

**AB Kauno Energija**

Company code 235014830

Raudondvario pl. 84

Kaunas, Lithuania



**CONSOLIDATED AND COMPANY'S 9-MONTH  
CONDENSED SET OF INTERIM FINANCIAL  
STATEMENTS OF 2025 PREPARED IN ACCORDANCE  
WITH INTERNATIONAL FINANCIAL REPORTING  
STANDARDS AS ADOPTED BY THE EUROPEAN  
UNION (UNAUDITED)**

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

Pursuant to 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, General Manager of AB Kauno energija, Virgilijus Motiejūnas, Financial director and Ramunė Petkevičienė, Head of Financial Management and Accounting Department, confirms that to our knowledge, AB Kauno energija's set of shortened interim financial statements for the 9 months of 2025, prepared in accordance with the International Financial Reporting Standards adopted for application in the European Union, corresponds to reality and correctly shows the company's assets, liabilities, financial condition, profit (loss) and cash flows.

**Tomas Garasimavičius**

General Manager

**Virgilijus Motiejūnas**

Director of Finance

**Ramunė Petkevičienė**

Head of Financial Management and Accounting Department

**CONDENSED INTERIM FINANCIAL STATEMENTS**

	Notes	Group		Company	
		2025-09-30	2024-12-31	2025-09-30	2024-12-31
<b>ASSETS</b>					
<b>Fixed assets</b>					
<b>Intangible fixed assets</b>	6	220	314	203	304
Land and buildings		5 903	6 039	5 829	5 963
Buildings		156 124	146 994	156 124	146 994
Machinery and equipment		15 296	17 250	15 280	17 221
Vehicles		654	804	628	773
Plant and tools		6 912	5 704	6 853	5 657
Constructions in progress and prepayments		17 407	18 210	17 407	18 117
Investment property		1 304	1 082	-	-
<b>Total property, plant and equipment</b>		<b>203 600</b>	<b>196 083</b>	<b>202 121</b>	<b>194 725</b>
<b>Assets managed under the right of use</b>		<b>1 279</b>	<b>1 171</b>	<b>967</b>	<b>854</b>
<b>Non-current financial assets</b>					
Investments in subsidiaries	1	-	-	2 763	2 763
Investments in Associated Companies	1	188	164	75	75
Other long-term investments		59	58	2	
Receivables after one year		1		1	1
<b>Financial fixed assets, total</b>		<b>248</b>	<b>222</b>	<b>2 841</b>	<b>2 839</b>
<b>Non-current assets, total</b>		<b>205 347</b>	<b>197 790</b>	<b>206 132</b>	<b>198 722</b>
<b>Current assets</b>					
<b>Stock and prepayments</b>					
Inventories	7	2 330	1 761	1 719	1 652
Prepayments		801	1 507	767	1 482
<b>Total inventories and prepayments</b>		<b>3 131</b>	<b>3 268</b>	<b>2 486</b>	<b>3 134</b>
<b>Amounts receivable within one year</b>					
Trade receivables	8	3 855	15 698	3 716	15 482
Depts of the group of companies		-	-	-	-
Other amounts receivable	9	651	860	558	817
<b>Amounts receivable within one year, total</b>		<b>4 506</b>	<b>16 558</b>	<b>4 274</b>	<b>16 299</b>
Term deposits		400	500		
<b>Cash and cash equivalents</b>	12	<b>11 889</b>	<b>11 074</b>	<b>10 586</b>	<b>9 600</b>
<b>Current assets, total</b>		<b>19 926</b>	<b>31 400</b>	<b>17 346</b>	<b>29 033</b>
<b>Assets, total:</b>		<b>225 273</b>	<b>229 190</b>	<b>223 478</b>	<b>227 755</b>

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**CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

	Notes	Group		Company	
		2025-09-30	2024-12-31	2025-09-30	2024-12-31
<b>EQUITY AND LIABILITIES</b>					
<b>Property</b>					
Capital	1	74 476	74 476	74 476	74 476
Legal reserve	13	7 510	7 504	7 448	7 448
Other reserves	13	50	75	50	75
Profit (loss) available for distribution					
Current year profit	16	9 775	7 753	9 749	7 592
Profit (loss) of the previous years		22 290	15 551	21 300	14 725
Total retained profit (loss)		<b>32 065</b>	<b>23 304</b>	<b>31 049</b>	<b>22 317</b>
<b>Total equity</b>		<b>114 101</b>	<b>105 359</b>	<b>113 023</b>	<b>104 316</b>
<b>Non-current amounts payable after one year and liabilities</b>					
Long-term financial debts	10	62 658	62 658	62 658	62 658
Lease		1 353	1 172	1 023	842
Deferred profit tax liabilities		6 687	6 687	6 695	6 695
Grants and subsidies		28 700	29 858	28 697	29 854
Employee benefit liabilities		449	449	420	420
Other provisions		50	29	31	29
<b>Accounts payable after one year, and long-term liabilities, total</b>		<b>99 897</b>	<b>100 853</b>	<b>99 524</b>	<b>100 498</b>
<b>Accounts payable within one year of and other liabilities</b>					
Financial debts and leasing	10	1 465	4 094	1 464	4 090
Trade debtors		6 177	12 387	6 030	12 547
Payroll related liabilities		1 545	1 024	1 419	970
Received prepayments		980	1 076	944	1 047
Tax payable		59	1 059	25	972
Current year's share of employee benefit obligations		210	242	210	242
Other provisions	11	-	2 269	-	2 269
Accrued costs and income of future periods		648	684	648	661
Other short-term amounts payable and liabilities		191	143	191	143
<b>Accounts payable within one year of and other liabilities, total</b>		<b>11 275</b>	<b>22 978</b>	<b>10 931</b>	<b>22 941</b>
<b>Total accounts payable and liabilities</b>		<b>111 172</b>	<b>123 831</b>	<b>110 455</b>	<b>123 439</b>
<b>Total equity and liabilities</b>		<b>225 273</b>	<b>229 190</b>	<b>223 478</b>	<b>227 755</b>

(end)

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

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

Group	Comm ents	2025 III quarter	30 September 2025 from the beginning of the year	2024 III quarter	30 September 2024 from the beginning of the year
<b>Operating income</b>					
Sales revenue	14	7 314	64 732	4 811	53 329
Other operational incomes	15	299	2 049	2 454	3 184
<b>Total operating income</b>		<b>7 613</b>	<b>66 781</b>	<b>7 266</b>	<b>56 512</b>
<b>Operating expenses</b>					
Fuel and purchased energy		(3 895)	(30 857)	(4 243)	(32 068)
Salaries, social insurance		(2 491)	(8 634)	(2 495)	(7 355)
Depreciation and amortisation		(2 220)	(6 499)	(1 894)	(5 476)
Repair and maintenance		(1 148)	(1 223)	(366)	(651)
Change in impairment of receivables		340	4	(43)	(378)
Taxes, other than income tax		(724)	(2 188)	(648)	(1 883)
Electricity		(228)	(1 209)	(182)	(1 140)
Raw materials and materials		116	(477)	(679)	(2 232)
Water		(778)	(2 212)	(474)	(1 598)
Change in realisable value of inventories and impairment of fixed assets	7	23	43	40	(72)
Other costs		(769)	(2 252)	(698)	(1 800)
Other operational expenses	15	(254)	(941)	(139)	(402)
<b>Operating expenses, total</b>		<b>(12 028)</b>	<b>(56 445)</b>	<b>(11 822)</b>	<b>(55 056)</b>
<b>Operating profit (loss)</b>		<b>(4 415)</b>	<b>10 336</b>	<b>(4 557)</b>	<b>1 456</b>
Profit share of associates		5	24	-	-
Other interest and similar income		258	634	214	501
Impairment of financial assets and short-term investments		-	-	-	-
Interest and other similar costs		(360)	(1 218)	(421)	(1 306)
<b>Income from financing and investment activities, net value</b>		<b>(97)</b>	<b>(560)</b>	<b>(207)</b>	<b>(805)</b>
<b>Profit before taxation</b>		<b>(4 512)</b>	<b>9 776</b>	<b>(4 764)</b>	<b>650</b>
Income tax		-	(1)	(1)	90
Deferred income tax income (loss)		-	-	-	-
<b>Profit for the reporting period</b>		<b>(4 512)</b>	<b>9 775</b>	<b>(4 765)</b>	<b>741</b>
Termination benefits (accrual), other provisions to be reclassified to profit or loss when certain conditions are met	20	-	-	-	-
<b>Gross income</b>		<b>(4 512)</b>	<b>9 775</b>	<b>(4 765)</b>	<b>741</b>
<b>Profit for the period attributable to the Company's shareholders</b>		<b>(4 512)</b>	<b>9 775</b>	<b>(4 765)</b>	<b>741</b>
<b>Gross income attributable to the Company's shareholders</b>		<b>(4 512)</b>	<b>9 775</b>	<b>(4 765)</b>	<b>741</b>
Earnings per share (EUR)	16	(0,11)	0,23	(0,11)	0,02

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

Company		2025 III quarter	30 September 2025 from the beginning of the year	2024 III quarter	30 September 2024 from the beginning of the year
<b>Operating income</b>					
Sales revenue					
Other operational incomes	14	7 251	64 393	6 152	52 961
<b>Total operating income</b>	<b>15</b>	<b>269</b>	<b>1 408</b>	<b>496</b>	<b>1 331</b>
<b>Operating expenses</b>		<b>7 520</b>	<b>65 801</b>	<b>6 648</b>	<b>54 291</b>
<b>Operating Costs</b>					
Fuel and purchased energy		(3 895)	(30 857)	(4 232)	(32 065)
Salaries, social insurance		(2 549)	(8 231)	(2 316)	(6 904)
Depreciation and amortisation		(2 214)	(6 478)	(1 889)	(5 455)
Repair and maintenance		(620)	(1 213)	(362)	(637)
Change in impairment of receivables		68	5	168	(149)
Taxes, other than income tax		(723)	(2 182)	(634)	(1 859)
Electricity		(224)	(1 163)	(247)	(1 209)
Raw materials and materials		(142)	(477)	(159)	(460)
Water		(777)	(2 212)	(482)	(1 606)
Change in realisable value of inventories and impairment of fixed assets	7	23	43	40	(72)
Other costs		(785)	(2 226)	(673)	(1 780)
Other operational expenses	15	(80)	(474)	(117)	(419)
<b>Operating expenses, total</b>		<b>(11 918)</b>	<b>(55 465)</b>	<b>(10 902)</b>	<b>(52 615)</b>
<b>Operating profit (loss)</b>		<b>(4 398)</b>	<b>10 336</b>	<b>(4 254)</b>	<b>1 676</b>
Other interest and similar income		-	-	-	-
Impairment of financial assets and short-term investments		257	625	205	481
Interest and other similar costs		(349)	(1 212)	(408)	(1 293)
<b>Income from financing and investment activities, net value</b>		<b>(92)</b>	<b>(587)</b>	<b>(203)</b>	<b>(812)</b>
<b>Profit before taxation</b>		<b>(4 490)</b>	<b>9 749</b>	<b>(4 457)</b>	<b>864</b>
Income tax		-	-	-	90
Deferred income tax income (loss)		-	-	-	-
<b>Profit for the reporting period</b>		<b>(4 490)</b>	<b>9 749</b>	<b>(4 457)</b>	<b>954</b>
Termination benefits (accrual), other provisions to be reclassified to profit or loss when certain conditions are met	20	-	-	-	-
<b>Gross income</b>		<b>(4 490)</b>	<b>9 749</b>	<b>(4 457)</b>	<b>954</b>
<b>Earnings per share (EUR)</b>	<b>16</b>	<b>(0,10)</b>	<b>0,23</b>	<b>(0,10)</b>	<b>0,02</b>

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 available for distribution	(loss) for Total
<b>Balance as at 31 December 2023</b>		<b>74 476</b>	<b>7 447</b>	<b>50</b>	<b>15 633</b>	<b>97 606</b>
Formed reserves		-	57	75	(132)	-
Reversed reserves		-	-	(50)	50	-
Dividends		-	-	-	-	-
Profit for the reporting period		-	-	-	7 753	7 753
Other gross income		-	-	-	-	-
<b>Balance as at 31 December 2024</b>		<b>74 476</b>	<b>7 504</b>	<b>75</b>	<b>23 304</b>	<b>105 359</b>
Formed reserves		-	4	-	(4)	-
Reversed reserves		-	-	(25)	25	-
Dividends		-	-	-	(1 042)	(1 042)
Profit for the reporting period		-	-	-	9 775	9 775
Other gross income		-	2	-	7	9
<b>Balance as at 30 September 2025</b>		<b>74 476</b>	<b>7 510</b>	<b>50</b>	<b>32 065</b>	<b>114 101</b>

Company	Notes	Capital	Legal reserve	Other reserves	Profit available for distribution	(loss) for Total
<b>Balance as at 31 December 2023</b>		<b>74 476</b>	<b>7 447</b>	<b>50</b>	<b>14 750</b>	<b>96 723</b>
Formed reserves		-	1	75	(75)	1
Reversed reserves		-	-	(50)	50	-
Dividends		-	-	-	-	-
Profit for the reporting period		-	-	-	7 592	7 592
Other gross income		-	-	-	-	-
<b>Balance as at 31 December 2024</b>		<b>74 476</b>	<b>7 448</b>	<b>75</b>	<b>22 317</b>	<b>104 316</b>
Formed reserves		-	-	-	-	-
Reversed reserves		-	-	(25)	25	-
Dividends		-	-	-	(1 042)	(1 042)
Profit for the reporting period		-	-	-	9 749	9 749
Other gross income		-	-	-	-	-
<b>Balance as at 30 September 2025</b>		<b>74 476</b>	<b>7 448</b>	<b>50</b>	<b>31 049</b>	<b>113 023</b>

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

**CONDENSED INTERIM CASH FLOW STATEMENTS**

	<i>Group</i>		<i>Company</i>		
	Notes	30 September 2025 from the beginning of the year	30 September 2024 from the beginning of the year	30 September 2025 from the beginning of the year	30 September 2024 from the beginning of the year
<b>Cash flows from (to) operating activities</b>					
Profit for the period		9 775	741	9 749	954
Depreciation and amortisation		8 046	7 225	7 986	6 984
Depreciation covered by grants/grants		(1 190)	(1 167)	(1 189)	(1 167)
Receivables write-offs and changes in value		6	378	6	149
Losses (gains) on the sale and write-down of fixed assets and the value of shares		43	(51)	35	(49)
Change in realisation and fixed asset value of inventories		(43)	19	(43)	91
Change in employee benefit commitment		(32)	(9)	(32)	(9)
Changes to other non-monetary items		153	(267)	60	15
Change in accruals		(58)	(49)	38	(30)
Change in provisioning liabilities		(2 282)	695	(2 282)	695
Elimination of financial and investment performance		453	1 452	462	1 472
Decrease (increase) in inventories		(569)	(215)	(67)	(44)
Decrease (increase) in prepayments		706	(398)	715	(481)
Decrease (increase) in trade receivables		11 842	11 263	11 766	10 599
Decrease (increase) in other amounts receivable		209	1 872	259	1 955
Increase (decrease) in long-term trade debts		21	(1)		
Increase (decrease) in liabilities to suppliers		(6 210)	(7 946)	(6 517)	(8 382)
Decrease (increase) in liabilities related to employment relations		521	595	449	519
Corporate Income Tax Paid		-			
Increase (decrease) in taxes payable		(1 000)	(621)	(947)	(459)
Increase (decrease) in received prepayments		(96)	10	(101)	(1)
Increase (decrease) in other current liabilities		48	(156)	48	(179)
<b>Net cash flows from operating activities</b>		<b>20 343</b>	<b>13 370</b>	<b>20 394</b>	<b>12 632</b>

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**CONDENSED INTERIM CASH FLOW STATEMENTS (continued)**

	Group		Company		
	Note s	30 Septemb er 2025 from the beginnin g of the year	30 Septembe r 2024 from the beginning of the year	30 Septembe r 2025 from the beginning of the year	30 Septemb er 2024 from the beginnin g of the year
<b>Cash flows from (to) investing activities</b>					
Acquisition of intangible fixed assets and property, plant and equipment		(15 498)	(16 105)	(15 209)	(16 036)
Sale of property, plant and equipment		72	2	72	2
Subsidy received		32	82	32	82
Interest received on overdue receivables		634	501	625	481
Acquisition of investments, change in value		(2)		(2)	-
<b>Net (used) cash flows from investing activities</b>		<b>(14 762)</b>	<b>(15 520)</b>	<b>(14 482)</b>	<b>(15 471)</b>
<b>Cash flows from (to) financing activities</b>					
Loans received		-	642	-	642
Loans repaid		(2 618)	(2 023)	(2 618)	(2 023)
Interest paid		(1 266)	(1 973)	(1 266)	(1 953)
Dividend paid		(1 042)	-	(1 042)	-
<b>Net cash flows from (used in) financing activities</b>		<b>(4 926)</b>	<b>(3 354)</b>	<b>(4 926)</b>	<b>(3 334)</b>
<b>Net increase (decrease) in cash flows</b>		<b>815</b>	<b>(5 504)</b>	<b>986</b>	<b>(6 173)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>11 074</b>	<b>8 547</b>	<b>9 600</b>	<b>7 315</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>11 889</b>	<b>3 043</b>	<b>10 586</b>	<b>1 142</b>
(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.

maintenance of collectors-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 30 September 2025 and 31 December 2024, the Company's shareholders were:

	2025-09-30		2024-12-31	
	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 minor 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. As at 30 September 2025 and 31 December 2024, the Company had no treasury shares. As at 30 September 2025 and 31 December 2024, all shares were fully paid up.

On 30 September 2025, the Company and its subsidiary UAB GO Energy LT form a group (the Group):

Company, registered office address	Group's shareholding	Cost of investment	of Profit (loss)	Formed mandatory reserve	Equity	Main activities
UAB „GO Energy LT” Raudondvario pl. 84, Kaunas	100 percent	2 763	924	62	3 749	Innovative energy projects, consultancy, rental

The Company and the Group also own a 22 per cent stake in UAB Kauno miesto paslaugų centras. The cost of the investment is EUR 75 thousand. The investment is accounted for using the Equity Method. As of 30 September 2025, the share of profit calculated by the equity method amounted to EUR 113 thousand. Eur. Total Investment in this Associate is EUR 188 thousand. Eur.

In 2025, AB Kauno energija established the Public Enterprise "Transformations". The incorporation contribution is 2 thousand. Eur. The planned activity of the Public Institution is the organization of cultural artistic activities for the residents of Kaunas city and guests of the city.

The average number of employees of the Group during the reporting period is 393, the average number of employees of the Company is 355.

Legal regulation

According to the Law on Heat Economy of the Republic of Lithuania, the Company's activities are licensed and regulated by the State Energy Regulatory Council (hereinafter referred to as the Council). 26 February 2004 The Council granted the Company a heat supply licence. The licence is valid for an indefinite period of time, but may be revoked by an appropriate Council decision, subject to compliance with certain conditions. The Council also sets caps on heat supply prices. 13

September 2018 By Resolution No. O3E-283, the Council established the components of the basic heat price for the Company, which were valid until 31 March 2024. From 1 April 2024 to 30 September 2025, new heat prices calculated in accordance with the 23 February 2024 tariffs were in force. The level of income from heat production and supply of AB "Kauno energija" unilaterally established by the Council resolution.

## General information (continued)

### Economic activities

The Company's production capacities consist of the Petrašiūnai power plant, 5 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 total installed thermal capacity of the Company consists of about 520.6 MW (of which 52.9 MW – condensing economizers and 3.1 MW – absorption heat pumps), electric – 8.75 MW), of which the thermal capacity of the Petrašiūnai power plant is 169.2 MW (of which 17.8 MW – condensing economizers and 2.4 MW absorption heat pump) and 8 MW of electrical capacity. In Jurbarkas – 40.1 MW thermal (of which 4.4 MW – condensing economizers and 0.7 MW absorption heat pump). The total energy production capacity of the entire Company is about 534.7 MW (of which 52.9 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 three-month period ended 30 September 2025 are prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union (EU) and their interpretations. The standards were issued by the International Accounting Standards Board (IASB) and their interpretations were issued by the International Committee for the Interpretation of Financial Statements (IFRIC). All accounting principles for the preparation of condensed interim financial information are the same as for the preparation of the annual financial statements for the year 2024.

These financial statements are prepared on an acquisition cost basis, with the exception of financial assets and liabilities for which changes in fair value are recognised as profit or loss. Historical cost is essentially based on the fair value of the consideration paid for the asset. These financial statements have been prepared in accordance with the principle of business continuity, based on the assumption that the Company and the Group will be able to continue their activities in the near future.

The Company and the Group's management do not expect the new standards adopted from 2025 onwards. The adaptation of the amendments and clarifications in force on 1 January would have a significant impact on the Company's separate and consolidated financial statements of the Group for the period from the beginning of the year to 2025 September 30.

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

The management of the Company has approved the following interim financial statements on 13 November 2025.

## 3. Application of assessments in preparation of financial statements

When preparing financial statements in accordance with IFRS adopted for use in the EU, management must make calculations and estimates for assumptions that affect the application of accounting principles and for amounts related to assets and liabilities, income and expenses. The calculations and the assumptions associated with them are based on historical experience and other factors that are consistent with the current conditions and on the basis of the results of which a conclusion is drawn about the residual values of assets and liabilities that cannot be inferred from other sources. Actual results may differ from estimates. The calculations and related assumptions are constantly reviewed. Adjustments to the calculations are recognized as promising.

The main forward-looking assumptions and other material sources of valuation uncertainty at the date of the interim statements on the financial position that entail material risk and may require a material adjustment to the balance sheet amounts of assets or liabilities in the following financial year shall be the same as those described in the last set of separate and consolidated annual 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 depict the assets under the right of use in the article on the assets under the right of use

Recognised lease liabilities in the financial statement are presented in the items of leasing (financial lease) and long-term financial debts and leasing (financial 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.

### Measurement of fair value (continued)

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 9 months of 2025, acquisitions of fixed tangible assets of the Group and the Company amounted to EUR 15,489 thousand and EUR 15,209 thousand. The residual value of the sold and written off fixed tangible assets amounted to EUR 36 thousand and EUR 35 thousand. The cost of the purchased property includes all costs related to the construction, purchase and materials of the property.

The depreciation costs of the Group's and the Company's real estate, equipment and equipment during the 9 months of 2025 amount to EUR 7,858 thousand and EUR 7,805 thousand. The amounts of the Group's and the Company's depreciation expenses were included in the operating expenses in the Income Statement and other comprehensive income, as well as in the lines of other expenses. Part of the depreciation costs of the Group and the Company – EUR 1,190 thousand and EUR 1,189 thousand were covered by the amounts of the grants received.

After assessing the internal and external characteristics, the management of the Group and the Company did not identify a significant additional impairment of real estate, equipment and equipment during the 9 months of 2025.

Part of the Group's real estate, equipment and equipment, the acquisition value of which as at 30 September 2025 was equal to EUR 33,563 thousand (as of 31 December 2024, EUR 33,987 thousand), the Company's – EUR 33,563 thousand was fully depreciated (33,987 thousand euros as of 31 December 2024), but is still used in operations.

As at 30 September 2025 and 31 December 2024 The majority of the Group's and the Company's unfinished construction consists of reconstruction and overhaul of boiler plant equipment and heat supply networks.

As at 30 September 2025, real estate, equipment and equipment with a residual value equal to EUR 6,138 thousand (as of 31 December 2024 – EUR 5,628 thousand), and the Company's – EUR 6,138 thousand (as of 31 December 2024 – EUR 5,628 thousand) was pledged to the Ministry of Finance of the Republic of Lithuania as a loan collateral.

## 7. Inventories

	Group		Company	
	2025-09-30	2024-12-31	2025-09-30	2024-12-31
Technological fuel	984	1 268	984	1 268
Spare parts	825	435	825	435
Material	279	329	278	329
Items for resale	610	109		
	2 698	2 141	2 087	2 032
To be deducted: write-down to net realisable value at the end of the period	(368)	(380)	(368)	(380)
<b>Carrying amount of inventories</b>	<b>2 330</b>	<b>1 761</b>	<b>1 719</b>	<b>1 652</b>

The depreciation of the Group's and the Company's inventories to the net potential realisable value as of 30 September 2025 amounted to EUR 368 thousand (as of 31 December 2024 – EUR 380 thousand). Change in inventory depreciation to net realisable value in 2025 and 2024 The Profit (Loss) and Other Comprehensive Income Statements of the Group and the Company are included in the item Expense for the change in the realisation value of inventories.

**8. Amounts receivable from buyers**

	Group		Company	
	2025-09-30	2024-12-31	2025-09-30	2024-12-31
Trade receivables	8 599	20 409	8 439	20 193
To be deducted: expected credit losses	(4 744)	(4 711)	(4 724)	(4 711)
	<b>3 855</b>	<b>15 698</b>	<b>3 716</b>	<b>15 482</b>

Change in the impairment of doubtful receivables on 30 September 2025 and 31 December 2024 In the statements of Profit (Loss) and Other Comprehensive Income of the Group and the Company, it is included in the item Cost of change in the impairment of receivables. The impairment of doubtful receivables is measured on the basis of the expected credit loss.

The amounts receivable from the Group and the Company from buyers are interest-free and usually have a payment term of 30 days or individually agreed.

**9. Other receivables**

	Group		Company	
	2025-09-30	2024-12-31	2025-09-30	2024-12-31
Refundable taxes	461	137	368	88
Other receivables	190	808	190	814
To be deducted: expected credit losses	-	(85)	-	(85)
	<b>651</b>	<b>860</b>	<b>558</b>	<b>817</b>

As of 30 September 2025 and 31 December 2024 other receivables of the Group and the Company consisted of taxes receivable from the state, receivables for sold stocks (scrap metal, heating system equipment), and services provided (collector maintenance services, etc.).

The Group's and the Company's other receivables are interest-free and usually have a payment term of 30 – 45 days.

Other outstanding receivables are not subject to impairment because management considers that there are no indications that debtors will not be able to meet their obligations.

Credit risk

The Group and the Company do not experience a significant concentration of credit risk, as they work with a large number of buyers.

**10. 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 30 September 2025 and 31 December 2024 was as follows:

	Group		Company	
	2025-09-30	2024-12-31	2025-09-30	2024-12-31
Long-term	2.76	3,61	2.76	3,61

Repayment terms of long-term loans:

	Group		Company	
	2025-09-30	2024-12-31	2025-09-30	2024-12-31
<b>Long-term financial debts (loans):</b>	<b>62 658</b>	<b>62 658</b>	<b>62 658</b>	<b>62 658</b>
Payable between 2 and 5 years	21 368	21 368	21 368	21 368
Payable after 5 years	41 290	41 290	41 290	41 290
Current portion of long-term loans	1 460	4 078	1 460	4 078
	<b>64 118</b>	<b>66 736</b>	<b>64 118</b>	<b>66 736</b>

As at 30 September 2025 In the statement of financial position, in the item on long-term financial debts, the Group and the Company accounted for the amounts of financial debts to be repaid after 1 year and not paid thereafter.

Interest payable to financial institutions, which amounts to EUR 178 thousand and EUR 178 thousand, respectively, the Group and the Company account for the part of the Accrued Cost Balance Sheet.

Details of the Group's and Company's loans as at 30 September 2025:

	Credit institution	Date of contract	Amount, thousands EUR	Loan Repayment term	Balance on 30/09/2025 thousand. Euro	Balance on 31/12/2024 thousand. Euro
1	EIB**	2020-08-07	15 000	2035-08-24	10 000	10 750
2	EIB**	2020-08-07	12 000	2036-08-18	9 962	10 642
3	EIB**	2020-08-07	14 000	2037-08-22	12 679	13 472
4	EIB**	2020-08-07	14 000	2038-09-29	13 736	14 000
5	EIB**	2024-10-30	12 000	2039-10-31	12 000	12 000
6	LR Finansų m.*	2010-10-26	807	2034-03-15	346	385
7	LR Finansų m.*	2010-04-09	2 410	2034-03-15	842	936
8	LR Finansų m.*	2014-01-15	793	2034-12-01	416	416
9	LR Finansų m.*	2014-03-31	7 881	2034-12-01	4 136	4 135
					<b>64 118</b>	<b>66 736</b>

\* Ministry of Finance of the Republic of Lithuania; \*\* European Investment Bank.

The EIB has determined that the Company is required to comply with the ratio of net financial debt to EBITDA set for the half-year, which shall not exceed 4.75. According to the loan agreements, the Company's equity ratio (total equity/assets) must be at least 35 %. On 30 September 2025 The company fulfilled the established indicators.

Loan agreements provide for certain restrictions. The Company may not grant dividends, issue and/or receive new loans, provide support, sell or lease pledged assets without the written consent of the banks.

## 11. Other provisions

Total amount accrued in the Other provisions item in 2024 31 December, which amounted to 2,269 thousand, was settled in the first half of 2025.

## 12. Cash and cash equivalents

	Group		Company	
	2025-09-30	2024-12-31	2025-09-30	2024-12-31
Cash on the road	124	330	124	330
Cash in the bank	11 765	10 744	10 462	9 270
	<b>11 889</b>	<b>11 074</b>	<b>10 586</b>	<b>9 600</b>

**13. Changes in equity**Statutory reserve and other reserves

The minimum reserve is mandatory in accordance with the legislation of the Republic of Lithuania. It is mandatory to transfer at least 5 percent of the net profit calculated in accordance with the International Financial Reporting Standards to it annually until the reserve reaches 10 percent of the authorized capital. The minimum reserve cannot be allocated to dividends, but can be used to cover future losses. The mandatory reserve is fully formed in Kauno Energija.

In the subsidiary, the amount of EUR 4 thousand was transferred to the mandatory reserve when distributing the result for 2024.

When distributing the profit for 2024, it was decided to transfer EUR 50 thousand to Other reserves.

**14. Sales income**

The activities of the Group and the Company are thermal energy supply, heating of buildings and maintenance of hot water supply systems, production of electricity and other activities. Part of the population chose the Company as a hot water supplier. These activities are closely related to each other, therefore, for management purposes, it is considered that the Group and the Company organise their activities in one segment – the supply of thermal energy.

The Group's and the Company's activities are seasonal, most of the income is earned during the heating season, which starts in October and ends in April.

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

	<u>Group</u>		<u>Company</u>	
	<u>30 September 2025 from the beginning of the year</u>	<u>30 September 2024 from the beginning of the year</u>	<u>30 September 2025 from the beginning of the year</u>	<u>30 September 2024 from the beginning of the year</u>
Heat supply	54 123	47 631	54 123	47 618
Hot water supply	6 982	4 575	6 982	4 575
Maintenance of hot water metering devices	897	827	673	503
Maintenance of collectors	261	288	261	258
Maintenance of heating and hot water systems in buildings	7	7	7	7
Other income	115	-	-	-
Sale of tradable emission allowances	2 347	-	2 347	-
	<b>64 732</b>	<b>53 329</b>	<b>64 393</b>	<b>52 961</b>

In accordance with the audit recommendation, the comparative data for the first nine months of 2024 was adjusted by reducing sales revenue by the amount of provisions accumulated for price reductions in 2025.

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

	<u>Group</u>		<u>Company</u>	
	<u>30 September 2025 from the beginning of the year</u>	<u>30 September 2024 from the beginning of the year</u>	<u>30 September 2025 from the beginning of the year</u>	<u>30 September 2024 from the beginning of the year</u>
Residents	46 879	39 779	46 871	39 786
Other users	7 540	6 317	7 209	5 949
Budgetary organisations financed from the state budget	4 398	3 415	4 398	3 411
Budgetary organisations financed from municipal budgets	3 001	2 181	3 001	2 178
Institutions financed by territorial sickness funds	1 852	1 310	1 852	1 309
Industrial users	1 062	328	1 062	328
	<b>64 732</b>	<b>53 329</b>	<b>64 393</b>	<b>52 961</b>

## 15. Other operating income and expense

Income from other activities includes:

	Group		Company	
	30 September 2025 from the beginning of the year	30 September 2024 from the beginning of the year	30 September 2025 from the beginning of the year	30 September 2024 from the beginning of the year
<b>Other operating income</b>				
Sold stock	816	2 243	494	733
Various services provided	557	748	557	417
Compensation received	1	20	1	8
Profit from the sale of fixed assets	45	5	45	5
Kita	630	168	311	168
	<b>2 049</b>	<b>3 184</b>	<b>1 408</b>	<b>1 331</b>

Other operating costs include:

	Group		Company	
	30 September 2025 from the beginning of the year	30 September 2024 from the beginning of the year	30 September 2025 from the beginning of the year	30 September 2024 from the beginning of the year
<b>Other operating costs</b>				
Cost of various services provided	(395)	(121)	(203)	(121)
Sold stock	(410)	(107)	(139)	(107)
Costs for previous periods	(100)	(66)	(100)	(66)
Sale, write-off of fixed assets	-	(2)	-	(2)
Kita	(36)	(106)	(32)	(123)
	<b>(941)</b>	<b>(402)</b>	<b>(474)</b>	<b>(419)</b>

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

## 16. Basic and diluted earnings per share

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

	Group		Company	
	30 September 2025 from the beginning of the year	30 September 2024 from the beginning of the year	30 September 2025 from the beginning of the year	30 September 2024 from the beginning of the year
Profit for the reporting period	9 775	741	9 749	954
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
<b>Basic and diluted earnings per share (EUR)</b>	<b>0,23</b>	<b>0,02</b>	<b>0,23</b>	<b>0,02</b>

## 17. Commitments and contingencies not included in the balance sheet

On 26.02.2024, AB "Kauno energija" filed a complaint with the Regional Administrative Court regarding the validity of the NERC resolutions No. O3E-141 "On the determination of the level of heat production and/or supply income of AB "Kauno energija" for the first year of validity of the basic level of heat production and/or supply income":

Essence of the case: AB "Kauno energija" (the Petitioner) disputes the rulings of the State Energy Regulatory Authority (NERC) (Defendant) by court procedure: Resolution No. O3E-84 of 26.01.2024, Resolution No. O3E-141 of 09.02.2024 and Resolution No. O3E-213 of 23.02.2024.

Complaint amount: EUR 2,587.50 thousand.

Stage of the case: 2024-02-26 The Applicant has filed a complaint with the Regional Administrative Court regarding the rulings of the NERC. In the first instance, the court did not satisfy the complaint of AB "Kauno energija". On 05.01.2025, AB "Kauno energija" filed an appeal with the court. The case in the appellate instance has not yet been examined.

The dispute does not affect the financial statements, as the rates that are actually applied by the Company are disputed.

### 18. Related party transactions

In the 9 months of 2025 and In the 9 months of 2024 the Group and the Company did not have significant transactions with other companies controlled by Kaunas City Municipality, except for the purchase or provision of utilities. Transactions with Kaunas City Municipality and companies controlled by Kaunas City Municipality were carried out at market prices.

As at 30 September 2025 and 30 September 2024 the transactions of the Group and the Company with Kaunas City Municipality and companies financed and controlled by Kaunas City Municipality, as well as their debts and liabilities at the end of the periods, were as follows:

<b>Kaunas City Municipality, its financed and fully managed companies</b>	<b>Purchases</b>	<b>Sales</b>	<b>Receivables</b>	<b>Payables</b>
9 months of 2025	2 339	2 877	372	619
9 months of 2024	1 721	4 259	330	391

Sales include the amounts of housing heating costs, cold water and sewage costs and hot water compensation for deprived residents.

The procurements include the procurement of services of the Municipal Enterprises for the needs of the Company.

As at 30 September 2025 and 30 September 2024 The company's transactions with subsidiaries and balance sheet balances at the end of the period were:

<b>UAB "GO Energy LT"</b>	<b>Purchases</b>	<b>Sales</b>	<b>Receivables</b>	<b>Payables</b>
9 months of 2025	1 472	251	32	122
9 months of 2024	1 740	168	22	296

UAB "GO Energy LT" provides real estate services, together with the parent company, participates in energy development projects of unregulated activities, builds and maintains water metering devices, provides cooling services.

### 19. Management's salary and other benefits

On 30 September 2025 the management of the Group and the Company consists of persons 2 and 1 (2 and 1 as of 31 December 2024) respectively. On 30 September 2025 and 30 September 2024 the Board of the Company consists of 3 members and the Supervisory Board consists of 3 members.

	<b>Group</b>		<b>Company</b>	
	<b>2025 m. 9 months.</b>	<b>2024 9 months.</b>	<b>2025 m. 9 months.</b>	<b>2024 9 months.</b>
Salary calculated for management	181	136	133	107
Compensation for employee benefits calculated for management	-	-	-	-

During the 9 months of 2025 and 9 months of 2024, no loans, guarantees, no other amounts paid or accrued or transferred assets were granted to the Management of the Group and the Company.

### 20. Adjustments to comparative data

When compiling the financial statements for the 9 months of 2025, the comparative data for the 9 months of 2024 were adjusted. The data has been adjusted according to the recommendations of the audit firm.

In the 9 months of 2024, EUR 696 thousand was accounted for as other provisions, which may/will later be regrouped into profit or loss. As part of the adjustments, these general provisions have been reclassified as Sales Revenue reduction.

### 21. 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.