

**AB Kauno energija**

Company code 235014830

Raudondvario pl. 84

Kaunas, Lithuania



**COMPANY'S CONSOLIDATED CONDENSED SET OF  
INTERIM FINANCIAL STATEMENTS OF THE 1<sup>ST</sup>  
HALF-YEAR OF 2022 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**

In accordance with the provisions of the Republic of Lithuania Law on Securities and the Information Disclosure Rules approved by the Board of the Bank of Lithuania, we, Tomas Garasimavičius, Chief Executive Officer, and Edmundas Damanskis, Chief Financial Officer and Chief Accountant Rita Plančiūnienė, hereby confirm that to the best of our knowledge, the set of condensed interim financial statements of AB Kauno energija for the 1<sup>st</sup> half of the year 2022, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, is true and fair and presents fairly the Company's assets, liabilities, financial position, profit (loss) and cash flows.

**Tomas Garasimavičius**  
Director general

**Edmundas Damanskis**  
Financial director

**Rita Plančiūnienė**  
Chief Accountant

**CONDENSED INTERIM FINANCIAL STATEMENTS**

	Notes	Group		Company	
		2022-06-30	2021-12-31	2022-06-30	2021-12-31
<b>ASSETS</b>					
<b>Fixed assets</b>					
<b>Intangible fixed assets</b>		<b>65</b>	<b>77</b>	<b>65</b>	<b>77</b>
Land and buildings		6 225	6 115	6 538	5 731
Buildings		123 761	121 810	123 541	121 348
Machinery and equipment		15 750	15 514	14 949	14 263
Vehicles		386	445	413	445
Plant and tools		2 139	1 997	2 119	1 996
Constructions in progress and prepayments		8 179	8 089	8 157	8 072
Investment property		1 163	1 273	-	
<b>Total property, plant and equipment</b>		<b>157 603</b>	<b>155 243</b>	<b>155 717</b>	<b>151 856</b>
<b>Assets managed under the right of use</b>		<b>974</b>	<b>1 207</b>	<b>974</b>	<b>1 006</b>
<b>Non-current financial assets</b>					
Investments in subsidiaries		-	-	2 505	3 498
Amounts receivable after one year		210	111	89	-
Other financial assets		75	75	75	518
<b>Financial fixed assets, total</b>		<b>285</b>	<b>186</b>	<b>2 669</b>	<b>4 016</b>
<b>Non-current assets, total</b>		<b>158 927</b>	<b>156 713</b>	<b>159 425</b>	<b>156 956</b>
<b>Current assets</b>					
Stock and prepayments					
Inventories	7	1 851	1 756	1 378	1 407
Prepayments		1 449	4 407	1 322	4 056
<b>Total inventories and prepayments</b>		<b>3 300</b>	<b>6 163</b>	<b>2 700</b>	<b>5 464</b>
Amounts receivable within one year					
Trade receivables	8	3 156	11 529	3 079	11 660
Loans to the companies of the group of companies		-	-	-	-
Other amounts receivable		4 651	1 833	4 610	1 794
<b>Amounts receivable within one year, total</b>		<b>7 807</b>	<b>13 362</b>	<b>7 689</b>	<b>13 454</b>
<b>Cash and cash equivalents</b>	11	<b>9 033</b>	<b>3 696</b>	<b>8 059</b>	<b>2 782</b>
<b>Current assets, total</b>		<b>20 140</b>	<b>23 221</b>	<b>18 448</b>	<b>21 699</b>
<b>Assets, total:</b>		<b>179 067</b>	<b>179 934</b>	<b>177 873</b>	<b>178 655</b>

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**CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

	Notes	Group		Company	
		2022-06-30	2021-12-31	2022-06-30	2021-12-31
<b>EQUITY AND LIABILITIES</b>					
<b>Property</b>					
<b>Capital</b>	<b>1</b>	<b>74 476</b>	<b>74 476</b>	<b>74 476</b>	<b>74 476</b>
Legal reserve	<b>13</b>	7 447	7 447	7 447	7 447
Other reserves	<b>13</b>	3 000	3 000	3 000	3 000
Profit (loss) available for distribution					
Current year profit		2 614	72	3 128	457
Profit (loss) of the previous years		6 037	4 750	5 367	4 910
Total retained profit (loss)		<b>8 651</b>	<b>4 822</b>	<b>8 495</b>	<b>5 367</b>
Total equity		<b>93 574</b>	<b>89 745</b>	<b>93 418</b>	<b>90 290</b>
Amounts payable and liabilities					
<b>Non-current amounts payable after one year and liabilities</b>					
Long-term financial debts	<b>9</b>	32 658	32 658	32 658	32 658
Lease (financial lease)		1 111	1 316	1 113	1 113
Deferred profit tax liabilities		5 924	5 633	5 924	5 924
Grants and subsidies		32 948	32 715	32 948	32 229
Employee benefit liabilities		464	465	463	455
Other provisions		-	-	-	-
<b>Long-term trade payables</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Accounts payable after one year, and long-term liabilities, total</b>		<b>73 105</b>	<b>72 787</b>	<b>73 106</b>	<b>72 379</b>
<b>Accounts payable within one year of and other liabilities</b>					
Current year's share of long-term financial debt and leasing/financial leases	<b>9</b>	1 418	3 014	1 416	2 445
Short-term financial debts		-	-	-	-
Trade debtors		5 988	11 376	5 815	10 701
Payroll related liabilities		937	649	927	632
Received prepayments		682	570	598	464
Tax payable		1464	609	1463	588
Derivative financial instruments	<b>11</b>				
Current year's share of employee benefit obligations		55	122	54	122

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**CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)**

	Notes	Group		Company	
		2022-06-30	2021-12-31	2022-06-30	2021-12-31
Other provisions	10	583	577	583	577
Accrued costs and income of future periods		984	210	225	187
Other short-term amounts payable and liabilities		277	275	268	269
<b>Accounts payable within one year of and other liabilities, total</b>		<b>12 388</b>	<b>17 402</b>	<b>11 349</b>	<b>15 985</b>
<b>Total accounts payable and liabilities</b>		<b>85 493</b>	<b>90 189</b>	<b>84 455</b>	<b>88 364</b>
<b>Total equity and liabilities</b>		<b>179 067</b>	<b>179 934</b>	<b>177 873</b>	<b>178 654</b>

(end)

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

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

Group	Notes	Q2 2022	2022 from the beginning of year	Q1 2021	2021 from the beginning of year
<b>Operating income</b>					
Sales revenue	14	10 846	43 825	6 733	27 093
Other operational incomes	16	576	969	2750	3030
<b>Total operating income</b>		<b>11 422</b>	<b>44 794</b>	<b>9 483</b>	<b>30 123</b>
<b>Operating expenses</b>					
Fuel and purchased energy		-7 464	-30 135	-3 280	-13 825
Salaries, social insurance		-1 981	-3 867	-1 643	-3 370
Depreciation and amortisation		-1 642	-3 367	-1 803	-3 632
Repair and maintenance		-211	-474	-128	-342
Change in impairment of receivables	8	263	227	141	158
Taxes, other than income tax		-637	-1037	-500	-1044
Electricity		-403	-881	-232	-690
Raw materials and materials		-280	-564	-123	-268
Water		-264	-529	-270	-570
Change in realisable value of inventories and impairment of fixed assets	7	-11	-7	45	37
Other costs	15	-692	-1247	-449	-973
Other operational expenses	16	-127	-295	-64	-158
<b>Operating expenses, total</b>		<b>-13 449</b>	<b>-42 176</b>	<b>-8 306</b>	<b>-24 677</b>
<b>Operating profit (loss)</b>		<b>-2 027</b>	<b>2 618</b>	<b>1 177</b>	<b>5 446</b>
Other interest and similar income	17	62	90	286	330
Value impairment of financial assets and short-term investment		-	-	-	-
Interest and other similar costs	18	-66	-94	-29	-61
<b>Income from financing and investment activities, net value</b>		<b>-4</b>	<b>-4</b>	<b>257</b>	<b>269</b>
<b>Profit before taxation</b>		<b>-2 031</b>	<b>2 614</b>	<b>1 434</b>	<b>5 715</b>
Income tax		-	-	-	-
Deferred income tax income (loss)		-	-	-	-
<b>Profit for the reporting period</b>		<b>-2 031</b>	<b>2 614</b>	<b>1 434</b>	<b>5 715</b>
Termination benefits (accrual), other provisions to be reclassified to profit or loss when certain conditions are met				-577	-577
<b>Gross income</b>		<b>-2 031</b>	<b>2 614</b>	<b>857</b>	<b>5 138</b>
<b>Profit for the period attributable to the Company's shareholders</b>		<b>-2 031</b>	<b>2 614</b>	<b>1 434</b>	<b>5 715</b>
<b>Gross income attributable to the Company's shareholders</b>		<b>-2 031</b>	<b>2 614</b>	<b>857</b>	<b>5 138</b>
<b>Earnings per share (EUR)</b>	19	<b>-0,05</b>	<b>0,06</b>	<b>0,02</b>	<b>0,12</b>

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

Company	Notes	Q2 2022	2022 from the beginning of year	Q1 2021	2021 from the beginning of year
<b>Operating income</b>					
Sales revenue	14	10 846	43 843	6 734	27 098
Other operational incomes	16	170	378	2711	2957
<b>Total operating income</b>		<b>11 016</b>	<b>44 221</b>	<b>9 445</b>	<b>30 055</b>
<b>Operating expenses</b>					
Fuel and purchased energy		-6 718	-28 784	-3 280	-13 974
Salaries, social insurance		-1 956	-3 801	-1 635	-3 325
Depreciation and amortisation		-1 633	-3 280	-1 663	-3 351
Repair and maintenance		-209	-465	-124	-336
Change in impairment of receivables	8	266	230	146	167
Taxes, other than income tax		-626	-1018	-493	-1030
Electricity		-403	-876	-223	-640
Raw materials and materials		-148	-300	-123	-265
Water		-264	-529	-270	-569
Change in realisable value of inventories and impairment of fixed assets	7	-11	-7	45	37
Other costs	15	-625	-1217	-443	-956
Other operational expenses	16	-127	-302	-61	-138
<b>Operating expenses, total</b>		<b>-12 454</b>	<b>-40 349</b>	<b>-8 124</b>	<b>-24 380</b>
<b>Operating profit (loss)</b>		<b>-1 438</b>	<b>3 872</b>	<b>1 321</b>	<b>5 675</b>
Other interest and similar income	17	62	93	286	329
Value impairment of financial assets and short-term investment			-746		
Interest and other similar costs	18	-66	-91	-25	-51
<b>Income from financing and investment activities, net value</b>		<b>-4</b>	<b>-744</b>	<b>261</b>	<b>278</b>
<b>Profit before taxation</b>		<b>-1 442</b>	<b>3 128</b>	<b>1 582</b>	<b>5 953</b>
Income tax		-	-	-	-
Deferred income tax income (loss)		-	-	-	-
<b>Profit for the reporting period</b>		<b>-1 442</b>	<b>3 128</b>	<b>1 582</b>	<b>5 953</b>
Termination benefits (accrual), other provisions to be reclassified to profit or loss when certain conditions are met				-577	-577
<b>Gross income</b>		<b>-1 442</b>	<b>3 128</b>	<b>1 005</b>	<b>5 376</b>
<b>Earnings per share (EUR)</b>	19	<b>-0,03</b>	<b>0,07</b>	<b>0,02</b>	<b>0,13</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 (loss) available for distribution	Total
<b>Balance as at 31 December 2020</b>		<b>74 476</b>	<b>7 447</b>	<b>2 900</b>	<b>4 850</b>	<b>89 673</b>
Formed reserves		-	-	3 000	-3 000	-
Reversed reserves		-	-	-2 900	2 900	-
Dividends		-	-	-	-	-
Profit for the reporting period		-	-	-	1	1
Other gross income		-	-	-	71	71
<b>Balance on 31 December 2021</b>		<b>74 476</b>	<b>7 447</b>	<b>3 000</b>	<b>4 822</b>	<b>89 745</b>
Formed reserves		-	-	-	-	-
Reversed reserves		-	-	-	-	-
Profit (loss) of the previous years		-	-	-	1 215	1 215
Profit for the reporting period		-	-	-	2 614	2 614
Other gross income		-	-	-	-	-
<b>Balance as at 30 June 2022</b>		<b>74 476</b>	<b>7 447</b>	<b>3 000</b>	<b>8 651</b>	<b>93 574</b>

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



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**

Company	Notes	Capital	Legal reserve	Other reserves	Profit (loss) available for distribution	Total
<b>Balance as at 31 December 2020</b>		<b>74 476</b>	<b>7 447</b>	<b>2 900</b>	<b>5 010</b>	<b>89 833</b>
Formed reserves		-	-	3 000	-3 000	-
Reversed reserves		-	-	-2 900	2 900	-
Dividends		-	-	-	-	-
Profit for the reporting period		-	-	-	386	386
Other gross income		-	-	-	71	71
<b>Balance on 31 December 2021</b>		<b>74 476</b>	<b>7 447</b>	<b>3 000</b>	<b>5 367</b>	<b>90 290</b>
Profit for the reporting period		-	-	-	3 128	3 128
Other gross income		-	-	-	-	-
<b>Balance as at 30 June 2022</b>		<b>74 476</b>	<b>7 447</b>	<b>3 000</b>	<b>8 495</b>	<b>93 418</b>

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

**CONDENSED INTERIM CASH FLOW STATEMENTS**

	Notes	Group		Company	
		Q1 2022	Q1 2021	Q1 2022	Q1 2021
<b>Cash flows from (to) operating activities</b>					
Gross income		<b>1 581</b>	<b>4 281</b>	<b>1 957</b>	<b>4 371</b>
<b>Adjustments to non-cash items:</b>					
Depreciation and amortisation		7 111	2 355	6 554	2 167
Write-offs and changes in impairment of receivables	8	-331	-14	-346	-21
Interest costs		93	31	79	26
Change in fair value of derivative financial instruments	10	-4	-2	-	-
Loss (gain) on sale and retirement of fixed assets		-98	-6	-98	-6
Grants and subsidies (amortisation)		-1 301	-430	-1 180	-390
Change in realisable value of inventories and impairment of fixed assets	7	-85	8	-85	8
Change in employee benefits liability		-	-	-	-
Change in value of lease liability		-	-	-	-
Profit tax expense		-	-	-	-
Change in accruals and provision liabilities		391	2 270	407	2 293
Depreciation of investment in subsidiary		-	-	-	-
Revere of other results of financing and investing activities		-377	-42	-379	-43
<b>Adjustment to total non-cash items</b>		<b>5 399</b>	<b>4 170</b>	<b>4 952</b>	<b>4 034</b>
<b>Changes of working capital:</b>					
Decrease (increase) in inventories	7	-475	57	-95	24
Decrease (increase) in prepayments		-2 871	209	-3 266	93
Decrease (increase) in trade receivables	8	5 271	-374	5 278	-370
Decrease (increase) in other amounts receivable	8	-475	-236	-335	-225
Increase (decrease) in long-term trade debts		7	-	6	-
Increase (decrease) in trade debtors and advances received		-1 717	-2 645	-1 972	-2 726
Decrease (increase) in liabilities related to employment relations		41	168	40	159
Increase (decrease) in taxes payable		-87	-218	-102	-203
Decrease (increase) in received prepayments		62	109	63	109
Increase (decrease) in other current liabilities		79	53	-6	7
Changes in total working capital		<b>-165</b>	<b>-2 877</b>	<b>-389</b>	<b>-3 132</b>
<b>Net cash flows from operating activities</b>		<b>6 815</b>	<b>5 574</b>	<b>6 520</b>	<b>5 273</b>

Notes	Group		Company	
	2022	2021	2022	2021
<b>Cash flows from (to) operating activities</b>				
Gross income	<b>3 301</b>	<b>5 138</b>	<b>3 128</b>	<b>5 376</b>
<b>Adjustments to non-cash items:</b>				
Depreciation and amortisation	3 400	4 675	3 280	4 305
Write-offs and changes in impairment of receivables	-230	-152	-230	-167
Interest costs	91	61	91	51
Change in fair value of derivative financial instruments	-	-3	-	-
Loss (gain) on sale and write-down of fixed assets and value of shares	-799	-31	-746	-31
Grants and subsidies (amortisation)	-838	-863	-838	-782
Change in realisable value of inventories and impairment of fixed assets	7	-37	7	-37
Change in employee benefits liability	-	-	-	-
Profit tax expense	-	-	-	-
Change in accruals	5	466	-22	449
Change in provision liabilities	6	49	6	49
Reverse of other results of financing and investing activities	-360	-327	-185	-329
<b>Adjustment to total non-cash items</b>	<b>1 282</b>	<b>3 838</b>	<b>1 363</b>	<b>3 508</b>
<b>Changes of working capital:</b>				
Decrease (increase) in inventories	-160	-142	22	69
Decrease (increase) in prepayments	2 833	65	2 734	-325
Decrease (increase) in trade receivables	9066	5248	9 162	5256
Decrease (increase) in other amounts receivable	-2 823	-670	-2 816	-633
Increase (decrease) in long-term trade debts	-89	-	-89	-
Increase (decrease) in trade debtors and advances received	-4 707	-2 200	-4 692	-2 298
Decrease (increase) in liabilities related to employment relations	301	98	295	96
Increase (decrease) in taxes payable	875	-176	875	-160
Decrease (increase) in received prepayments	134	-1	134	0
Increase (decrease) in other current liabilities	25	56	-1	-6
<b>Changes in total working capital</b>	<b>5455</b>	<b>2278</b>	<b>5624</b>	<b>1999</b>
<b>Net cash flows from operating activities</b>	<b>10 038</b>	<b>11 254</b>	<b>10 115</b>	<b>10 883</b>

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

	Notes	Group		Company	
		2022	2021	2022	2021
<b>Cash flows from (to) investing activities</b>					
Acquisition of intangible fixed assets and property, plant and equipment		281	-6179	289	-6179
Sale of property, plant and equipment		145	53	-	53
Interest received on overdue receivables		93	327	93	329
Acquisition of investments, change in value		-4 903	0	-4 903	-300
<b>Net (used) cash flows from investing activities</b>		<b>-4 384</b>	<b>-5 799</b>	<b>-4 521</b>	<b>-6 097</b>
<b>Cash flows from (to) financing activities</b>					
Loans received			-		-
Loans repaid		-1276	-1560	-1276	-993
Interest paid		-101	-55	-101	-50
Rent payments		-51	-43	-51	-43
Subsidy received		1111	1130	1111	1130
<b>Net cash flows from (used in) financing activities</b>		<b>-317</b>	<b>-528</b>	<b>-317</b>	<b>44</b>
<b>Net increase (decrease) in cash flows</b>		<b>5 337</b>	<b>4 927</b>	<b>5 277</b>	<b>4 830</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>3 696</b>	<b>1 800</b>	<b>2 782</b>	<b>1 675</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>9 033</b>	<b>6 727</b>	<b>8 059</b>	<b>6 505</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. 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 June 2022 and 31 December 2021 the Company's shareholders were:

	2022-06-30		2021-12-31	
	Number of held shares, units	Ownership (%)	Number of held shares, units	Ownership (%)
Kaunas city municipality	39.736.058	92,84	39.736.058	92,84
Kaunas district municipality	1.606.168	3,75	1.606.168	3,75
Jurbarkas district municipality	746.405	1,74	746.405	1,74
Other small shareholders	713.512	1,67	713.512	1,67
	42.802.143	100,00	42.802.143	100,00

The Company's authorised capital is equal to EUR 74,475,728.82 and is divided into 42,802,143 ordinary shares with a nominal value of EUR 1.74 each. On 30 June 2022 and 31 December 2021 the Company had no treasury shares. On 30 June 2022 and 31 December 2021, all shares were fully paid up.

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

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

On 30 June 2022 the Company and its subsidiary UAB GO Energy LT form a group (the Group):

Company	Company home address	Group's shareholding	Cost of investment	Profit (loss) for the reporting period	Equity	Main activities
UAB GO Energy LT	Raudondvario pl. 84, Kaunas	100 per cent.	2 764	76	2 586	Lease

The Group's average number of listed employees during the reporting period was 376 and the Company's average number of listed employees was 350.

## 1. General information (continued)

### Legal regulation

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

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

### Economic activities

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

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

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

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

## 2. Basis of preparation of the financial statements

The condensed interim financial statements of the Company and the Group for the three-month period ended 30 June 2022 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (hereinafter the IFRSs) as applicable to interim financial reporting (International Accounting Standard (IAS) 34 "Interim Financial Reporting"). This unaudited financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2021 which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. These financial statements do not include all the information necessary for the preparation of the full set of consolidated and separate financial statements. However, selected notes are included to explain events and transactions and to provide an understanding of significant changes in the Group's and the Company's financial position and financial performance.

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

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

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

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

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

The management of the Company has approved the following interim financial statements as at 25 July 2022.

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

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

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

## 4. Definition of lease

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

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

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

Assets held under right-of-use, the Group and the Company show under right-of-use assets at 30 June 2022 were EUR 1,207 thousand and EUR 1,006 thousand respectively (on 31 December 2021: EUR 1,207 thousand and EUR 1,006 thousand respectively).

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

## 5. Measurement of fair value

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

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

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

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

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

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

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

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

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

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

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

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

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



## 6. Property, plant and equipment

During the first 6 months of 2022, the Group's and the Company's acquisitions of fixed assets amounted to EUR 4,159 thousand and EUR 4,156 thousand, respectively, the residual value of property, plant and equipment sold amounted to EUR 1 thousand and EUR 1 thousand, respectively.

The depreciation expense for property, plant and equipment of the Group and the Company as at 30 June 2022 amounts to EUR 7,111 thousand and EUR 6,554 thousand respectively (on 30 June 2022: EUR 3,772 thousand and EUR 3,483 thousand, respectively). The amounts of the Group's and the Company's depreciation expenses were included in operating expenses in the profit and loss and other comprehensive income statements (depreciation and amortisation and other expenses).

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

Part of the Group's property, plant and equipment with an acquisition value of EUR 73,252 thousand (31 December 2021: EUR 66,161 thousand) and the Company's EUR 73,252 thousand as at 30 June 2022 and 31 December 2021: EUR 73,252 thousand, respectively, has been fully depreciated (31 December 2021: EUR 66,036 thousand), but is still used in the operations.

On 30 June 2022 and 31 December 2021 the Group's and the Company's construction in progress consists mainly of the reconstruction and overhaul of boiler plants and heat supply networks.

As at 30 June 2022, property, plant and equipment with a residual value equal to the Group's EUR 11,895 thousand (on 31 December 2021: EUR 11,945 thousand), and the Company's EUR 9,250 thousand (on 31 December 2021: EUR -9,300 thousand), was pledged to banks as collateral for the loans.

## 7. Inventories

	Group		Company	
	2022-06-30	2021-12-31	2022-06-30	2021-12-31
Technological fuels	1 132	1 254	1 132	1 177
Spare parts	1 080	927	607	655
Materials	371	300	371	300
	2 583	2 481	2 110	2 132
To be deducted: write-down to net realisable value at the end of the period	(732)	(725)	(732)	(725)
<b>Carrying amount of inventories</b>	<b>1 851</b>	<b>1 756</b>	<b>1 378</b>	<b>1 407</b>

The write-down of the Group's and the Company's inventories to net realisable value as at 30 June 2022 amounted to EUR 732 thousand (on 31 December 2021: EUR 725 thousand). The change in the write-down of inventories to net realisable value in 2022 and 2021 is included in the Group's and the Company's Statements of Profit and Loss and Other Gross income under the item of costs of changes in the realisable value of inventories and fixed assets.

**8. Amounts receivable within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2022-06-30</b>	<b>2021-12-31</b>	<b>2022-06-30</b>	<b>2021-12-31</b>
Trade receivables	8 427	16 473	8 350	16 596
To be deducted: expected credit losses	(5 271)	(4 944)	(5 271)	(4 934)
	<b>3 156</b>	<b>11 529</b>	<b>3 079</b>	<b>11 662</b>

Change in impairment of doubtful receivables as at 30 June 2022 and 31 December 2021 in the Group's and the Company's Statements of Profit and Loss and Other Gross included in the item of impairment charges on receivables. Impairment of doubtful receivables is measured at expected credit losses.

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

On 30 June 2020 and 31 December 2021 the Group's and the Company's other receivables consisted of taxes receivable from the State, debt owed by municipalities for compensation to low-income families, receivables for inventories sold (scrap metal, heating system equipment) and services rendered (collector maintenance services, etc).

The Group's and the Company's other receivables are interest-free and are generally due within 30 to 45 days.

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

Credit risk

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

**9. Financial debts**

All loans of the Group and the Company are accounted for and repaid in euro. The weighted average (percentage) of the interest rate on outstanding loans at 30 June 2022 and 31 December 2021 was as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2022-06-30</b>	<b>2021-12-31</b>	<b>2022-06-30</b>	<b>2021-12-31</b>
Short-term	-	-	-	-
Long-term	0,38	0,36	0,37	0,33

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

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

On 24 August 2020, a loan tranche of EUR 15 million was taken out. The Company used part of the loan to repay the existing loans. On 16 August 2021, a loan tranche of EUR 12 million was taken out. The Company used part of the loan to repay the existing loans.

**9. Financial debts (continued)**

Repayment terms of long-term loans:

	<b>Group</b>		<b>Company</b>	
	<b>2022-06-30</b>	<b>2021-12-31</b>	<b>2022-06-30</b>	<b>2021-12-31</b>
<b>Long-term financial debts (loans):</b>	<b>32 658</b>	<b>32 658</b>	<b>32 658</b>	<b>32 658</b>
Payable between 2 and 5 years	12 873	10 380	12 873	10 380
Payable after 5 years	19 785	22 278	19 785	22 278
Current portion of long-term loans	1316	2 876	1316	2 309
	<b>33 974</b>	<b>35 534</b>	<b>33 974</b>	<b>34 967</b>

On 30 June 2022 in the statement of financial standing, the Group and the Company have recorded interest payable to financial institutions under long-term financial debts amounted to EUR 28 thousand and EUR 25 thousand respectively.

Group's detailed information on loans as at 30 June 2022:

	<b>Credit institution</b>	<b>Date of contract</b>	<b>Amount, thousands EUR</b>	<b>Maturity</b>	<b>Balance as at 2022.06.30 in thousands EUR</b>	<b>Share of 2022 in thousands EUR</b>
1	Ministry of Finance of the Republic of Lithuania *	2010-04-09	2 410	2034-03-15	1 123	94
2	Ministry of Finance of the Republic of Lithuania *	2010-10-26	807	2034-03-15	462	38
3	Luminor**	2021-08-22	3 403	2022-04-29	-	-
4	EIB***	2021-08-16	12 000	2036-08-18	12 000	-
5	Ministry of Finance of the Republic of Lithuania *	2014-01-15	793	2034-12-01	541	42
6	Ministry of Finance of the Republic of Lithuania *	2014-03-31	7 881	2034-12-01	5 376	413
7	EIB***	2020-08-07	15 000	2035-08-24	13 250	1 000
8	AB SEB bank	2016-12-22	4 127	2024-11-30	1 222	723
					<b>33 974</b>	<b>2 309</b>

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

Luminor Bank AS, by granting a loan to the Group on 22 August 2012, has required the Group's subsidiary UAB Petrašiūnų katilinė to comply with the following financial ratios: an equity ratio (including support provided by the Lithuanian Business Support Agency) of at least 40%, a DSCR of at least 1.3, and a total financial debt to EBITDA ratio of at least 3.0.

**9. Financial debts (continued)**

Company's detailed information on loans as at 30 June 2022:

Credit institution	Date of contract	Amount, thousands EUR	Maturity	Balance as at 2022.06.30 in thousands EUR	To be refunded in 2022, thousand EUR
1 Ministry of Finance of the Republic of Lithuania *	2010-04-09	2 410	2034-03-15	1 123	94
2 Ministry of Finance of the Republic of Lithuania *	2010-10-26	807	2034-03-15	462	38
3 Luminor**	2021-08-22	3 403	2022-04-29	-	567
4 EIB***	2021-08-16	12 000	2036-08-18	12 000	-
5 Ministry of Finance of the Republic of Lithuania *	2014-01-15	793	2034-12-01	541	42
6 Ministry of Finance of the Republic of Lithuania *	2014-03-31	7 881	2034-12-01	5 376	413
7 EIB***	2020-08-07	15 000	2035-08-24	13 250	1 000
8 AB SEB bank	2016-12-22	4 127	2024-11-30	1 222	723
				<b>33 974</b>	<b>2 877</b>

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

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

On 30 June 2022 and 31 December 2021, the Company has complied with the terms of the aforementioned agreements.

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

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

**10. Other provisions**

The cost of the heat production capacity reservation service is included in the basic heat price as one of the components in accordance with the methodology established by the Board. As a result of the installation of new generation facilities and the modernisation of existing generation facilities by the Company in recent years, the thermal capacity reservation service has not been purchased from 2020 onwards, and consequently no thermal capacity reserve costs are incurred. At the end of 2019, the Company applied to the Board to exclude the costs of the power reserve from the heat price, but the Board only approved the recalculation of the heat price from November 2020. The Company made a provision from the beginning of the year to reimburse the unrecovered, but over-priced, costs of the power reserve, and from the beginning of the autumn 2020 heating season started to reimburse the provision for this accumulated overpayment through a reduction in the price to consumers. The Company has made a power reserve tax provision of EUR 959

thousand in 10 months of 2020 to cover future price reduction obligations. In October to December 2020, EUR 312,000 was returned to consumers as a result of price cuts. During the months of January and August 2021, the remaining part of EUR 647 thousand was returned to consumers.

## 10. Other provisions (continued)

In 2021, the Company was awarded an additional amount of power reserve from Kaunas Clinics, which will have to be compensated by Kaunas Clinics in future periods. This amicable settlement agreement was confirmed by the ruling of the Kaunas District Court on 2 June 2021. The Company will have to compensate consumers for the additional revenues from the power reserve and has accordingly made a provision of EUR 577 thousand as at 31 December 2021. No additional provision has been made at 30 June 2022.

## 11. Cash and cash equivalents

	Group		Company	
	2022-03-31	2021-12-31	2022-03-31	2021-12-31
Cash on the road	145	166	145	166
Cash in the bank	8 888	3 530	7 914	2 616
	9 033	3 696	8 059	2 782

Group bank accounts with a balance of EUR 8,888 thousand on 30 June 2022 (EUR 3530 thousand on 31 December 2021) and the Company's EUR 7914 thousand (on 31 December 2020: EUR 2616 thousand) are pledged to banks as collateral for the loan.

## 12. Changes in equity

### Statutory reserve and other reserves

The statutory reserve is required under the legislation of the Republic of Lithuania. At least 5% of net profits, calculated in accordance with International Financial Reporting Standards, must be transferred to the reserve annually until it reaches 10% of the authorised capital. The statutory reserve may not be distributed as dividends but can be used to cover future losses.

### Dividends

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

## 13. Sales income

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

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

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

	Group		Company	
	Q1 2022	Q1 2022	Q1 2022	Q1 2022
Heat supply	41 142	25 145	41 160	25 150
Hot water supply	2215	1 542	2 215	1542
Maintenance of hot water metering devices	237	226	237	226
Maintenance of collectors	174	174	174	174

Maintenance of heating and hot water systems in buildings	7	6	7	6
Cooling supply	0	0	0	0
Sale of tradable emission allowances	50	0	50	0
	<b>43 825</b>	<b>27 093</b>	<b>44 221</b>	<b>27 098</b>

### 13. Sales income (continued)

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

	Group		Company	
	Q1 2022	Q1 2022	Q1 2022	Q1 2022
Residents	32 629	20 561	32 629	20 561
Other users	4 514	2 767	4 532	2 772
Budgetary organisations financed from the state budget	3 162	1 924	3 162	1 924
Budgetary organisations financed from municipal budgets	2 191	1 300	2 191	1 300
Institutions financed by territorial sickness funds	1 104	429	1 104	429
Industrial users	225	112	225	112
	<b>43 825</b>	<b>27 093</b>	<b>43 843</b>	<b>27 098</b>

### 14. Other costs

Other expenses as at 30 June 2022 include:

	Group		Company	
	Q1 2022	2021 Q1	Q1 2022	Q1 2021
Equipment inspection and testing	199	94	189	93
Maintenance of collectors	180	181	180	181
Money collection costs	65	74	65	74
Ash recovery costs	91	91	91	85
Information Technologies costs	50	32	50	32
Consulting Services	76	87	76	87
Employee-related costs	71	27	71	27
Invoicing costs	48	38	48	38
Membership fee	53	50	53	50
Maintenance of fixed assets and related services	44	31	44	31
Transport costs	57	43	57	43
Debt collection costs	36	18	36	18
Insurance	44	51	44	48
Communication costs	16	13	16	12
Costs for advertising	20	10	20	10
Audit costs	23	20	23	20
Rental of equipment and machinery	29	35	29	35
Sponsorship	30	1	30	1
Other costs	115	77	95	71

1247	973	1217	956
1247	973	1217	956

## 15. Other operating income and expense

Other operating income includes:

	Group		Company	
	Q1 2022	Q1 2021	Q1 2022	Q1 2021
<b>Other operational incomes</b>				
Inventories sold	267	207	110	207
Miscellaneous services rendered	456	221	179	148
Compensation received	0	0		0
Revenue from previous periods	0	6		6
Profit from the sale of fixed assets	8	31	8	31
Other	238	2565	81	2565
	<b>969</b>	<b>3030</b>	<b>378</b>	<b>2957</b>

Other operating expenses include:

	Group		Company	
	Q1 2022	Q1 2021	Q1 2022	Q1 2021
<b>Other operational expenses</b>				
Cost of miscellaneous services rendered	-118	-126	-125	-106
Inventories sold	-110	-1	-110	-1
Cost of previous periods	-27	-19	-27	-19
Sale of fixed assets, write-off	-40	-12	-40	-12
Other				
	<b>-295</b>	<b>-158</b>	<b>-302</b>	<b>-138</b>

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

## 16. Basic and diluted earnings per share

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

	Group		Company	
	Q1 2022	Q1 2021	Q1 2022	Q1 2021
Profit for the reporting period	2 614	5 138	3 128	5 376
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>0,06</b>	<b>0,12</b>	<b>0,09</b>	<b>0,13</b>

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

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

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

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

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

### Leases and contracts for the purchase of works

The Group's and the Company's future obligations under the purchase contracts in force at 30 June 2022 amount to EUR 22 626 thousand.

### Guarantees

On 28 November 2016, the Company provided a guarantee of EUR 3 913 thousand to Luminor Bank AS for the obligations of the subsidiary UAB Petrašiūnų katilinė to the bank under the credit agreement of EUR 3 403 thousand dated 22 August 2012. On 28 November 2016, the Company provided a guarantee of EUR 95 thousand to Luminor Bank AS for the obligations of its subsidiary UAB Petrašiūnų katilinė to the bank under the derivative transaction described in Note 11. The residual value of the loan to AB Petrašiūnų katilinė was prepared and totalled EUR 0 as at 30 June 2022.

## 18. Related party transactions

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

On 4 December 2020, the Company and other companies controlled by Kaunas City Municipality signed an agreement on the establishment of UAB Kauno miesto paslaugų centras (note 6).

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

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

30 June 2022	<b>Purchases</b>	<b>Sales</b>	<b>Amounts receivable</b>	<b>Amounts payable</b>
Kaunas City Municipality, companies financed and fully managed by it	611	4166	334	210
Jurbarkas district municipality	8	147	2	3
30 June 2021	<b>Purchases</b>	<b>Sales</b>	<b>Amounts receivable</b>	<b>Amounts payable</b>
Kaunas City Municipality, companies financed and fully managed by it	650	1911	309	207
Jurbarkas district municipality	7	129	1	2

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



**18. Related party transactions (continued)**

On 30 June 2022 and 30 June 2021 the Company's transactions with subsidiaries and the balance sheet balances at the end of the period were as follows:

<b>AB Petrašiūnų katilinė</b>	<b>Purchases</b>	<b>Sales</b>	<b>Amounts receivable</b>	<b>Amounts payable</b>
30 June 2022	839		-	-
30 June 2021	354	7	443	220
<b>UAB GO Energy LT</b>	<b>Purchases</b>	<b>Sales</b>	<b>Amounts receivable</b>	<b>Amounts payable</b>
30 June 2022	43	54	13	57
30 June 2021	53	8	41	3

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

Management's salary and other benefits

On 30 June 2022 the Group's and the Company's management consists of 2 and 1 persons (3 and 1 on 30 June 2021) respectively.

	<b>Group</b>		<b>Company</b>	
	<b>2022-06-30</b>	<b>2021-06-30</b>	<b>2022-06-30</b>	<b>2021-06-30</b>
Wages and salaries charged to the management	51	52	48	47
Reimbursements of employee benefits calculated for the management	-	-	-	-

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

**19. Events after the date of the balance sheet**

According to the management's expert assessment, due to the war in Ukraine, it is expected that the supply of the main raw materials for heat production, i.e. biofuel and gas, will not be disrupted, the number of heat consumers will not decrease, and the solvency of heat consumers will not be significantly affected by the increase in the heat prices. This is confirmed by the available indicators for February and March, and the heating season is coming to an end at the end of March and heating bills will decrease accordingly. It is therefore expected that the war in Ukraine will have no direct or indirect impact on the Company's and the Group's activities.

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.

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