AB Kauno energija

Code of legal entity 235014830
Raudondvario av. 84
Kaunas, Lithuania

AB KAUNO ENERGIJA CONSOLIDATED SEMIANNUAL MANAGEMENT REPORT OF THE YEAR 2026

Confirmation of the persons responsible for the shareholders of the Company and the Bank of Lithuania

Following Article 23 of the Law on Securities of the Republic of Lithuania and the Rules for presentation and delivery of periodic and additional formation, approved by the decision No O3-48 of February 28, 2013 of the Board of the Bank of Lithuania, we hereby confirm that, to our best knowledge, the consolidated semiannual management report of the year 2026 of AB Kauno Energija (hereinafter – the Company or the Issuer) includes a fair business development and performance review of the Company and the situation of consolidated companies, together with the description of principal risks and uncertainties encountered.

Tomas Garasimavičius
General Manager

Virgilijus Motiejūnas
Chief Finance Officer

Ramunė Petkevičienė
Chief Accountant

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1. **Reporting period of the Consolidated Management Report**

Reporting period for which the AB Kauno Energija Consolidated Management Report has been prepared is January 1, 2026 – June 30, 2026.

2. **Companies consisting the Group of companies and their contact details**

AB Kauno Energija (hereinafter – the Company or the Issuer) prepares both the Company's and the Consolidated Financial Statements. The group of companies (hereinafter referred to as the Group) consists of AB Kauno Energija and its subsidiary – UAB GO Energy LT in which the Issuer directly controls 100 per cent of the shares. The company has no branches.

Main details of the Company:

Name of the Company:	AB Kauno Energija
Legal-organizational form:	Public Limited Liability Company
Headquarters' address	Raudondvario av. 84, 47179 Kaunas
Code of legal entity:	235014830
Telephone	(+370 37) 305 650
Fax	(+370 37) 305 622
E-mail:	info@kaunoenergija.lt
Webpage	www.kaunoenergija.lt
Registration date and place	August 22, 1997, Kaunas, Order No 513
Register manager	State Enterprise Centre of Registers Kaunas Branch
VAT payer code	LT350148314

Main information about the subsidiaries:

Company name	UAB Go Energy LT
Legal-organizational form	Limited Liability Company
Headquarters' address	Raudondvario av. 84, 47179 Kaunas
Code of legal entity	303042623
E-mail	info@goenergy.lt
Registration date and place	April 16, 2013, Kaunas
Register manager	State Enterprise Centre of Registers Kaunas Branch

3. Nature of core activities of the companies composing the group of companies

The nature of core activities of the Group is manufacture and rendering of services. The Company is the parent company of the Group. The Company generates and supplies heat to consumers (for the purposes of heating and hot water production) in the cities of Kaunas and Jurbarkas and in Kaunas district Akademija town, Ežerėlis town, Domeikava village, Garliava town, Girionys village, Neveronys village, Raudondvaris village, (hereinafter referred to as Kaunas district).

Also, following provisions of the Law on Heat Sector, the Company supplies hot water (is engaged in hot domestic water supplier activities) from May 1, 2010 for consumers in the cities of Kaunas and Jurbarkas and Kaunas district, who chose the Company as a hot water supplier.

In addition, the Company maintains engineering structures (collectors – manifolds) and operates heat and electricity production facilities. The Group and the Company carries out a supervision of indoor heat and hot water supply systems, maintenance of heat unit equipment, repairs of heat units and other heating equipment, provides premises rental services under agreements. The Group and the Company are engaged in licensed activity in accordance with the licenses held. On February 26, 2004 the National Commission for Energy Control and Prices (hereinafter – the Commission) issued a heat supplier licence to the Company. The licence is valid indefinitely. Maintenance of indoor heat and hot water supply systems is pursued following the provisions of Article 20 of The Law on Heat Sector of the Republic of Lithuania.

The vision of the Group and the Company is to be the most innovative energy company in Lithuania, generating and supplying green district heating, cooling and hot water to residents, businesses and the public sector in the most efficient and sustainable ways, and creating value for consumers and shareholders.

Values of the Group and the Company:

- Professionalism
- Innovation
- Transparency
- Team spirit
- Community spirit

Strategic goals of the Group and the Company:
AB Kauno Energija is the most advanced and innovative district heating (hereinafter – DH) company in Lithuania.

Principled guidelines of Company's heat economy strategy are as follows:
- Increase of safety and reliability of heat supply – the Company intends to formulate an expert assessment of safety / vulnerability of heat supply system, to implement update and modernization of system of parameters data transfer, collection and evaluation, to implement optimization of the network hydraulic mode and increase of speed of parameters reaction / change, to reconstruct and optimize sections of termofication pipelines and elements, to implement update and development of the system of DH network water reserve – emergency replenishment, to implement technical solutions and / or use a good practice increasing reliability and safety, ensuring stability of thermofication mode;
- to actively participate in formation of policy of Kaunas city supply with heat and in increase of Company's desirability and in expansion of district heating market.
- formation of good practice and its publicizing.

4. Issuer's agreements with credit institutions

On September 13, 2018 the Issuer Service Agreement was signed with AB SEB Bankas (company code 112021238, Gedimino pr. 12, Vilnius).

5. Trade in securities of companies composing the Group of companies in regulated markets

As at 30 June 2026, 20,031,977 (twenty million thirty-one thousand nine hundred seventy-seven) ordinary registered shares of the Issuer (ISIN code LT0000123010), with a total nominal value of EUR 34,855,639.98 (thirty-four million eight hundred fifty-five thousand six hundred thirty-nine euros 98 cents), are admitted to trading on the Baltic Secondary List of the Nasdaq Vilnius stock exchange. The Company's shares were first listed on 28 December 1998.

6. **Overview of the condition, performance, and development of the Group of companies**

6.1. Overview of the Group's condition, performance, and development

In 2026, the company's focus was on achieving its strategic objectives by providing innovative, efficient, safe, economical, and sustainable heating solutions.
The company's financial and non-financial objectives are to ensure the safety and reliability of its core activities; improve production efficiency; enhance the efficiency of the heat transmission system; improve access to district heating; and utilize modern, innovative tools and methods for organizing and managing heat supply and operations.

The "Development Strategy of AB Kauno energija for the period of 5 years, covering the years 2022–2026, by implementing the directions of development of the energy sector" was approved by the Company's Supervisory Board on 11 July 2022. A summary of the strategy is available on the Company's website at a specific address: https://www.kaunoenergija.lt/apie-bendrove.

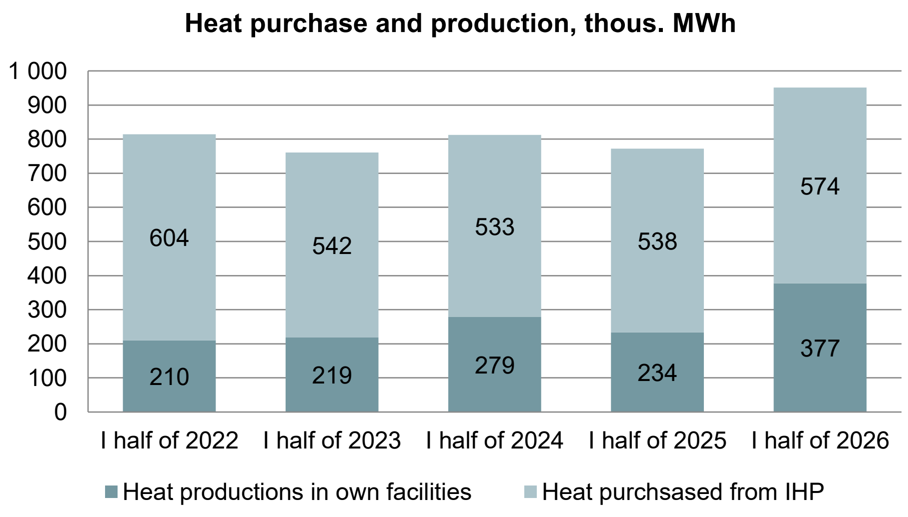
The Company covers a major part of heat production and supply market in the cities of Kaunas and Jurbarkas and Kaunas district. Company's generation capacities consist of Petrašiūnai power plant, 5 boiler-houses in Kaunas integrated network, 7 district boiler-houses in Kaunas district, 1 boiler-house in Jurbarkas city, 14 boiler-houses of isolated networks and 26 local gas burning boiler-houses in Kaunas city (25 of them are gas burned and 1 of them – burned with pellets), also 8 local water heating boiler-houses in Sargėnai catchment. Total Company's power generation capacity is 520,6 MW (including 52.9 MW of condensational economizers' capacities; 3.1 MW of absorption heat pump).

In the I half of the year 2026, 40% of all heat supplied to the network was produced in the Company's owned production sources. The rest of required quantity of heat was purchased from independent heat producers (hereinafter – IHP) in monthly auctions, according to legal acts. Starting from May 2018 an electronic heat purchasing auctions are arranged by the Energy Stock Exchange operator UAB Baltpool. Electronic auctions are carried out in accordance with the Regulations of the Heat Auctions approved by the National Energy Regulatory Council. The Schedule of the Procedure and Conditions for the Purchase of Heat from Independent Heat Producers, the Methodology for Determining Heat Prices, the Rules for the Provision of Information on Energy, Drinking Water Supply and Wastewater Treatment, Sewage and Surface Water Treatment Companies, a Summary of Conditions of Usage of Heat Transfer Networks, and a schedule of the Procedure for Publicly Disclosed Information were changed respectively.

Due to colder weather, 950.6 thousand MWh of heat was supplied to the network in the first half of 2026, compared with 771.5 thousand MWh in the first half of 2025 – an increase of 23 per cent. For this reason, backup gas-fired heat generation units were activated at the Company's heat production facilities, and three times as much natural gas was consumed as in the first half of the year 2025.

During 2022–2026, the amounts of heat produced by the Company's facilities and purchased from IHP, thousand MWh:

Chart 1



The Company purchased heat during the year 2026 from 10 IHP in Kaunas and Kaunas district as follows: from UAB Kauno Termofikacijos Elektrinė, UAB Idex Taika, UAB Idex Taika Elektrinė, UAB Lorizon Energy, UAB Ekoresursai, UAB Aldec General, UAB Idex Biruliškių, UAB "Ekopartneris", UAB Foksita and UAB Kauno Kogeneracinė Jėgainė. Total purchases consisted of 574 thousand MWh of heat, i.e., 60 per cent of heat supplied to the network.

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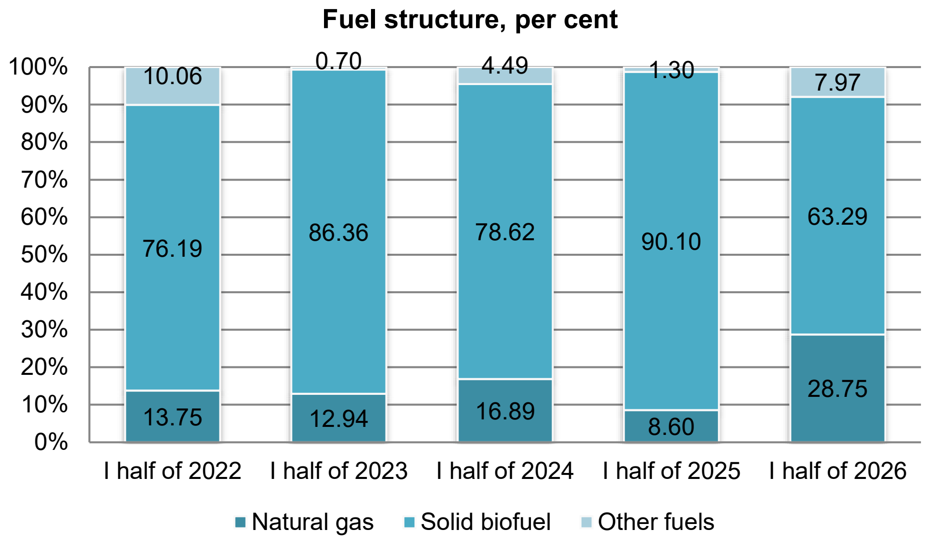
Fuel used by the Company for heat production in the I half of the year 2026 is presented in Chart 2.

Chart 2



Investments

Investments are made in accordance with Company's investment plan for the year 2026, which has been approved by decision No T-20 of Kaunas City Municipality Council of February 24, 2026 "Regarding investment plan of AB Kauno Energija for the year 2026 and its financing" (hereinafter – Investment plan). 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 Board of Directors and coordinated by the Kaunas City Municipal Council.

The Company implements trunk pipeline replacement projects, optimizes pipeline diameters, connects new objects to the DH network and modernises heat production facilities according to Investment plan.

Two new, state-of-the-art water-heating boilers (25 MW each) have been installed at the Petrašiūnai power station to ensure a reserve of heat generation and to meet increased demand for heat during peak periods. The boilers will use natural gas and liquid fuel, thereby increasing fuel diversity, whilst modern, fully automated systems will enable a rapid and efficient response to the network's needs. The project is worth EUR 6.1 million.

An absorption heat pump with a second-stage economiser and modernised flue gas cleaning systems have been installed at the Šilko boiler house, ensuring more efficient heat generation, a lower environmental impact and simpler operation. The project is worth EUR 2.9 million.

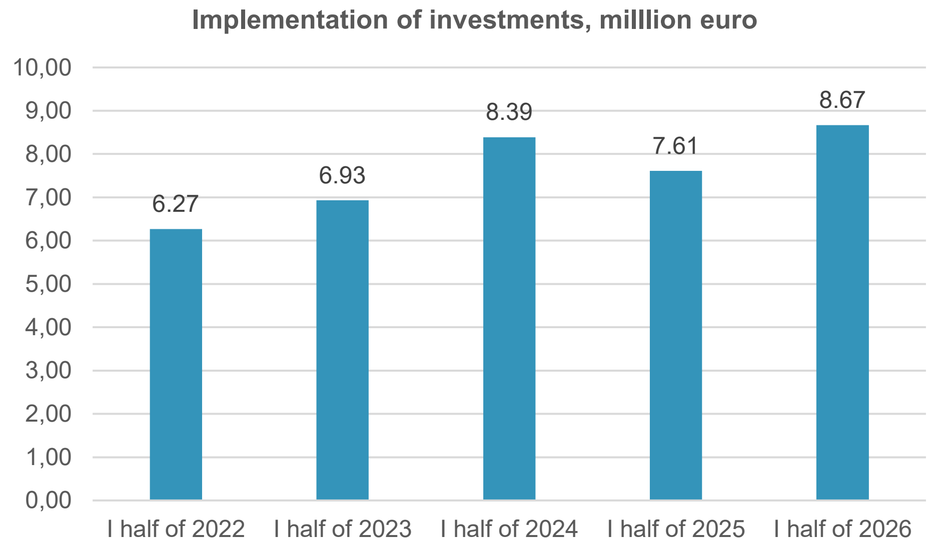
A project is currently underway to lay heating supply networks from A. Juozapavičiaus Avenue to Miglovaros Street, aimed at connecting new heat consumers in the Žemieji Šančiai area and implementing the network expansion set out in the strategic development programme. The project is worth EUR 0.6 million.

New heat supply networks are being laid in the Kaunas FEZ, connecting new heat consumers in the Inžinierių Street area; this is part of the network expansion set out in the strategy and ensures that new properties are connected to the district heating system.

The Company's document digitisation project has been completed – digital archive software has been installed and archive documents have been digitised, resulting in shorter customer service turnaround times, reduced costs associated with searching for and retrieving documents, and increased efficiency in document management. The project is worth EUR 0.57 million.

Company's investments of the years 2022–2026 are presented in Chart 3.

Chart 3



6.2. Main risks and uncertainties of the Company and their impact on operating results

External risk factors affecting the Company's core business:

- Competition among independent heat producers in Kaunas.
- Increase in final (i.e., including all expenditures) price of natural gas and biofuel.
- Ever-changing legal environment.
- Heat production pricing policies.

Competition environment risk factors.

In order to operate effectively and reliably in creation the added value for shareholders, the Company is facing threats specific to the sphere of its activity, but also takes advantage of opportunities to work efficiently and effectively by exploiting the available potential. One of the biggest threats that the Company may face is a relatively high price for heat purchased from IHP. Purchase of heat is pursued following valid law and the Description of procedure for purchase of heat from independent suppliers of heat approved by NERC. In turn, the Company invests extensively in modernization and construction of its own manufacturing facilities, to reduce the comparative costs of heat production. Thus, it takes advantage of the regulatory environment and reduces the energy purchase price.

With the emergence of new IHP the Company faced additional technical, economical, legal and other issues that need to be solved: management of heat supply network and balancing of power of these producers in case of emergency stop of them, retaining of optimum working parameters of the network, regulation, change and applying of heat purchase from IHP order.

Commercial risk factors

The Company is the main supplier of centrally produced heat to the cities of Kaunas and Jurbarkas and part of Kaunas district. To retain this market, it is necessary to implement modern and efficient heat production technologies in own production facilities and to focus on production at the lowest cost, benefiting from private differences of different types of fuel.

Company's heat sales are directly dependent on heat demand, i.e., heat consumption, which is mostly affected by the average outdoor air temperature, the amount of investment of consumers in energy-saving and rational use of heat and the pace of development of the heat sales.

Changes in fuel prices and the price of heat, produced by IHP have an impact on cost of Company's heat and electricity production.

Company's performance is affected by the decrease in sales due to reduced and further decreasing heat demand (in pursuance of residential buildings renovation and by installing a heat saving equipment), due to consumer's disconnections from DH network (due to the various reasons). Risks can be mitigated by Company's current and further investments in heat and electricity production facilities, using renewable energy sources, reducing heat production expenditures as well as the price of heat supplied for consumers, and continually reasonably informing customers on the benefits of DH network systems (safety, reliability, correlation with one sort of fuel, fuel conversion, local pollution sources in residential areas, total environmental pollution, etc.) in comparison with autonomous heating.

Operational risk

As of 30 June 2026, overdue payments from heat consumers exceeding 90 days amounted to EUR 5.2 million (as of 31 December 2025 – EUR 5.1 million). To recover these debts as soon as possible, the Company actively uses a variety of legal debt management measures, such as pre-trial actions, judicial recovery, and cooperation with law Companies. In addition, when a debt becomes big, a restriction of heat supplies is applied as a prevention measure (if there are technical possibilities and according to the law).

Activities of the Company are cyclical. During the heating season (October – April) a major operating income is earned. During the non-heating season, the Company's revenues are at their lowest since only heat for hot water is used. In addition, during the non-heating season, the Company incurs more costs because it must prepare for the upcoming heating season, i.e., to carry out the repairs and reconstruction of heat supply networks and heat production facilities.

Legal compliance risk

Energy activities are governed by the Law on Heat Sector, the Law on Energy, the Law on Electricity, the Law on Natural Gas, the Law on Drinking Water Supply and Wastewater Management, Government resolutions, Heat supply and consumption rules, Methodology of heat prices and payments for heat of NCC and other legislation. Their amendments affect the heating industry.

With new amendments of articles 2, 3, 20, 22, 28, 31, and 32 of the Law on Heat Sector No XI-1608 of the Republic of Lithuania that came in affect from November 1, 2011 in accordance with Article 7, the heat and hot water prices may not include any costs related with the indoor building heating (including heat units), and hot water systems. In implementing the legislation, from November 1, 2011 all these costs directly reduce the profit of the Company.

Legal compliance risk is a risk of increase in losses and (or) loss of prestige, and (or) decrease in confidence, which can be determined by the external environment factors (for example, violation of external legal acts, non-compliance of requirements of supervising institutions, etc.) or internal factors (for example, violation of internal legal acts and ethical standards, cases of employee's abuse, etc.).

Technical and process factors

The biggest process risks are related to the condition of heating systems. Modernization rate of them is determined by lack of funds – it is necessary to reconstruct more than 15 km of pipelines per year to condition of age of heat supply system and the minimum investments should consist of approximately 11 million euros. Hydraulic testing identifies their weakest points. Every year, about 200 points where cracks occur are identified during the tests. Upon discovery of defects, pipes are exposed and promptly repaired.

DH network is reconstructed in the most worn-out sections of district heating. New industrially (polyurethane foam insulation in polyethylene shell) insulated pipes not requiring concrete channels are mounted in the reconstructed sections of the heat supply network. Heat loss is very low in reconstructed sections (process level), while the pipelines no longer pose a threat of rupture and ensure reliable heat supply to consumers.

One of the technical risk factors for heat generation facilities is their age. Some of heat generation facilities are already renewed now. Every year boiler repairs, and preventive work is carried out during the non-heating season. They are necessary to ensure secure heat supplies and reliability, i.e., securing of heat production facilities and fuel reserves.

More detailed information on Company's production facilities modernization is provided in chapters on operations and development.

Environmental factors

These can be classified as factors affecting the Company and and those affected by the Company's activities.

In order not to adversely impact the environment and comply with the pollution limits, vibration and noise values, the Company is guided by the requirements of the Kyoto Protocol, the Helsinki Commission (HELCOM) and environmental constraints of Helsinki Convention, as well as the European Parliament and Council Directive 2001/80/EB of regulating energy emissions and Lithuanian environmental normative document LAND 43-2013 for the use of natural resources, and releases and emissions of air pollutants to the environment in its activities. Main sources of pollution of the Company: burning fossil fuel in the Company's heat sources, production of heat and wastewater used in the industrial processes.

The Company pays taxes for atmospheric and water pollution. If allowable emission rate limits or annual limits are exceeded, the Company would pay the fines under the applicable laws of the Republic of Lithuania. The Company was not imposed any penalties in the I half of the year 2026.

Main Company's emission reduction measures: modernization of heat generation facilities, heat transfer loss reduction by replacing the existing pipes with the pipes with polyurethane foam insulation, installation of new technology and improvement of existing technological equipment, use of less polluting fuels, and continuous emission monitoring.

Additional efforts by the company to reduce CO2 emissions:

- Green" procurement: suppliers are selected not only based on price and quality but also based on lower environmental impact.
- Implementation of an environmental management system (ISO 14001:2015) to systematically manage direct and long-term operational environmental impacts and address relevant environmental issues. This system also facilitates wider implementation of green procurement.
- Renewal of the vehicle fleet: preference for electric and hybrid vehicles.
- Waste sorting from production and administrative activities, handing over sorted waste to licensed waste managers, and removing trash bins from administrative offices to encourage employee participation in waste sorting and reduce plastic bag usage.
- Initiatives to inform the public about energy-saving measures, including articles on renewable energy, its benefits for nature and people, modern technologies used by the Company, and contributions to climate change mitigation.
- Encouraging employees to use less polluting transport for commuting and to share vehicles when possible.

Intangible resources factors

The expertise of the Company's employees and the technological innovations undertaken are key intangible resources that directly affect the Company's performance. They allow for a more efficient heat production and supply process, reduced costs and increased customer satisfaction. Strategic management of these resources makes the Company more competitive, sustainable and cost efficient.

Staff competences:

- Highly skilled engineers and operators ensure efficient management of boiler plants and networks, reducing energy losses and operating costs.

- Professional project managers are able to implement advanced solutions such as remote control systems or heat storage technologies.

- Well-trained network management staff reduce the number of incidents and their impact on customers, thus increasing service reliability.

Technological innovation:

- Automated control systems allow real-time optimisation of heat production according to consumption demand, reducing fuel consumption.

- Data analytics solutions help to forecast heat demand, avoiding overproduction.

- The deployment of smart meters provides customers with transparent information on heat and hot water consumption, reducing disputes and increasing service satisfaction.

7. **Analysis of financial and non-financial performance results, information related to environmental issues**

The Company's sales revenue for the I half of the year 2026 was EUR 77,149 thousand and compared to the I half of the year 2025 increased by 35 per cent (in the I half of the year 2025 it consisted of EUR 57,142 thousand). Sales revenue of the Group for the I half of the year 2026 was EUR 77,557 thousand (in the year 2025 it consisted of EUR 57,418 thousand).

Revenue increased mainly due to the volume of heat sold, in the I half of the year 2026 – 820.2 thousand MWh, in the I half of the year 2025 – 656.8 thousand MWh (25 per cent more). The average price of heat sold increased by 13 per cent (in theI half of the year 2026 it was 9.03 ct/kWh, and in the I half of the year 2025 – 7.99 ct/kWh).

Comparison of financial indicators of the Group for the I half of the year 2026 with the indicators for the years 2022–2022 is presented in Table 1.

Table 1

No	Indicator of the Group	1 half of 2022	1 half of 2023	1 half of 2024	1 half of 2025	1 half of 2026
1	Revenue from sales, thousand euros	43,825	51,317	48,518	57,418	77,557
2	Profit, thousand euros	2,614	4,002	5,506	14,287	16,835
3	EBITDA (earnings before interest, taxes, depreciation and amortization and other non-cash expense items), thousand euros	5,765	8,826	10,042	19,309	22,327
4	Profitability of core business, per cent (operating profit / sales and services) * 100	4.4	11.8	11.4	23.84	20.16
5	Net profitability, per cent (net profit / sales and services) *100	6.0	7.8	11.35	25.27	21.25
6	Assets, thousand euros	179,067	192,126	207,456	230,016	250,171
7	Equity, thousand euros	93,574	97,103	103,050	118,611	141,827
8	Return on equity (ROE), per cent (net profit / average equity) *100	2.9	3.1	5.34	12.63	12.62
9	Return on assets (ROA), per cent (net profit / average assets) *100	1.6	2.3	2.6	6.22	6.83
10	Debt ratio (liabilities /assets)	0.29	0.33	0.36	0.36	0.32
11	Debt-to-equity ratio (liabilities / equity)	0.6	0.5	0.7	0.69	0.56
12	General liquidity ratio (short-term assets / short-term liabilities)	1.63	1.76	1.63	2.63	2.71
13	Quick ratio ((short-term assets-inventory) / short-term liabilities)	1.48	1.53	1.48	2.43	2.60
14	Net earnings per share (net profit / average weighted number of shares in issue)	0.06	0.09	0.13	0.33	0.39
15	Last share market price of the year /net profit /number of shares at year-end (P / E ratio)	18.09	11.82	7.62	5.39	5.29
16	Share capital, thousand euros	74,476	74,476	74,476	74,476	74,476
17	Share capital-to-assets ratio	0.42	0.39	0.36	0.32	0.30

A comparison of the Company’s financial indicators for the I half of the year 2026 with the indicators for the years 2022–2025 is presented in Table 2.

Table 2

No	Indicator of the Company	1 half of 2022	1 half of 2023	1 half of 2024	1 half of 2025	1 half of 2026
1	Revenue from sales, thousand euros	43,843	51,100	46,808	57,142	77,149
2	Profit, thousand euros	3,128	3,746	5 411	14,240	16,610
3	EBITDA (earnings before interest, taxes, depreciation and amortization and other non-cash expense items), thousand euros	6,928	8,501	9,925	19,277	22,096
4	Profitability of core business, per cent (operating profit / sales and services) * 100	8.7	11.1	11.53	25.63	21.58
5	Net profitability, per cent (net profit / sales and services) *100	7.1	7.3	11.56	24.92	21.53
6	Assets, thousand euros	177,873	191,012	206,316	227,954	247,210
7	Equity, thousand euros	93,418	96,589	102,134	117,514	140,231
8	Return on equity (ROE), per cent (net profit / average equity) *100	3.32	3.94	5.26	12.70	12.59
9	Return on assets (ROA), per cent (net profit / average assets) *100	1.6	1.9	2.6	6.25	6.80
10	Debt ratio (liabilities /assets)	0.29	0.33	0.36	0.36	0.32
11	Debt-to-equity ratio (liabilities / equity)	0.6	0.7	0.7	0.69	0.56
12	General liquidity ratio (short-term assets / short-term liabilities)	1.63	1.57	1.42	2.51	2.62
13	Quick ratio ((short-term assets-inventory) / short-term liabilities)	1.50	1.45	1.31	2.36	2.53
14	Net earnings per share (net profit / average weighted number of shares in issue)	0.07	0.09	0.13	0.33	0.39
15	Last share market price of the year / net profit / number of shares at year-end (P / E ratio)	15.12	12.63	7.75	5.41	5.36
16	Share capital, thousand euros	74,476	74,476	74,476	74,476	74,476
17	Share capital-to-assets ratio	0.42	0.39	0.36	0.33	0.30

Corruption Prevention

The purpose of the Company's Corruption Prevention Policy is to set out the key principles and requirements for the prevention of corruption in the Company and its subsidiaries and ensure compliance with them with them.

The Company is committed to the highest standards of business ethics and advocates free and fair trade, open competition and ethical conditions, in accordance with the legislation of the Republic of Lithuania. The Company adheres to and follows the Kaunas City Municipality Corruption Prevention Action Plan 2023-2025.

Anti-corruption obligations cover the following areas: compliance with legal provisions and standards of conduct; disclosure of information, transparent accounting; prohibition of influence peddling and bribery; conflicts of interest; nepotism and cronyism; gifts and hospitality; donations; donations; purchases and sales; abuse of office/office; selection/evaluation of staff; confidentiality.

The Company does not engage in international business transactions and therefore the Corruption Prevention Policy does not address the bribery of foreign officials in international business transactions.

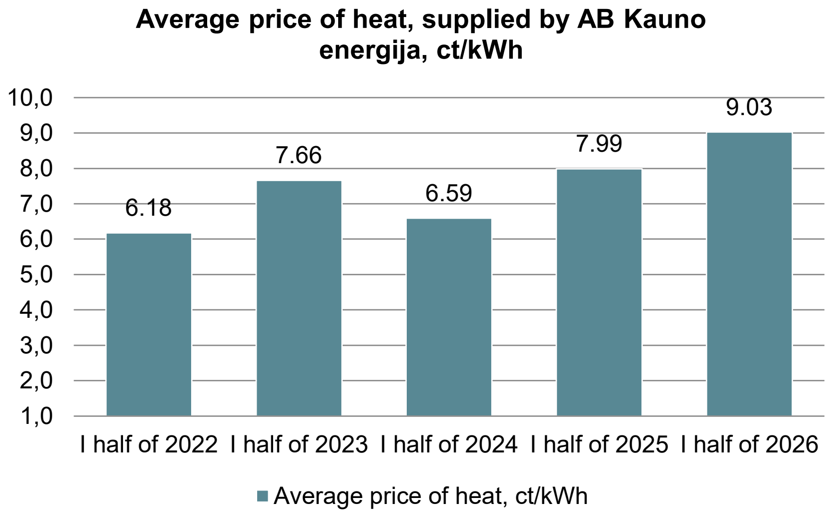
Environmental impact on activities

The Company's performance can be affected by changes in sales turnovers caused by changed heat demand, which can be caused by consumer investments in the renovation of buildings, heat saving and rational consumption, average higher of lower outdoor temperature during the heating season, changes in fuel prices, heat purchase price from IHP.

Company's reconstructed heat production facilities changing fossil fuel to biofuel will make a serious competition with their costs of production to IHP, operating in Kaunas.

The dynamics of the Company's average heat prices for 2022–2026 are presented in Chart 4.

Chart 4



Heat and hot water prices are calculated and approved in accordance with the Methodology for Setting Heat Prices, approved by the National Energy Regulatory Council (NERC) Resolution No. O3-96 of 8 July 2009. The annual level of heat production and/or supply revenue is set for a 3–5 year period. For regulated services (products), a long-term pricing mechanism is applied in the heat tariff, i.e., an annual level of heat production and/or supply revenue is established for the base period, which is adjusted in the second and subsequent years by determining the recalculated level of heat production and/or supply revenue.

On 23 February 2024, the National Energy Regulatory Council, by resolution No. O3E-213, unilaterally set the annual revenue level for heat production and/or supply for AB Kauno Energija for the first year of the base heat price validity period.

On 25 February, 2026, the Company's Board of Directors set the annual level of AB Kauno energija's heat production and/or supply revenues for the third year running of the base heat price validity period.

Information related to environmental issues

In carrying out their activities, the Group and the Company use natural resources sparingly, implement less polluting technologies, comply with the requirements of environmental legislation and apply preventive measures to minimise their negative impact on the environment.

Waste management

Within the Group and the Company, waste generated during operations is collected, sorted, and transferred to licensed waste management companies. In 2025, the Group and the Company transferred 2,556.325 tons of various waste for recycling, including absorbents, filter materials, packaging containing or contaminated with hazardous chemical residues, paper and cardboard, insulating materials containing asbestos, used tires, bituminous mixtures, batteries and accumulators, daylight lamps, concrete, and iron and steel waste. In 2025, the Company will transfer the production waste it generates – ash (2,504.62 tons generated at the Company's production units: Šilko, Nemuno, Inkaro, Jurbarko, Garliavos, Ežerėlis, Girionys, Noreikiškiai, Domeikava, Raudondvaris boiler houses and the Petrašiūnai power plant, where biofuel is burned) as a by-product, in accordance with the by-product plans agreed with the Environmental Protection Agency, for the construction of the site foundation.

Wastewater management

In accordance with the schedule agreed with the Environmental Protection Agency (EPA), the Group and the Company constantly monitor that the effluent discharges from stationary sources are within the permissible limits set out in the integrated pollution prevention and control permits.

Air pollution

The Group's and the Company's laboratory for measuring emissions from stationary air pollution sources, authorized by the Environmental Protection Agency, continuously monitors that pollutants emitted into the atmosphere from stationary sources do not exceed the limits set in integrated pollution prevention and control permits and other pollution permits. Biofuel is burned at the Company's "Šilko", "Nemuno", "Inkaro", Jurbarko, Garliavos, Ežerėlio, Girionių, Noreikiškių, Domeikavos, Raudondvario boiler houses, and Petrašiūnai Power Plant, thus reducing atmospheric pollution.
The comparison of the amount of pollutants emitted into the atmosphere in 2025 from the Company's stationary facilities with the amount of the years 2021–2024 is presented in table 3 below.

Table 3

Emissions per year, t	Particulates, t	Nitrogen oxides, t	Carbon monoxide, t	Sulphur dioxide, t	Hydrocarbons, t	Other pollutants, t
2025	24.2063	203.9261	584.1596	13.8761	0.0354	0.2030
2024	30.8070	191.7773	629.7397	14.63	0.4936	0.1765
2023	56.7076	171.0513	839,7873	22.1036	0.5971	1.5198
2022	51.5130	159.8142	796.3571	60.3571	2.0144	0.3117
2021	72.9579	196.5479	781.2462	158.4375	1.2315	0.2966

Cyclones for smoke cleaning from particulates are installed in Šilkas, Ežerėlis, Girionys, Noreikiškės, Inkaras boiler-houses and Petrašiūnai power-plant. Their working efficiency is checked every year. The Company is involved in the greenhouse gas emissions trading system.

8. References and additional explanations

Main financial data of the Group and the Company are provided in the interim Consolidated and Company's Financial Statements of AB Kauno Energija for the six months of the year 2026.

The financial statements are prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and their interpretations. Standards have been issued by the International Accounting Standards Board and interpretations have been issued by the International Financial Reporting Interpretations Committee.

Internal control over consolidated statements

When preparing its consolidated financial statements, the Company combines the itemised financial statements of the Company and its subsidiaries, by summing up the items of assets, liabilities, equity, revenue, and expenses. Afterwards, it eliminates the book value of the Company's investment in the subsidiary and Company's share of equity in the subsidiary; amounts on balance sheets, transactions, income and expenses inside the Group (for this purpose, it prepares a reconciled report of all transactions, income and expenses for the period); difference in depreciation of contribution in kind measured at market value as compared to its book value.

For the purpose of preparing the consolidated financial statements of the Group, the financial statements of the Company and subsidiaries are prepared for the same date.

It's verified whether the accounting policy of the Company and its subsidiaries for accounting of similar transactions is the same. The subsidiaries' income and expenses are included into the Consolidated Financial Statements as of the date of acquisition.

9. Significant events after the end of the reporting period

After the end of the reporting period, there were no significant events other than those disclosed in the financial statements.

10. Group Activity Plans and Forecasts

As investments allow continual business development and profitability, the aims of the Group's and the Company's investment program for the year 2026 is further increase in volumes of heat production and effectiveness, expansion of heat selling market, through increase of use of biofuel for heat production, development of heat transmission and distribution increasing safety and reliability, developing services of maintenance of engineering systems and further improvement of consumers services quality.

In compliance with the provisions of the plan for the facilities on the implementation of the National Renewable Energy Development Strategy, in order to implement the Company's key business objectives and the provisions of the National Energy Independence Strategy related to the assurance of technical requirements for reliability of heat facilities and heat supply networks, to guarantee the quality keeps apply to consumers, Kaunas city municipality decided to approve Company's investment plans with the decision No. T-20 "Regarding Investment Plans of AB Kauno Energija for the Year 2026 and Their Financing" on February 24, 2026.

During 2026, under the Company's investment program, the modernization of Company-owned boiler houses continued, automating production processes, installing condensing economizers, reconstructing heat supply networks, as well as replacing heat metering devices. The implementation of these measures will reduce heat transmission losses, optimize heat supply to consumers, and ensure the reliability of heat supply.

11. Information on research and development activities

Company's representatives are constantly invited to work in committees of preparation of Energy Engineering studies programs of Kaunas University of Technology and in groups of external and self-evaluation. Working in these groups and committees Company's representatives analyse aims of programs and goals of studies, composition of training plans, appropriateness of staff, material basis, process, and evaluation of studies, as well as program management. Performing external and self-evaluation, committees apply recommendations for improvement of program structures and implementation process, to satisfy the needs of employers and to meet the requirements of national and European legal acts in the field of higher education.

The company has set itself the ambitious goal of minimising the use of natural gas in heat production, thereby increasing the use of green heat generated from biofuel and reducing CO_2 emissions.

This will increase the use of green heat from biofuels and reduce CO2 emissions, helping to achieve the Company's long-term goals of supplying more consumers with cheaper biofuel-based heat, reducing CO2 emissions and enabling new customers to connect to the city's heat network.

Minimising gas consumption will help achieve the Company's long-term goals: to supply more consumers with cheaper biofuel-based heat through more optimal utilisation of Kaunas Energy's heat production capacity; reducing emissions of CO2, which contribute to the greenhouse effect; enabling new customers to connect to the city's heat network.

By reducing annual electricity costs, which are significant in heat production and supply, the Company consistently invests in its own solar power plants and Organic Rankine Cycle (ORC) power plants. ORC turbines installed in biofuel boiler houses generate electricity using organic fluid vapor.

12. Information on own shares acquired and held by the Issuer

The Company does not own its own shares. The Company's subsidiaries have not purchased any of the Company's shares. Neither the Company nor its subsidiaries purchased or sold own shares during the reporting period.

13. Information on the aims of financial risk management, hedging instruments in use

All information is provided in the notes to the six months of the year 2026 set of interim consolidated and Company financial statements of AB Kauno energija. The Company did not use any financial hedging instruments in 2025–2026.

14. Information on the Issuer's subsidiary undertakings

The authorised capital of Company's subsidiary UAB GO Energy LT registered in the Register of Legal Entities on June 30, 2026 is 2,762,958 euros and it is divided into 95,406 ordinary registered shares with par value of 28.96 euros each.

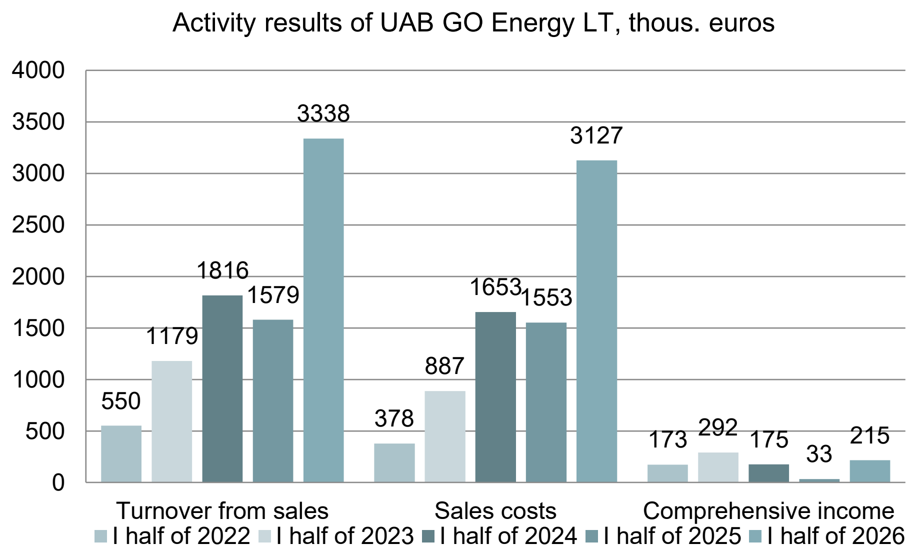
UAB GO Energy LT has no holdings directly or indirectly managed in other companies.

Activities of UAB GO Energy LT include the real estate development, management, leases, purchase, and sale.

As of June 30, 2026, company UAB GO Energy LT had 55 employees.

Comparison of financial indicators of UAB GO Energy LT for the I half of the year 2026 with the indicators of the years 2022–2025 is provided in Chart 5.

Chart 5



15. Share Capital Structure

The authorised capital of the Company registered in the Register of Legal Entities of the Republic of Lithuania as of June 30, 2026 is EUR 74,475,728.82 (seventy-four million four hundred seventy-five thousand seven hundred twenty-eight euros and 82 cents).

Structure of authorized share capital of the Issuer by types of shares is specified in Table 4.

Table 4

Type of shares	Number of shares, units	Nominal value, euros	Total nominal value, euros	Municipal share in the authorised capital, per cent	Share of private shareholders in the authorised capital, per cent
Ordinary nominal shares	42,802,143	1.74	74,475,728.82	98.33	1.67

16. Information on the Issued Shares of the Issuer

The authorised capital of AB Kauno Energija was registered on May 18, 2015 by the decision of General Meeting of Shareholders held on April 28, 2015 and amounts to EUR 74,475,728.82 (seventy-four million four hundred seventy-five thousand seven hundred twenty-eight euros and 82 cents) and it is divided to 42,802,143 (forty-two million eight hundred and two thousand one hundred forty-three) ordinary shares of par value of 1.74 euros each.

There are no limitations on the transfer of securities.

Main characteristics of shares released into free circulation of securities (as of June 30, 2026).

Securities registration No	A01031430
ISON code of securities	LT0000123010
Number of shares	20 031 977 ordinary nominal shares
Nominal value	EUR 1.74
Total nominal value of shares	EUR 34,855,639.98

Main characteristics of shares issued and registered for non-public trading (as of June 30, 2026).

ISON code of securities	LT0000128407
Number of shares	22,770,166 ordinary nominal shares
Nominal value	EUR 1.74
Total nominal value of shares	EUR 39,620,088.84

The Company's securities trading history for 2022–2026 is presented in Table 5.

Table 5

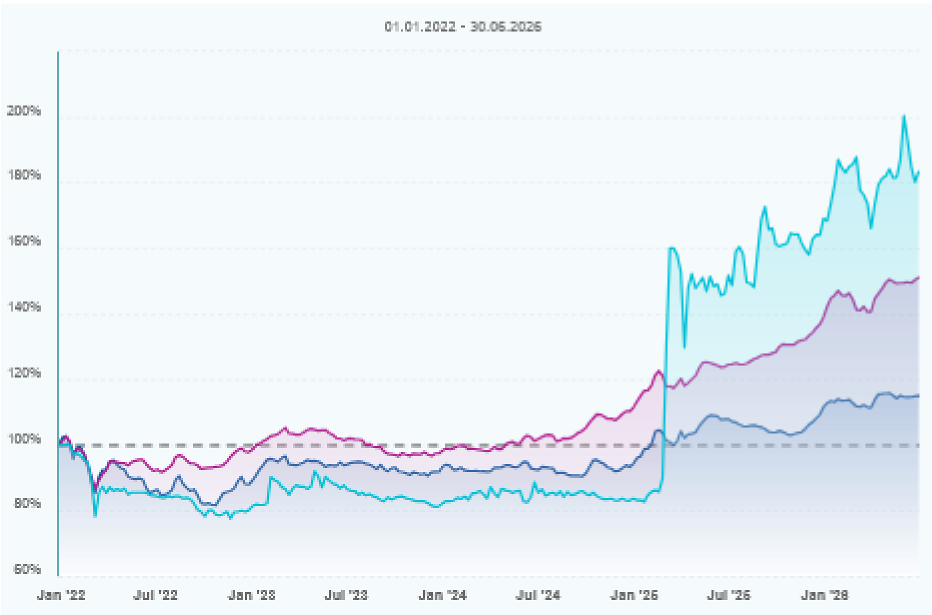
Indicator	2022	2023	2024	2025	2026
Opening price, euro	1.11	0.89	0.92	0.93	1.9
Highest price, euro	1.12	1.14	1.1	1.95	2.36
Lowest price, euro	0.76	0.87	0.895	0.91	1.7
Last price, euro	0.89	0.91	0.93	1.9	2.06
Circulation, units	64,193	97,113	83,527	263,253	52,512
Circulation, million euro	0.06	0.09	0.08	0.41	0.11

The share price (in euros) and turnover history for 2022–2026 as of December 31 are shown in Chart 6.

Chart 6

The company's share price comparison with its sector (utilities) and the OMX Vilnius Index is presented in Chart 7.

Chart 7



INDEX | EQUITY	OPENING VALUE	CLOSING VALUE	CHANGE %
OMX_Baltic_Benchmark_GI	1,568.82	1,803.83	+14.98
OMX Vilnius_GI	966.13	1,460.56	+51.18
KNR1L - Kauno energija	1.11	2.08	+87.39

17. Information on the Issuer's shareholders

The number of Company's shareholders as of June 30, 2026 was 817.

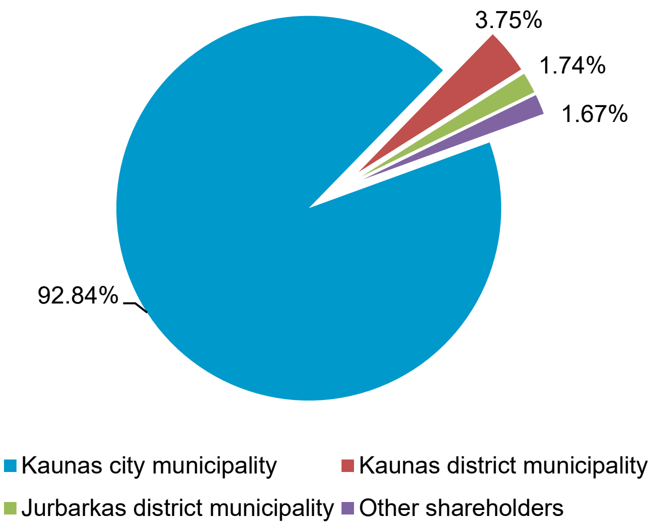
Information on Shareholders of the Issuer who owned more than 5 per cent of the authorised capital of the Company registered on May 18, 2015 (42,802,143 ordinary nominal shares) as of June 30, 2026 is provided in Table 6 and Chart 8.

Table 6

Shareholder Name, Surname (Company Name, Type, Registered Address, Code)	Number of ordinary nominal shares owned by the shareholder, units	Share of the Share Capital Owned	Share of votes carried by owned shares. per cent	Share of votes owned by the shareholder together with acting entities, per cent
Kaunas City Municipality Laisvės al. 96, 44251 Kaunas Code 111106319	39,736,058	92.84	92.84	-
Other shareholders	3,066,085	7.16	7.16	-
Total:	42,802,143	100	100	-

Chart 8

Structure of shareholders as of June 30, 2026



Shareholder Groups Distribution at the End of the Reporting Period is Presented in Table 7.

Table 7

Group Name	Number of Shares Belonging to the Group	Share of the Share Capital, % of Total Shares
Local authorities	42 088 631	98.33
Natural persons	458 705	1.07

Group Name	Number of Shares Belonging to the Group	Share of the Share Capital, % of Total Shares
Legal entitlies	254 807	0.60
Total	42 802 143	100

17.1. The shareholders, who owned more than 5 per cent of the shares (20,031,977 ORS) issued for public trading (reg. No. A01031430, VP ISIN code – LT0000123010) as of June 30, 2026 are listed in Table 8.

Table 8

Name	Type of shares	Number of shares, units	Total nominal value of shares, EUR	Share of publicly issued shares (%)	Share of share ca pital (%)
Kaunas City Municipality Laisvės al. 96, 44251 Kaunas Code 111106319	Ordinary registered shares	16,965,892	29,520,652	84.69	39.64
Kaunas District Municipality Savanorių pr. 371, 49500 Kaunas, Code 111100622	Ordinary registered shares	1,606,168	2,794,732	8.02	3.75
Other shareholders	Ordinary registered shares	1,459,917	2,540,256	7.29	3.41
Total:		20,031,977	34,855,640	100	46.80

17.2. The shareholders, who owned more than 5 per cent of the shares (22,770,166 ORS) issued for non-public trading (VP ISIN code – LT0000128407) as of June 30, 2026 are listed in Table 9.

Table 9

Name	Type of shares	Number of shares, units	Total nominal value of shares, Euro	Percentage of shares from those released into the public circulation	Share of the authorise d capital (%)
Kaunas City Municipality Laisvės al. 96, 44251 Kaunas Code 111106319	Ordinary registered shares	22,770,166	39,620,089	100	53.20

None of the shareholders of the Issuer holds any special rights of control. The rights of all shareholders are the same; they are specified in article 4 of the Law on Companies of the Republic of Lithuania. The number of shares carrying votes at the General Meeting of Shareholders of the Company is 42,802,143 units.

The Company has not been notified on the limitations of voting rights or any other mutual agreements of shareholders which may limit the transfer of securities and / or voting rights.

In 2022, no dividends from the profit of 2021 were allocated and paid to the Issuer's shareholders.

In 2023, the dividends from the profit of the year 2022 were allocated and paid to the shareholders of the Issuer. Dividend per share was 0.07009 euro, in total – 3.0 million euro. A total of 0.05 million euros was allocated for sponsorship.

In 2024, no dividends from the profit of 2023 were allocated and paid to the Issuer's shareholders.

In 2025, the dividends from the profit of the year 2024 were allocated and paid to the shareholders of the Issuer. Dividend per share was 0.02435 euro, in total – 1.04 million euro. A total of 0.05 million euros was allocated for sponsorship.

In 2026, no dividends from the profit of 2025 were allocated and paid to the Issuer's shareholders. A total of 0.05 million euros was allocated for sponsorship.

18. Employees

As of June 30, 2026 the group had 388 employees. Changes in the number of employees of the Group in year 2022–2026 are provided in Table 10.

Table 10

Actual number of employees	Group 31/12/2022	Group 31/12/2023	Group 31/12/2024	Group 31/12/2025	Group 30/06/2026
Total:	383	372	401	396	388
management	2	2	2	2	2
specialists	203	189	205	204	208
workers	178	181	194	190	178

Changes in number of employees of the Company in year 2022–2026 are provided in Table 11.

Table 11

Actual number of employees	Company 31/12/2022	Company 31/12/2023	Company 31/12/2024	Company 31/12/2025	Company 30/06/2026
Total:	353	344	370	348	333
management	1	1	1	1	1
specialists	189	178	192	189	188
workers	163	165	177	158	144

Education of employees of the Group as at the end of the reporting period.

Table 12

No	Education	Group 31/12/2022	Group 31/12/2023	Group 31/12/2024	Group 31/12/2025	Group 30/06/2026
1	Secondary incomplete	1	1	1	1	1
2	Secondary	150	140	147	143	139
3	College	34	38	39	39	24
4	Higher	198	193	214	213	224
	Total:	383	372	401	396	388

Education of employees of the Company as at the end of the reporting period.

Table 13

No	Education	Company 31/12/2022	Company 31/12/2023	Company 31/12/2024	Company 31/12/2025	Company 30/06/2026
1	Secondary incomplete	1	1	1	1	1
2	Secondary	135	125	137	117	110
3	College	34	37	28	30	18
4	Higher	183	181	204	200	204
	Total:	353	344	370	348	333

Company’s management pays a lot of attention on increase in work efficiency, working conditions improvement, supply with latest working tools, professional development, planning of internal activities and control implementation, also for improvement of consumer service quality. Executive and professional qualification levels suit their positions, and work experience and practical knowledge of subject of other employees makes them possible to work in their positions.

To increase work efficiency, the Company conducts an annual work performance evaluation of structural units’ managers, the main goal of which is to evaluate the employee’s qualifications and abilities of functions performance assigned in job regulations, to properly evaluate employees' activities, provide feedback on the goals execution in order to increase employee loyalty, satisfaction with conducted work, encouraging them to improve. The result of this process is information allowing better coordination of the Company's activities and for encouraging employees to improve their working activities.

The Company actively cooperates with educational institutions and enables high school students to apply theoretical knowledge and gain practical skills. When there is a need for new employees, the most active and best students are given the opportunity to get a job in the Company.

The remuneration of the Issuer’s employees consists of a fixed salary component, bonuses and allowances paid in accordance with the Labour Code of the Republic of Lithuania and other legislation, and the Company’s order on additional employee benefits.

According to the Company’s additional employee benefits order:

1. For continuous employment within the Company employees are granted additional paid leave.
2. The record of service of employees who worked in Lithuanian energy system companies and who were redeployed to the Company according to the corporate employer agreement, i.e., when the transfer was carried out according to the Labour Code or the Law on Employment Contract, is considered uninterrupted and those employees are granted an additional paid leave for an uninterrupted record of service within the Company.
3. At the agreement of the employer and employee, the employee may be granted unpaid leave for family related issues and other important reasons.
4. Company’s employees are entitled to additional paid leave.

The employer Obligates to:

1. Provide conditions for preventive employee health check-ups;
2. In the event of an employee’s death, provide a payment equal to 4 minimum monthly wages (hereinafter – MMV), free transportation or reimbursement of transport costs (the payment is granted to the person handling the funeral arrangements);
3. In the event of the death of the employee's close relative (parent (adoptive parent), child (adoptive child) or spouse), the Company grants the employee an MMS benefit, free transport or covers transport costs;
4. In the event of the birth of one or more children, the Company grants the employee a gift in the amount of 50 per cent MMS for each child;
5. Upon registration of the marriage, the employee is granted a gift in the amount of 50 per cent MMS;
6. When an employee reaches a milestone birthday ending in "5" (e.g., 25, 35, etc.), a cash gift of €50 is awarded, and upon reaching an anniversary ending in "0" (e.g., 20, 30, etc.), a cash gift of €100 is awarded;
7. In other cases, when the employee needs financial support (in case of losses due to natural disasters and other reasons beyond the control of the employee), the Company grants a benefit of up to 3 MMS;
8. If an employee becomes seriously ill (based on the list of serious illnesses approved by the Ministry of Health of the Republic of Lithuania) or suffers a serious accident, a benefit equal to 3 MMA is paid. In the case of a serious illness, a benefit equal to 1 MMA is paid once a year (over 12 months).

19. Procedure for amending the Issuer's Articles of Association

The Issuer's Articles of Association stipulate that the General Meeting of Shareholders of the Company has the exceptional right to amend the Statutes other than the exceptions provided in the Law on Companies of the Republic of Lithuania. The resolution on the amendment of the Company's Statutes 2/3 qualified majority of votes of the members participating in the meeting of shareholders is needed.

The Statutes of the Company were amended on August 10, 2023 by the decision of the General Meeting of Shareholders. The new wording of the Statutes was registered on August 28, 2023 in the Register of Legal Entities of the Republic of Lithuania. It can be found on Company's website at www.kaunoenergija.lt.

20. Issuer's governing bodies

According to the Company's Articles of Association, the Company's governing bodies are the General Meeting of Shareholders, a collegial supervisory body – the Supervisory Board, a collegial management body – the Management Board, and a sole management body – the Chief Executive Officer.

Decisions of the General Meeting of Shareholders made on the issues within the competence of the General Meeting of Shareholders provided for in the Statutes of the Company are binding to its shareholders, the Supervisory Board, the Management Board, and the General Director, and to other employees of the Company.

All persons who are the shareholders of the Company on the date of the General Meeting of Shareholders have the right to attend the Company's General Meeting of Shareholders personally or by proxy or be represented by persons with whom they had entered into the agreement on the transfer of the voting right. The record date of the meeting of the Company is the fifth working day before the General Meeting of Shareholders or the fifth working day before the repeat General Meeting of Shareholders. A person attending the General Meeting and entitled to vote shall provide a document which is a proof of his personal identity and sign the registration list of the Meeting of Shareholders. A person who is not a shareholder shall additionally provide a document attesting to his right to vote at the General Meeting of Shareholders.

1 (one) General Meeting of Shareholders was convened in the year 2026. Company's General Manager and the Chief Finance Officer attended them. Issuers' shareholders can ask questions and can get answers or explanations from Company's managers and speakers.

The collegial management body – Supervisory Board is elected by the General Meeting of Shareholders according to the procedure specified in the Law on Companies of the Republic of Lithuania. The Supervisory Board consists of 3 (three) members. The Supervisory Board is elected for a term of 4 (four) years. The Supervisory Board elects the chairman of the Supervisory Board from among its members. The General Meeting of shareholders may remove from office the entire Supervisory Board or its individual members before the expiry of the term of office of the Supervisory Board. Where individual members of the Supervisory Board are elected, they shall be elected only until the expiry of the term of office of the current Supervisory Board.

The Supervisory Board elects and dismisses the Management Board members and supervises the activities of the Board and the General manager of the Company; submits its comments and proposals to the General Meeting of Shareholders on the Company's operating strategy, set of annual financial statements, draft of profit / loss allocation and the annual report of the Company as well as the activities of the Board and the General Manager of the Company; submits proposals to the Board and the General Manager of the Company to revoke their decisions which are in conflict with laws and other legal acts, the statutes of the Company or decisions of the General Meeting of Shareholders; addresses other issues assigned to the scope of powers of the Supervisory Board by decisions of the General Meeting of Shareholders regarding the supervision of the activities of the Company and its management bodies. The Supervisory Board shall not be entitled to assign or delegate the functions assigned to the scope of its powers by the Law on Companies of the Republic of Lithuania and the statutes of the Company to other bodies of the Company.

The Supervisory Board, following the resolution No. 1K-18 of August 21, 2008 of the Securities Commission of the Republic of Lithuania “Regarding The Requirements For Audit Committees”, as well as “Guidelines For The Application Of Requirements For Audit Committees” which were approved by the decision of the Securities Commission of November 28, 2008 approves the internal rules of procedure for forming the Audit Committee and elects the Audit Committee members.

The Supervisory Board of the Company approved on May 21, 2019 a new wording of the internal rules of procedure of the Audit Committee of the Company.

The Management Board is a collegial management body of the Company. The Management Board is comprised of 3 (three) members. The Management Board is elected for the period of 4 (four) years by the Supervisory Board. The Supervisory Board can remove from office the entire Management Board or its individual members before the expiry of their term. If individual members of the Management Board are elected, they shall serve only until the expiry of the term of office of the current Management Board. The Management Board elects the chairman of the management Board from among its members.

The General Manager is the manager of the Company. The manager of the Company is a sole person management body of the Company organising its activities. Authority and responsibilities of the administration members of the Company are established by the order of the General Manager.

20.1. Data on the committees in the Company

The members of Audit Committee appointed by the decision No. 2023-4 of the Supervisory Board of October 13, 2023:

Full name	Position	Beginning of term	End of term*
Mr. Mindaugas Šimkus	Independent member of Audit Committee	October 13, 2023	April 26, 2027
Ms. Violeta Kavaliauskienė	Independent member of Audit Committee	October 13, 2023	April 26, 2027
Ms. Edita Girdvilienė	Member of Audit Committee	October 13, 2023	April 26, 2027

** The term of office of the Audit Committee coincides with the term of office of the Supervisory Board of the Company.*

In carrying out its activities, the Audit Committee follows the internal rules of procedure of the Company’s Audit Committee approved by decision No 2019-4 of May 21, 2019 of the meeting of the Supervisory Board of the Company. The Audit Committee performs its functions provided for in article 52 of the Law on Audit of the Republic of Lithuania.

20.2. Information on the members of the Company’s Supervisory Board:

Members of the Supervisory Board of the Company:

Full name	Position	Beginning of term	End of term
Mr. Antanas Etneris	Chairman of the Supervisory Board	June 29, 2023	April 26, 2027
Mr. Mindaugas Bičkauskas	Member of the Supervisory Board	June 29, 2023	April 26, 2027
Ms. Jolanta Brazaitienė	Member of the Supervisory Board	April 1, 2024	April 26, 2027

Company’s Supervisory Board comprised of two independent members and of one member of Kaunas City Municipality administration, as he partially represents the controlling shareholder, i.e., Kaunas City Municipality, holding 92.84 per cent of the Company’s voting shares.

2 sessions of the Supervisory Board was held during of the year 2026. More than ½ of the members of the Supervisory Board attended all sessions.

Mr. Antanas Etneris

Mr Antanas Etneris, main occupation - director of UAB Wisewood (code 302527538, Ringuvos str. 74, LT-45245 Kaunas), director of UAB Mana Grupė (code 303991865, Kruonio str. 16, Kaunas), director of UAB Airhotel (code 302598948, Oro Uosto str. 2, Karmėlava, LT-54460 Kaunas distr.), member of the Board of UAB Stoties Turgus, member of the Board of UAB Kauno Vandenys.

Holds no shares of the company. Holds the shares of the companies UAB Wisewood, UAB Mana Ranga, UAB Mana Grupė, UAB Airhotel, UAB Dramart, UAB Ukraineičių 4, UAB Vėjo Dukra, UAB Plėtros Fondas, UAB Aguonų Projektai, LLC My Group.

During the reporting period, the member of the Supervisory Board was remunerated EUR 21.2 thousand.

Mr. Mindaugas Bičkauskas

Main occupation - Director of UAB Urbo bankas Vilnius branch (code 112027077, Paménkalnio str. 40, LT-01114 Vilnius).

Holds no shares of the company. Holds the shares of the companies AB Artea bankas, AB Apranga, AB Linas Agro, AB Vilkyškių pieninė, AB Litgrid.

During the reporting period, the member of the Supervisory Board was remunerated EUR 15.9 thousand.

Jolanta Brazaitienė

Main occupation Kaunas city municipality administration - Leader (Central Accounting Unit) (company code 111106319, Laisvės av. 96, LT-44251 Kaunas).

During the reporting period, the member of the Supervisory Board was remunerated EUR 10.4 thousand.

20.3. Information on the members of the Company’s Management Board

Members of Company’s Management Board:

Full name	Position	Beginning of term	End of term
Nerijus Mordas	Chairman of the Management Board	July 13, 2023	April 26, 2027
Algimantas Stasys Anužis	Member of the Management Board	July 13, 2023	April 26, 2027
Giedrius Kazlauskas	Member of the Management Board	July 13, 2023	April 26, 2027

8 sessions of Company’s Management Board were held in the year 2026. More than 2/3 members of the Management Board attended all the sessions.

Mr. Nerijus Mordas

Main occupation Chief finance officer of UAB Vičiūnų Grupė (code 303211678, Karaliaus Mindaugo av. 38, LT-50369 Kaunas). Member of Company’s Management Board since June 1, 2015 until April 27, 2023 and since July 13, 2023.

Holds no shares of the Company. No interest in the capital of other Lithuanian companies.

Mr. Nerijus Mordas charged EUR 20.9 thousand of remuneration under agreement of activity of member of the Management Board. No bonuses estimated, nor any assets were transferred or guarantees issued during the reporting period.

Giedrius Kazlauskas

Main occupation UAB „Laustiga“ director (code 135456025, Ukrainiečių str. 4, LT-45234 Kaunas).

Member of Company’s Management Board since July 13, 2023.

Holds no shares of the Company. No interest in the capital of other Lithuanian companies.

Mr. Giedrius Kazlauskas charged EUR 15.6 thousand of remuneration under agreement of activity of member of the Management Board. No bonuses estimated, nor any assets were transferred or guarantees issued during the reporting period.

Mr. Algimantas Stasys Anužis

Member of the Council of Kaunas Chamber of Commerce, Industry and Crafts, president of Lithuanian Veterans Basketball League. No main place of work.

Member of Company's Management Board since June 1, 2015 until April 27, 2023 and since July 13, 2023.

Holds no shares of the Company. No interest in the capital of other Lithuanian companies.

Mr. Algimantas Stasys Anužis charged EUR 15.6 thousand of remuneration under agreement of activity of member of the Management Board. No bonuses estimated, nor any assets were transferred or guarantees issued during the reporting period.

20.4. Information on the General Manager and Chief accountant of the Company:

Mr. Tomas Garasimavičius

General Director of the Company from March 30, 2020. Education - higher university, Vilnius University in 2003, Bachelor of Political Science, Vilnius University in 2005, Master of Political Science, Creighton University, USA 2005, Master of Political Science.

Workplaces during the last 10 years and positions: Adviser to the Prime Minister of the Republic of Lithuania on Energy (December 2012 – December 2016), Member of the Supervisory Board of UAB Lietuvos Energija (July 2013 – July 2017), Member of the Nomination and Remuneration Committee of the Supervisory Board of UAB Lietuvos Energija (July 2013 – July 2017), Member of the Risk Management Supervisory Committee of the Supervisory Board of UAB Lietuvos Energija (September 2013 – July 2017), Member of the Support Fund Council of UAB Lietuvos Energija (September 2014 – September 2017), Adviser to the Prime Minister of the Republic of Lithuania on Energy and the Environment (January 2017 – March 2018), Adviser to the Mayor of Kaunas city on Energy (June 2018 – March 2020).

Holds no shares of the Company. No interest in the capital of other companies.

Ramunė Petkevičienė

Chief Accountant of the Company from 2 May 2024. Education – higher university degree, Vilnius University, Master's degree in Accounting, finance and banking.

Workplaces in the last 10 years, and job positions: Hoptrans Holding, UAB Chief Accountant 2013–2024 y.

Company's General Manager and the Chief Accountant charged 151.0 thousand euros of remuneration in the year 2026, and the average amount per member is 75.5 thousand euros. No other assets had been transferred; no guarantees granted.

21. Information on significant agreements

There are no significant agreements that would come into force, change or termination in case of change in controls of Issuer (their impact as well, except cases when due to the character of agreements the disclosure of them would make a significant harm).

22. Information on Agreements Between the Issuer and Members of its Bodies or employees

There are no agreements of the Issuer or its managerial body members or employees (which provide for compensation in case of their resignation or termination of employment on no grounds or in case their employment is terminated due to changes in controls of the Issuer).

23. Information on major transactions with related parties

There were no larger individual transactions. More detailed information is provided in the Note 25 of the Explanatory Notes to the Financial Statements.

24. Information on harmful transactions concluded on behalf of the Issuer during the reporting period

There are no harmful transactions concluded on behalf of the Issuer during the reporting period (not complying with the Company's objectives, normal market conditions, detrimental to the interests of shareholders and other interest groups etc.) which were or are likely to have an adverse effect on the Issuer's activities and (or) performance in the future, as well as information on transactions entered into in a conflict of interest between the Issuer's management, controlling shareholders or other related parties' obligations to the Issuer and their private interests and (or) other duties.

25. Information on compliance with the Governance Code of Companies and the Company's corporate social initiatives and policies

Information on compliance with the corporate governance code is provided in Annex 2 to this Management Report. Management reports on the Company's corporate social initiatives and policies are announced on the Company's website.

26. Information on Publicly Disclosed Information

In performing its obligations under the applicable legislation regulating the securities market, the Issuer has announced the following information starting from January 1, 2026 over the GlobeNewswire news distribution service, in which notices are disseminated within the European Union. This information was also posted on the website of the Issuer. All the information is available on website of Nasdaq Vilnius (http://www.nasdaqbaltic.com/market/?lang=lt) and Issuer's website (http://www.kaunoenergija.lt).

Title	Announcement category	Language	Time
Activity results of AB Kauno energija of the 1 quarter of the year 2026	Interim information	EN, LT	26/05/2026 08:00
Audited annual information of AB Kauno Energija for the year 2025	Annual information	EN, LT	29/04/2026 09:01
Resolutions of the General Meeting of Shareholders of AB Kauno Energija	General meeting of shareholders	EN, LT	29/04/2026 09:00
Correction: Convocation of General Meeting of Shareholders of AB Kauno Energija	General meeting of shareholders	EN, LT	26/03/2026 08:22
Convocation of General Meeting of Shareholders of AB Kauno Energija	General meeting of shareholders	EN, LT	25/03/2026 16:42
AB Kauno energija business activity results of the 12 months of the year 2025	Interim information	EN, LT	27/02/2026 16:24