | 387 | 449 | 240 |
| Compensation received | - | - | - | - |
| Revenue from previous periods | - | 5 | - | 5 |
| Profit from the sale of fixed assets | 11 | 117 | 11 | 117 |
| Other | 231 | 3 205 | 231 | 3 204 |
| | 1 441 | 4 543 | 904 | 3 808 |

Other operating expenses include:

| | Group | | Company | |
|---|--------------|--------------|--------------|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| Other operational expenses | | | | |
| Cost of miscellaneous services rendered | (306) | (166) | (306) | (166) |
| Inventories sold | (214) | (35) | (214) | (35) |
| Cost of previous periods | (30) | (20) | (30) | (20) |
| Sale of fixed assets, write-off | (119) | (164) | (119) | (164) |
| Other | (78) | (49) | (85) | (56) |
| | (747) | (434) | (754) | (441) |

15. Other operating income and expense (continued)

The Group and the Company lease real estate, supply technical water, perform maintenance of heating

equipment and provide transport services.

16. Basic and diluted earnings per share

The Group's basic and diluted earnings per share calculations are presented below:

| | Group | | Company | |
|---|-------------|-------------|-------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| Profit for the reporting period | 5 930 | 1 | 5 639 | 386 |
| Number of shares (thousands), beginning of period | 42 802 | 42 802 | 42 802 | 42 802 |
| Number of shares (thousands), end of period | 42 802 | 42 802 | 42 802 | 42 802 |
| Weighted average number of ordinary shares in issue (thousands) | 42 802 | 42 802 | 42 802 | 42 802 |
| Basic and diluted earnings per share (EUR) | 0,14 | 0,00 | 0,13 | 0,01 |

17. Commitments and contingencies not included in the balance sheet

DNSB Rotušės 10 has filed a claim against the Company for the removal of the heat supply network from the building at Rotušės a. 10, Kaunas, and for compensation for damages in the amount of EUR 86 139.74.

The case is currently undergoing mediation proceedings with a view to amicable settlement of the dispute. The Company has no objection to the removal of the heat supply network at the expense of the claimant and does not admit any damage.

The court has ordered the Department of Cultural Heritage to submit its findings on the potential damage, upon receipt of which the mediation process will be re.

18. Related party transactions

The parties are considered to be related if one party can control the other party or has significant influence over the other party in making financial or operational decisions.

On 4 December 2020, the Company and other companies controlled by Kaunas City Municipality signed an agreement on the establishment of UAB Kauno miesto paslaugų centras.

In 2022 and 2021, the Group and the Company did not have any significant transactions with other companies controlled by Kaunas City Municipality, except for the purchase or provision of utility services. Transactions with Kaunas City Municipality and companies controlled by Kaunas City Municipality were carried out at market prices. A list of countries related to Kaunas City Council can be found here:

In 2022 and 2021, the Group's and the Company's transactions with Jurbarkas City Municipality, Kaunas City Municipality and companies financed and controlled by Kaunas City Municipality, and their debts and liabilities as at the end of the periods were as follows:

| 31 December 2022 | Purchases | Sales | Amounts receivable | Amounts payable |
|--|-----------|-------|--------------------|-----------------|
| Kaunas City Municipality, companies financed and fully managed by it | 1 234 | 8 345 | 3 105 | 253 |
| Jurbarkas district municipality | 15 | 292 | 14 | 3 |

| | Purchases | Sales | Amounts receivable | Amounts payable |
|---|-----------|-------|-----------------------|-----------------|
| 18. Related party transactions (continued) | | | | |
| 31 December 2021 | | | | |
| Kaunas City Municipality, companies financed and fully managed by it | 897 | 3 120 | 8263 | 206 |
| Jurbarkas district municipality | 10 | 132 | 2 | 2 |

Sales include the amounts of reimbursements for housing heating costs, cold water and sewage costs, and hot water costs for financially challenged residents.

On 31 December 2022 and 31 December 2021 the Company's transactions with subsidiaries and the balance sheet balances at the end of the period were as follows:

| | | | | |
|-------------------------------|------------------|--------------|-------------------------------|----------------------------|
| AB Petrašiūnų katilinė | Purchases | Sales | Amounts receivable | Amounts payable |
| 31 December 2022 | 839 | - | - | - |
| 31 December 2021 | 746 | 10 | 644 | - |
| UAB GO Energy LT | Purchases | Sales | Amounts receivable | Amounts payable |
| 31 December 2022 | 426 | 162 | 65 | 83 |
| 31 December 2021 | 77 | 12 | 43 | - |

UAB GO Energy LT provides real estate management services to AB Kauno energija and participates in unregulated energy development projects together with its parent company.

Management's salary and other benefits

On 31 December 2022 the Group's and the Company's management consists of 2 and 1 persons (3 and 1 at 31 December 2021) respectively.

| | Group | | Company | |
|---|------------|------------|------------|------------|
| | 2022-12-31 | 2021-12-31 | 2022-12-31 | 2021-12-31 |
| Wages and salaries charged to the management | 103 | 89 | 97 | 78 |
| Reimbursements of employee benefits calculated for the management | - | - | - | - |

During 2022 and 2021, there were no loans, guarantees, other disbursements or accruals to the management of the Group and the Company, or transfers of assets.

19. Events after the date of the balance sheet

There have been no other events after the reporting date that could have a material effect on the financial statements or that should be disclosed in the financial statements.