

"K2 LT"
(Group)
INDEPENDENT AUDITOR'S REPORT,
CONSOLIDATED FINANCIAL STATEMENTS AND
CONSOLIDATED MANAGEMENT REPORT
As at 31 December 2024

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To the Shareholders of K2 LT, AB

Opinion

We have audited the consolidated financial statements of K2 LT, UAB and its subsidiaries (the Group), which comprise the consolidated balance sheet at December 31, 2024, and the consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects the consolidated financial position of the Group as at December 31, 2024, and (of) its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Lithuanian financial reporting standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the requirements of the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania that are relevant to audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements of the Republic of Lithuania and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Group's Management Report but does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as specified below.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In addition, our responsibility is to consider whether information included in the Group's Management Report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements and whether Management Report has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of consolidated financial statements, in our opinion, in all material respects:

- The information given in the Group's Management Report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- The Group's Management Report has been prepared in accordance with the requirements of the Law on Consolidated Financial Reporting by Groups of Undertakings of the Republic of Lithuania.

Responsibilities of management and those charged with governance for the consolidated financial

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Lithuanian financial reporting standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's consolidated financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Moore Mackonis UAB

Sigita Pranckėnaitė

Certified auditor

Kauno str. 22, Vilnius

The electronic signature of the auditor shall be applied only to the independent Auditor's Report

The date of the audit report is the date of the electronic signature

K2 LT Group

Company code 301950535; Address: Metalistų g. 3, Kėdainiai
 Data stored in Centre of Registers, SE, Register of Legal Entities

Consolidated financial statements for the year ended on 31 December 2024

(All amounts are presented in Euros, unless indicated otherwise)

CONCOLIDATED BALANCE SHEET

ASSETS		Notes No.	31.12.2024	31.12.2023
A.	NON-CURRENT ASSETS		4 592 835	4 099 882
1.	INTANGIBLE ASSETS	1.	2 627	2 136
1.1.	Development works			
1.2.	Prestige			
1.3.	Software		2 627	2 136
1.4.	Concessions, patents, licenses, trademarks and similar rights			
1.5.	Other intangible assets			
1.6.	Paid advance payments			
2.	TANGIBLE ASSETS	2.	4 590 001	4 097 532
2.1.	Land		600 000	600 000
2.2.	Buildings and constructions		1 773 482	1 935 427
2.3.	Machinery and equipment		728 136	712 857
2.4.	Vehicles		89 498	38 062
2.5.	Other devices, equipment and tools		253 552	230 905
2.6.	Investment property			
2.6.1.	Land			
2.6.2.	Buildings			
2.7.	Paid advance payments and carried out construction of tangible assets (manufacturing) works		1 145 333	580 281
3.	FINANCIAL ASSETS			
3.1.	Company shares of group of companies			
3.2.	Loans to the companies of the group of companies			
3.3.	Amounts receivable from the companies of the group of companies			
3.4.	Associated companies shares			
3.5.	Loans to the associated companies			
3.6.	Amounts receivable from the associated companies			
3.7.	Long-term investments			
3.8.	Amounts receivable after a one-year			
3.9.	Other financial assets			
4.	OTHER NON-CURRENT ASSETS		207	214
4.1.	Deferred income tax assets	4.	207	214
4.2.	Biological assets			
4.3.	Other assets			

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ASSETS		Notes No.	31.12.2024	31.12.2023
B.	CURRENT ASSETS		1 652 125	1 544 784
1.	INVENTORIES	5.	54 065	67 041
1.1.	Raw materials, materials and mounting details			
1.2.	Unfinished products and works in execution			
1.3.	Production			
1.4.	Goods purchased for resale		52 197	60 477
1.5.	Biological assets			
1.6.	Long-term tangible assets for resale			
1.7.	Paid advance payments		1 868	6 564
2.	AMOUNTS RECEIVABLE WITHIN ONE YEAR	6.	219 526	303 793
2.1.	Trade receivables		98 950	84 659
2.2.	Debts of companies of the group of companies			
2.3.	Debts of associated companies			
2.4.	Other receivable amounts		120 576	219 134
3.	SHORT-TERM INVESTMENTS			
3.1.	Shares of companies of the group of companies			
3.2.	Other investments			
4.	CASH AND CASH EQUIVALENTS	7.	1 378 534	1 173 950
C.	PREPAYMENTS AND ACCRUED INCOME		8 215	7 777
	TOTAL ASSETS		6 253 175	5 652 443

EQUITY AND LIABILITIES		Notes No.	31.12.2024	31.12.2023
D.	EQUITY		5 620 303	5 085 165
1.	CAPITAL		311 822	311 822
1.1.	Authorized (subscribed) or core capital	8.	311 822	311 822
1.2.	Subscribed unpaid capital (-)			
1.3.	Own shares (-)			
2.	SHARE PREMIUM ACCOUNT		1 514 760	1 514 760
3.	REVALUATION RESERVE			
4.	RESERVES		31 183	31 183
4.1.	Compulsory reserve or emergency (reserve) capital		31 183	31 183
4.2.	For the acquisition of own shares			
4.3.	Other reserves			
5.	RETAINED PROFIT (LOSS)		3 762 538	3 227 400
5.1.	Profit (loss) for the reporting year		846 960	666 276
5.2.	Profit (loss) for the previous year		2 915 578	2 561 124

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EQUITY AND LIABILITIES		Notes No.	31.12.2024	31.12.2023
E.	GRANTS AND SUBSIDIES			
F.	PROVISIONS			
1.	Provisions for pensions and similar obligations			
2.	Provisions for taxation			
3.	Other provisions			
G.	AMOUNTS PAYABLE AND OTHER LIABILITIES		590 132	529 394
1.	AMOUNTS PAYABLE AFTER A ONE-YEAR AND OTHER LONG-TERM LIABILITIES		49 537	107 469
1.1.	Debt liabilities	9.	49 537	15 983
1.2.	Debts to credit institutions	9.		91 486
1.3.	Received advance payments			
1.4.	Trade payables			
1.5.	Amounts payable under the bills and checks			
1.6.	Amounts payable to the companies of the group of companies			
1.7.	Amounts payable to the associated companies			
1.8.	Other payable amounts and long-term liabilities			
2.	AMOUNTS PAYABLE WITHIN A ONE-YEAR AND OTHER SHORT-TERM LIABILITIES		540 595	421 925
2.1.	Debt liabilities	9.	25 785	5 987
2.2.	Debts to credit institutions			
2.3.	Received advance payments	10.	23 005	13 701
2.4.	Debts to suppliers	10.	118 520	80 833
2.5.	Amounts payable under the bills and checks			
2.6.	Amounts payable to the companies of the group of companies			
2.7.	Amounts payable to the associated companies			
2.8.	Income tax liabilities	10.	124 842	105 147
2.9.	Liabilities related to employment	10.	121 318	127 519
2.10.	Other payable amounts and short-term liabilities	10.	127 125	88 738
H.	ACCRUALS AND DEFERRED INCOME	11.	42 740	37 884
	TOTAL EQUITY AND LIABILITIES		6 253 175	5 652 443

Director Bernardas Vilkelis

Authorised person by Audikom UAB Jelena Sergejeva

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Consolidated financial statements for the year ended on 31 December 2024

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CONCOLIDATED INCOME STATEMENT

Line No.	Items	Notes No.	2024	2023
1.	SALES REVENUE	12.	3 169 298	2 805 725
2.	COST OF SALES	13.	(871 792)	(840 775)
3.	Change of the fair value of biological assets			
4.	GROSS PROFIT (LOSSES)		2 297 506	1 964 950
5.	Operating sales costs	13.	(86 720)	(101 987)
6.	General and administrative costs	13.	(1 280 732)	(1 103 982)
7.	Results of other activity	12.	23 245	18 528
8.	Income from investment in the shares of parent, subsidiaries and associated companies			
9.	Income of other long-term investments and loans			
10.	Interest and other similar incomes	14.	23 230	3 436
11.	Decrease of the value of financial assets and short-term investments			
12.	Interest and other similar costs	14.	(4 721)	(9 554)
13.	PROFIT (LOSS) BEFORE TAX		971 808	771 391
14.	INCOME TAX		(124 848)	(105 115)
15.	Profit (loss) before separation of minority interests		846 960	720 758
16.	Minority			
17.	NET PROFIT (LOSS)		846 960	666 276

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CONCOLIDATED STATEMENT OF CHANGES IN EQUITY

	Paid authorized or core capital	Additives to the shares	Own shares (-)	Revaluation reserve		Legal reserves		Other reserves	Retained profit (loss)	Total
				of the long-term tangible assets	of the financial assets	Legal reserve or stock (reserve) capital	For the acquisition of own shares			
1 Remaining balance as at 31 December 2022	311 822	1 514 760				31 183			2 872 946	4 730 711
2 Result of changes in accounting policies										
3 Result of the correction of essential errors										
4 Recalculated remaining balance as at 31 December 2022	311 822	1 514 760				31 183			2 872 946	4 730 711
5 Increase (decrease) of the value of long-term tangible assets										
6 Increase (decrease) of the value of effective hedging instrument										
7 Acquisition of own shares (sale)										
8 Profit (loss) not recognized at the profit (loss) statement										
9 Net profit (loss) for the reporting period									666 276	666 276
10 Dividends									(311 822)	(311 822)
11 Other payments										
12 Formed reserves										
13 Used reserves										
14 Increase (decrease) of authorized capital or shareholders' contributions (contributions repayment)										
15 Other increase (decrease) of the authorized or core capital										
16 Contributions to cover losses										
17 Remaining balance as at 31 December 2023	311 822	1 514 760				31 183			3 227 400	5 085 165

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	Paid authorized or core capital	Additives to the shares	Own shares (-)	Revaluation reserve		Legal reserves		Other reserves	Retained profit (loss)	Total
				of the long-term tangible assets	of the financial assets	Legal reserve or stock (reserve) capital	For the acquisition of own shares			
18 Increase (decrease) of the value of long-term tangible assets										
19 Increase (decrease) of the value of effective hedging instrument										
20 Acquisition of own shares (sale)										
21 Profit (loss) not recognized at the profit (loss) statement										
22 Net profit (loss) for the reporting period									846 960	846 960
23 Dividends									(311 822)	(311 822)
24 Other payments										
25 Formed reserves										
26 Used reserves										
27 Increase (decrease) of authorized capital or shareholders' contributions (contributions repayment)										
28 Other increase (decrease) of the authorized or core capital										
29 Contributions to cover losses										
30 Remaining balance as at 31 December 2024	311 822	1 514 760				31 183			3 762 538	5 620 303

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CONCOLIDATED CASH FLOW STATEMENT

Line No.	Items	2024	2023
1.	Cash flows of the main activity		
1.1.	Cash inflows for the reporting period (with VAT)	3 632 311	3 114 166
1.1.1.	Cash inflows from clients	3 632 094	3 114 166
1.1.2.	Other inflows	217	
1.2.	Cash payments for the reporting period	(2 381 602)	(2 137 041)
1.2.1.	Cash paid to suppliers of raw materials, goods and services (with VAT)	(1 714 223)	(1 402 027)
1.2.2.	Cash payments related to employment relations	(506 852)	(664 032)
1.2.3.	Taxes paid to budget	(147 538)	(64 161)
1.2.4.	Other payments	(12 989)	(6 821)
	Net cash flows of the main activity	1 250 709	977 125
2.	Cash flows of investment activity		
2.1.	Acquisition of the long-term assets, except of investments	(651 821)	(660 890)
2.2.	Transfer of the long-term assets, except of investments		
2.3.	Acquisition of long-term investments		
2.4.	Transfer of long-term investments		
2.5.	Granting of loans		
2.6.	Returning of loans		
2.7.	Received dividends, interests	23 229	2 558
2.8.	Other increase of the cash flows of investments activity	3 000 000	350 000
2.9.	Other decrease of the cash flows of investments activity	(3 000 000)	(350 000)
	Net cash flows of investment activity	(628 592)	(658 332)
3.	Cash flows of financial activity		
3.1.	Cash flows related to the owners of company	(311 822)	(311 822)
3.1.1.	Issue of shares		
3.1.2.	Contributions of owners to cover losses		
3.1.3.	Purchase of own shares		
3.1.4.	Payment of dividends	(311 822)	(311 822)
3.2.	Cash flows related to other sources of funding	(105 711)	(131 541)
3.2.1.	Increase of financial debts		
3.2.1.1.	Receipt of loans		
3.2.1.2.	Issue of bonds		
3.2.2.	Decrease of financial debts	(105 711)	(131 541)
3.2.2.1.	Loan repayment	(91 486)	(122 449)
3.2.2.2.	Bond purchase		

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Eil. Nr.	Straipsniai	2024	2023
3.2.2.3.	Paid interests	(2 480)	(8 503)
3.2.2.4.	Leasing (financial lease) payments	(11 745)	(589)
3.2.3.	Increase of other liabilities of the company		
3.2.4.	Decrease of other liabilities of the company		
3.2.5.	Other increase of the cash flows of financial activity		
3.2.6.	Other decrease of the cash flows of financial activity		
	Net cash flows of financial activity	(417 533)	(443 363)
4.	Influence of the changes in exchange rates on cash and cash equivalents remaining balance		
5.	Increase (decrease) of net cash flow	204 584	(124 570)
6.	Cash and cash equivalents at the beginning of period	1 173 950	1 298 520
7.	Cash and cash equivalents at the end of period	1 378 534	1 173 950

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CONCOLIDATED EXPLANATORY NOTES

General Information

K2 LT, AB, registered on 7 October 2008. The company's registered address until 14 April 2015 was: M. Počobuto str. 4, Vilnius. Since 2015 - Metalistų str. 3, Kėdainiai.

The Company's principal activity is crematorium services.

Shareholders - private individuals and legal entities.

The average number of employees of the Company was 12 in 2023 and 12 in 2022.

The financial year of a company is the calendar year.

On 19 May 2015, UAB K2 LT was re-registered as public limited company K2 LT. By decision of the General Meeting of Shareholders held on 30 March 2015, the Company's authorised capital was converted into euro and increased from EUR 226 222 to EUR 226 519. By decision of the General Meeting of Shareholders held on 22 April 2015, the Company's authorised capital was increased from EUR 226,519 to EUR 278,827 by issuing 52,308 new shares with a nominal value of EUR 1 at an issue price of EUR 23 per share. On 12 February 2019, the Board approved a new share issue. A total of 32 995 ordinary registered shares were newly issued and the company's authorised capital was increased from EUR 278 827 to EUR 311 822.

2018 m. K2 LT AB established (on 3 September 2018) a subsidiary - Rekviem LT UAB (company code 304910332) with a share capital of EUR 2 500, number of shares - 100 pcs. During the reporting year, UAB Rekviem LT had revenues of EUR 1 431 463 (EUR 1 107 725 in 2023). Pre-tax profit for the year is EUR 254 885 (EUR 128 292 in 2023). "Rekviem" operates a modern farewell home in Kaunas and a Lithuania-wide funeral ceremony organisation system accessible by the short number 19211.

ACCOUNTING POLICY

Basis for Accounting

Consolidated financial statements of the Group are prepared in accordance with the Law of the Republic of Lithuania on accounting and financial reporting and Lithuanian financial reporting Standards, valid on 01-01-2024.

When managing the accounting records and preparing the consolidated financial statements the Company follows general accounting principles – entity, going concern, periodicity, consistency, monetary measure, accrual, comparison, prudence, neutrality and content materiality.

Consolidated financial statements are prepared on the basis of accrual and going concern principles. According to the accrual principle the impact of transactions and other events is acknowledged when it occurs and is registered in accounting records and presented in the financial statements of the related period. Additionally, financial statements are prepared assuming that Company has no intentions or necessity to liquidate or reduce the scope of activity significantly.

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Non-current Intangible Assets

Non-current intangible assets are identified as non-monetary assets without physical form and are used for over one year. The Company expects to obtain direct and (or) indirect economic benefit from these assets. Acquisition (production) cost of this asset is at least EUR 500.

Intangible assets are registered in the accounting records at acquisition (production) cost which comprises cash amount paid or payable upon the acquisition of assets including customs fees and other paid non-refundable taxes. Asset acquisition cost also includes other direct costs of preparation for use. Costs from reconstruction and repair of intangible assets if these costs incurred after the acquisition or creation of this asset, are recognized at the period when these costs were incurred.

Intangible assets presented in the balance sheet are stated at balance value, i.e. acquisition (production) cost less accumulated amortization and impairment in value plus any reversals of impairment.

Amortization of intangible assets is calculated applying directly proportional (straight-line) method during the period of useful life:

Computer software	3 years
Licences, patents, other acquired rights	3 years

Non-current Tangible Assets

Non-current tangible assets in the Company are the ones, which are expected to bring direct and (or) indirect economic benefit for a period longer than one year and their acquisition (production) cost is at least EUR 500. The risks attached to the tangible assets are transferred to the Company.

Non-current tangible assets are registered in the accounting records at acquisition (production) cost which comprises cash amount paid or payable upon the acquisition of assets, transportation expenses, paid non-refundable taxes, cost of planning works, mounting costs, installation costs and other costs related to asset acquisition and preparation for use. Non-refundable VAT is not included in the acquisition cost of non-current tangible assets. It is recognized as operating costs of the period these assets were acquired in.

Costs from reconstruction and repair of non-current tangible assets are recognized at the period when these costs were incurred.

Non-current tangible assets presented in the financial statements are stated at the actual acquisition (production) cost less accumulated depreciation and impairment in value plus any reversals of impairment.

The Company applies the directly proportional (straight-line) method for depreciating non-current tangible assets. Different depreciation rates are set for separate groups of non-current tangible assets:

Asset Group	Average useful life period (in years)
Buildings and constructions	25
Machinery and equipment	6
Vehicles	6
Other devices, equipment and tools	4
Other tangible assets (computers)	3

Depreciation of non-current tangible asset is calculated from the first day of the next month after the asset exploitation was started. Depreciation of the asset after write-off, transfer or other kind of disposal is no longer calculated from the first day of the next month. Depreciated asset value is calculated by subtracting the liquidation value from asset acquisition (production) cost which for all tangible fixed assets is EUR 1.

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Lease is recognized as financial lease (lease), when following the lease terms basically all risks and benefits related to the ownership of the asset is transferred to the Company. Accounting for leased assets is the same as for owned assets. Interest and other borrowing costs are recognized as financial costs of the period during which they are incurred.

Profit or loss, which occurs after the transfer of non-current tangible assets, is calculated comparing the income with the balance value of assets. Result of the transaction is recognized in the income statement in the item of income or expenses from other activities. Depreciated assets, which are no longer used in the Company, are written off. Non-current tangible assets are recognized as inventories on the balance sheet if these assets are no longer used and kept for resale.

By the end of each reporting year the Company carries out the stocktaking of non-current tangible assets. Balance value of each asset item is reviewed to determine the impairment. If impairment is detected, the value of return on asset is calculated. The value of return on asset is calculated as the higher one of two values: net realisable value or value of asset in use. Losses due to asset impairment are accounted for when the book value of one asset unit exceeds the value of return on asset. All losses incurred due to impairment are presented in the income statement.

Investment assets

Assets held for the purpose of generating rental income and/or capital appreciation and not occupied or used by the Company for its own purposes are classified as investment property.

Investment assets comprises freehold land and buildings and tangible fixed assets integral to the buildings.

Investment assets is initially recorded at cost, including transaction costs, and subsequently remeasured at fair value based on its market value. The market value of the Company's investment assets is derived from reports prepared by independent valuers with recognised and appropriate professional qualifications and recent experience in the valuation of property in a similar location and of a similar category.

Assets that are constructed or being constructed for future use as investment property are classified as tangible fixed assets and are carried at cost until their construction is completed. Upon completion, it is reclassified from construction in progress and subsequently accounted for as an investment property.

The fair value of investment property is adjusted each time the financial statements are prepared, with the change in fair value recognised in the income statement within finance and investment income (expense).

Costs incurred thereafter are capitalised only if it is probable that future economic benefits will flow to the Company from the asset and the cost of the asset can be measured reliably. All other repair and maintenance costs are recognised as an expense in the income statement in the period in which they are incurred.

The Company recognises investment property as an investment property only to the extent that it is used to earn rental income or capital appreciation. The portion of such assets that is used for the Company's administrative purposes is carried at cost - accumulated depreciation under tangible fixed assets. These shares (investment property/assets for administrative purposes) are calculated on the basis of the area of the property to be divided for each of the shares. The distribution of the shares is reviewed at the end of each financial year.

Investments in subsidiaries and associates

In the Company's separate financial statements, investments in subsidiaries and associates are carried at cost less impairment.

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Financial assets

Financial assets include cash and cash equivalents, amounts receivable, provided loans and investments intended for sale.

Financial assets are registered in the accounting records when the Company receives or, on the basis of an executed contract, acquires the right to receive cash or other financial asset. Amounts receivable are recognised at acquisition cost less the losses of impairment in value. Cash and cash equivalents are recognised at acquisition cost. Provided loans are initially recognised at acquisition cost and are subsequently registered at amortized cost.

Investments intended for sale are investments that the Company acquired with intention to sell or in seeking to benefit from short-term fluctuations in investment price. Investments intended for sale are measured at acquisition cost upon their acquisition, subsequently at each financial statement date they are recognised at fair value.

If it is likely that the Company will not be able to recover amounts receivable, a loss of impairment in value is recognised and it is calculated as a difference between asset value and current value of future cash flows discounted applying the effective interest rate.

Inventories

In the financial statements inventories are measured at acquisition (production) cost or net realizable value, depending on which one is lower. Net cost is calculated following the FIFO method. Net cost of inventories includes purchase price, adjusted by amounts of inventory devaluation and received discounts, related charges, fees, transportation, preparation for use and other expenses directly related to acquisition of inventories. Net realizable value is an estimated sales price under regular business conditions less the estimated production completion and possible sales costs.

Expenses incurred when pursuing the order of a client are capitalised and reflected in the item of work in progress until the related income is recognised.

Losses of impairment in the value of inventories are recognised as operating costs and the reversal of losses of impairment in the value of inventories reduces the operating costs of the reporting period.

Amounts Receivable

Amounts receivable are initially measured at acquisition cost. Subsequently current amounts receivable are recognised after assessing their impairment in value. A debt that has a payment term overdue for over four months is considered doubtful until the procedure of its recovery is in course. Doubtful debts are recognised as operating costs of the reporting period. Recovery of previously recognised doubtful debts reduces the doubtful debt costs of the reporting period.

Transaction of transfer of amount receivable (debt) (factoring without regress right) is considered a sale of debts and they are written off at once. If the debt transfer does not foresee transfer of risks and the debt buyer can waive the transaction, it is registered as a borrowing guaranteed by pledge.

Cash and Cash Equivalents

Cash comprises cash on hand and in bank accounts. Cash equivalents are liquid investments readily convertible into a known amount of cash. The term of these investments is usually up to three months and they are subject to insignificant risk of changes in value.

In the cash flow statement cash and cash equivalents include cash on hand and cash in current bank account as well as short term deposits. Received dividends in the cash flow statement are classified as investment activities, paid dividends – as financial activities. Paid interests for the loans and lease are classified as financial activities. Received interests for the short term deposits are presented as investment activities.

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Future Costs

Future costs are accrued when during the reporting and previous reporting periods the Company pays for services of continuous nature to be provided in the future periods and the amounts paid shall be proportionally recognised as costs in the future reporting periods when incurred.

Equity Capital and Reserves

Equity capital of the Company includes paid-up part of the authorised capital, share premium, legal reserve, revaluation reserve and retained profit (loss).

Ordinary registered shares are measured at their par value. Amount received for sold shares in excess of their par value is presented as share premium. Additional costs related to new share emission reduce share premium. Any profit or loss related to sale, emission or annulment of own shares is not recognised in the income statement.

According to the Law on Entities of the Republic of Lithuania, a legal reserve must conclude to the amount equal to 1/10 of the authorised capital. Until the determined amount of legal reserve is reached the Company's deductions that go into it must amount to at least 1/20 of net profit. A part of a legal reserve that exceeds the determined amount may be redistributed with the Company's profit appropriation. Legal reserve that was used to cover Company's losses must be reformed. The account of retained profit (loss) includes accumulated and not yet distributed profit or not yet covered losses for the current and previous reporting periods. Profit appropriation is registered in the accounting records of the Company when the owners pass a respective decision to distribute the profit, i.e. at the date of the shareholder meeting regardless of the profit earning period.

Financial Liabilities

Financial liabilities are registered in the accounting records when the Company undertakes a liability to pay in cash or repay in other financial assets. Amounts payable for goods and services are measured at acquisition cost, i.e. the value of received assets or services. Initially loans are recognised at acquisition cost and subsequently they are recognised at amortised cost. Accumulated interest is recognised in the account of other amounts payable.

Financial liabilities include amounts payable for received goods and services, loans, financial lease liabilities and bonds.

Current liabilities are considered obligations that must be met within one year of the balance sheet date.

Provisions

Provisions are recognised as liabilities when the Company has a legal obligation or an irrevocable commitment as a result of actions in the past, and it is also likely that fulfilling a legal obligation or irrevocable commitment shall require using assets at hand, and the amount of the liability can be reliably measured.

Sales Revenue

Sales revenue is recognised following the accrual principle. Income amount is recognised at fair value considering provided and foreseen discounts, returns and write-downs of sold goods. Income from sold goods is recognised when the goods are sold and the amount of income can be reliably measured.

Income from other activities includes profit from transferred used non-current assets, also other income that is not related to operating activity of the Company, but received from third parties, except for income from financing activities and extraordinary gains.

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Income from financing activities includes positive effect of changes in currency rate, received interest, fines and charges on overdue payments paid by the buyers, received dividends, reversal of impairment in the value of investments.

Costs

Costs are recognised in the accounting records following accrual and comparison principles in the reporting period, during which the related income is earned, irrespective of the time the money was spent. Expenses, which are not related to the income earned in the reporting period, but intended for income earning in the future periods, are registered in the accounting records and presented in the financial statements as the assets.

Cost of sales comprises expenses incurred during the current reporting period and related to goods sold and services rendered during the current period. This account includes only that part of costs, which is related to products, goods sold and services rendered during the reporting period.

General and administrative costs comprise expenses incurred during the current period and related to the operating activities of the Company and providing the basis for reporting period income earning, but they do not depend on the amount of sold products, goods and services. These costs are recognized, registered in the accounting records and presented in the financial statements of the reporting period they are incurred in.

Costs from other activities include losses from sold used non-current assets and other costs that are not related to operating activity of the Company but are incurred to earn the income from other activities.

Costs from financing activities include negative result of changes in currency rate, paid fines and charges on overdue, interest and liability charges related to financial payables, impairment in the value of investments.

Deferred Income Tax

Calculation of income tax is based on the requirements of Income Tax Law of the Republic of Lithuania. During the reporting year, the corporate income tax rate is 15%.

Deferred income tax is accounted for using the liability method for all temporary differences that arise between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax liabilities are recognised for taxable temporary differences unless the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business acquisition or a business reorganisation by way of a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit (tax loss).

Foreign Currency

In the balance sheet currency entries are registered in accordance with the official exchange rate on the balance sheet date. The acquisition value of assets purchased in the foreign currency is recognized in the balance sheet measured in euro by using exchange rates of the date of purchase. Transactions in foreign currency are rated euro by transaction date exchange rate. Changes in currency entries that occurred when performing currency transactions in foreign currency are recognised as income or costs of the related reporting period.

Use of Estimates when Preparing the Financial Statements

When preparing the financial statements, management has to make certain assumptions and estimates, which influence the presented amounts of assets, liabilities, income and expenses and disclosures of uncertainties.

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Significant areas of these financial statements, in which the estimates are used, include depreciation, impairment in value measurements, provisions and possible income tax recalculations. State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania may review accounting records of the Company and its subsidiaries and associates anytime within five consecutive years after reporting yearend and attribute additional taxes and fines. The management of the Company is not aware of the circumstances, which could lead to significant liabilities in this respect.

Future events may influence assumptions used in making the estimates. Results of such changes in estimates are recognized in the financial statements when they are identified.

Correction of Errors and Reclassifications

Errors of previous reporting periods detected in current reporting period are corrected in the financial statements of current period, if they are not material. Correction of an error is included in the same profit (loss) statement line, where the error was made. Material errors are corrected retrospectively and the error correction is presented in the financial statements of the reporting period by adjusting results of the previous year. Information on correction of such error is presented in the notes.

If information in the reporting year is classified in a different way, previous comparative year is reclassified in order for the numbers to be comparable. The Company assumes an error to be significant, if it involves the amount higher than 5% of sales income of the reporting period.

Contingent Liabilities and Assets

Contingent liabilities are future obligations, which may arise from past events and the existence of which may be confirmed or denied by the contingent future events, which the Company has no control over; or current obligations that arise from past events. They are not recognised in the balance sheet as the amount of these obligations cannot be measured reliably and (or) it is not probable that they will have to be settled. Information on them is presented in the explanatory notes.

Contingent assets may belong to the Company and bring economic benefit as a result of future events not within the control of the Company. Information on probable assets is presented in the explanatory notes.

Events after the Balance Sheet Date

Events after the balance sheet date are economic events that take place between the balance sheet date and the date, on which the consolidated financial statements are prepared, presented for confirmation and signed by the head of the Company.

Events after the balance sheet date, which provide additional information about the condition of the Company at the balance sheet date (events leading to adjustment), are reflected in the financial statements. Events after the balance sheet date that are not leading to adjustment are described in the notes if they are significant.

Fair value measurement

The fair value measurement standard is applied in accordance with other business accounting standards, which required or allowed to set plant and equipment, investment, biological, financial assets for a sale, derivative financial instruments and financial liabilities in fair value or disclose information on the fair value set, perform estimates based on fair value.

Fair value is the amount on the valuation date of the transaction between the parties, which can sell the asset or liability or transfer other obligations under normal market conditions.

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Notes**1. Non-current Intangible Assets**

Items	Software	Total
Acquisition value		
31 December 2022	4 597	4 597
Acquired		
Written-off (-)		
Reclassifications		
31 December 2023	4 597	4 597
Acquired	2 300	2 300
Written-off (-)		
Reclassifications		
31 December 2024	6 897	6 897
Accumulated amortization		
31 December 2022	1 026	1 026
Calculated for the period	1 435	1 435
Written-off (-)		
Reclassifications		
31 December 2023	2 461	2 461
Calculated for the period	1 809	1 809
Written-off (-)		
Reclassifications		
31 December 2024	4 270	4 270
Balance value		
31 December 2022	3 571	3 571
31 December 2023	2 136	2 136
31 December 2024	2 627	2 627

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2. Non-current Tangible Assets

Items	Land	Buildings and constructions	Machinery and equipment	Vehicles	Other devices, equipment and tools	Paid advance payments and carried out construction of tangible assets (manufacturing)	Total
Acquisition value							
31 December 2022	600 000	3 034 201	1 023 068	71 994	377 242	21 175	5 127 680
Acquired		26 631	33 195	12 910	5 953	559 106	637 795
Written-off (-)			(17 676)		(23 445)		(41 121)
Reclassifications							
31 December 2023	600 000	3 060 832	1 038 587	84 904	359 750	580 281	5 724 354
Acquired		13 443	55 224	62 436	36 405	565 052	732 560
Written-off (-)							
Reclassifications							
31 December 2024	600 000	3 074 275	1 093 811	147 340	396 155	1 145 333	6 456 914
Accumulated depreciation							
31 December 2022		951 054	301 916	39 160	138 865		1 430 995
Calculated for the period		174 351	41 193	7 682	13 419		236 645
Written-off (-)			(17 379)		(23 439)		(40 818)
Reclassifications							
31 December 2023		1 125 405	325 730	46 842	128 845		1 626 822
Calculated for the period		175 388	39 945	11 000	13 758		240 091
Written-off (-)							
Reclassifications							
31 December 2024		1 300 793	365 675	57 842	142 603		1 866 913
Balance value							
31 December 2022	600 000	2 083 147	721 152	32 834	238 377	21 175	3 696 685
31 December 2023	600 000	1 935 427	712 857	38 062	230 905	580 281	4 097 532
31 December 2024	600 000	1 773 482	728 136	89 498	253 552	1 145 333	4 590 001

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3. Subsidiaries

Company name	Legal status	Main activity	Controlled part (%)
UAB "Rekviem"	UAB	Funeral services	100

Company name	Acquisition value		Change	
	31.12.2024	31.12.2023	Acquisitions	Sales
UAB "Rekviem"	2 500	2 500		
	2 500	2 500		

Company name	Equity Capital		Net profit (loss)	
	31.12.2024	31.12.2023	2024	2023
UAB "Rekviem"	103 842	(151 043)	254 885	128 292
	103 842	(151 043)	254 885	128 292

4. Deferred income tax assets

Taxable and deductible temporary differences	Basis for deferred tax assets	Rate %	Deferred income tax assets
31.12.2024			
Holiday accumulations	1 295	16	207
Tax losses			
Devaluation of inventories			
Impairment of bad and doubtful debts			
Total	1 295	X	207
31.12.2023			
Holiday accumulations	1 428	15	214
Tax losses			
Devaluation of inventories			
Impairment of bad and doubtful debts			
Total	1 428	X	214
Result			7

5. Inventories

Items	31.12.2024	31.12.2023
Goods purchased for resale	52 197	60 477
Prepaid advances	1 868	6 564
Devaluation to net realizable value (reversal)		
Total	54 065	67 041

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6. Amounts Receivable

Amounts Receivable within one year	31.12.2024	31.12.2023
Trade receivables	98 950	84 659
VAT receivable		48 185
Budget debt owed to the Company	110 859	165 208
Other receivable amounts	6 574	2 598
Doubtful debts (-)	3 143	3 143
Total	219 526	303 793

7. Cash

	31.12.2024	31.12.2023
Cash in bank	1 286 037	1 129 285
Cash on hand	92 497	44 665
Total	1 378 534	1 173 950

8. Authorised Capital Structure

As at 31 December 2024, the authorized capital of K2 LT UAB amounted to EUR 311 822 and consisted of 311 822 ordinary registered shares. The nominal value of one share is EUR 1. All shares are fully paid.

As at 31 December 2024 and in 2023, the mandatory reserve of the Company was fully formed. Mandatory reserve distribution is limited to loss reduction only.

9. Loans and leasing liabilities

	31.12.2024	31.12.2023
Long term payables (2 to 5 years)	49 537	107 469
Bank credit lines and loans		91 486
Payables for lease companies	49 537	15 983
Current payables	25 785	5 987
Payables for lease companies	25 785	5 987
Total	75 322	113 456

10. Amounts Payable Within One Year

	31.12.2024	31.12.2023
Advances received	23 005	13 701
Trade payable	118 520	80 833
Payroll liabilities	99 126	104 607
Vacation payable accrued	11 453	18 249
Social insurance liabilities	5 798	4 663
PIT liabilities	4 941	
Income tax liabilities	124 842	105 147
VAT liabilities	124 591	88 607
Other tax liabilities	2 534	131
Total	514 810	415 938

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11. Accrued Costs and Future Periods Incomes

	31.12.2024	31.12.2023
Audit	4 300	4 300
Annual bonuses	38 440	33 584
Total	42 740	37 884

12. Income

	2024	2023
Income from sold services and goods	3 169 298	2 805 725
Income from sold goods	3 169 298	2 805 725
Income from other activities	23 245	18 528
Rental income	22 926	15 283
Profit on the sale of non-current assets	319	3 245

13. Costs

	2024	2023
Cost of sales	871 792	840 775
Cost of sales	537 158	460 868
Depreciation	197 752	197 500
Gas costs, system maintenance	87 044	131 506
Other expenses	49 838	50 901
Costs from operating activities	86 720	101 987
Marketing and advertisement	79 919	71 128
Other expenses	6 801	30 859
General and administrative costs	732 163	488 895
Salaries and social insurance	687 630	450 647
Depreciation	44 533	38 248
Other expenses		

14. Financing and Investing Activities

	2024	2023
Income	23 230	3 436
Interest	23 230	3 436
Costs	4 721	9 554
Interest	4 721	9 554
Results	18 509	-6 118

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15. Transactions with Management and Other Related Persons

Related parties	Amounts payable		Amounts receivable	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Subsidiaries			486	47 117
Total			486	47 117

Related parties	Income		Acquisitions	
	2024	2023	2024	2023
Subsidiaries	182 085	152 422		
Total	182 085	152 422		

Ryšiai su vadovais ir kitais susijusia Relations with Managers and Other Related Persons

During the reporting period, the Parent company paid the Director (1 person) a salary of EUR 120 646 in 2024 (EUR 120 646 in 2023). No other income, loans, guarantees or payments were received by the Director in 2024. There is no Supervisory Board and there is a 4-person Management Board. The members of the Management Board have been paid EUR 50 250 for 2024 (EUR 30 000 in 2023).

17. Rights and Obligations of the Group Not Indicated in the Balance Sheet

The Group did not receive or issue bank guarantees or sponsorships, was not involved in any legal proceedings, which could have significant influence on the financial statements.

18. Contingent Liabilities

At the end of the financial year the Group had no contingent liabilities.

19. Events after the Balance Sheet Date

The Group had no off-balance sheet events up to the date of the financial statements.

Director Bernardas Vilkelis _____

Authorised person by Audikom UAB Jelena Sergejeva _____

The date of the audit report is the date of the electronic signature



„K2 LT“ GROUP CONSOLIDATED MANAGEMENT REPORT FOR A TWELVE-MONTH PERIOD ENDED ON DECEMBER 31, 2024

General information

Name	AB „K2 LT“
Legal form	Public limited liability company
Įregistravimo data ir registras	May 19, 2015, Register of Legal Entities (from 07/10/2008 to 19/05/2015 the legal form was private limited liability company)
Legal person identification code	301950535
Manager of register for legal entities	Centre of registers, SE
Authorised capital	EUR 311.822
Address of headquarters	Metalistų g. 3, Kėdainiai
Tel.no.	+370 613 30996
E-mail address	info@k2lt.lt
Website	www.k2lt.lt

K2 LT, AB was registered on October 7, 2008. Until 14/04/2015 the registered address of the Company was M. Počobuto g. 4, Vilnius. As of 14/04/2015 the address was changed to Metalistų g. 3, Kėdainiai.

Shareholders of the Company include both natural and legal persons. The Company has subsidiary Rekviam LT, UAB. At the end of 2024 the Company employed 13 people and as at December 31, 2023 – 12 people. Financial year of the Company coincides with the calendar year.

On May 19, 2015 private limited liability company K2 LT was reregistered as a public limited liability company K2 LT. Following the decision of the general shareholders' meeting of March 30, 2015, the authorised capital of the Company was converted into euros and increased from EUR 226 222 to EUR 226 519. Following the decision of the general shareholders' meeting of April 22, 2015, the authorised capital was increased from EUR 226 519 to EUR 278 827 by issuing 52.308 new units of shares with nominal value of EUR 1 and an emission price of EUR 23 each. On February 12, 2019 the board approved a new share issue. With the total number of newly issued 32.995 ordinary registered shares, the company's authorized capital has been increased from EUR 278 827 to EUR 311 822.

In 2018, the company has established a subsidiary UAB Rekviam LT, the main activity of which is the organisation of funeral ceremonies all over Lithuania, and from 2021 it is also working as an operator of a farewell house in Kaunas.

Operations of the Company in 2024

Operating activity of AB „K2 LT“ is crematorium services. In 2024 K2 LT, AB generated EUR 1,92 million of revenue and was up 4 % more than in 2023, when it was EUR 1,85 million.

The main reason for the income growth of AB „K2 LT“ is the 1,2% increase of mortality rate in Lithuania than in 2023 and the percentage of cremations performed at the Lithuanian Crematorium out of all deaths, which increased from 20,2% to 20,6% over the year. The growth in popularity of cremation services in Lithuania was offset by increasing competition. With the opening of another crematorium in 2024, the total number of crematoriums in Lithuania currently reaches five.

Pre-tax and net profit of AB „K2 LT“ in the reporting period were 10% higher than in 2023, at EUR 0,7 million and EUR 0,59 million respectively. EBITDA increased by 7 % to EUR 0,94 million.

Overview of the Group's activities

The sales revenue of the K2 LT group amounted to EUR 3.2 million and was 13% higher than in 2023, when it amounted to EUR 2.8 million. Consolidated profit amounted to EUR 0.85 million and was 27% higher than in 2023, when it amounted to EUR 0.67 million.

Business Environment

The company takes a leading position in the cremation services market in Lithuania, where a total of 5 crematoria operate today: 2 of them are in Klaipėda and one each in Vilnius and Kėdainai.

There are high entry barriers in this market:

- Legal

Pursuing cremation activities requires a licence, which is issued only to crematoriums that are already built. Operations have to correspond to all environmental protection requirements in Lithuania and EU. As of 2015 such constructions are only permitted in a land plot of commercial purpose.

- Environmental

Lithuanian environment protection laws are one of the strictest in the EU. Technology of the crematorium has to correspond to all environmental pollution and emission requirements. To be able to follow these requirements a larger initial investment into a project is required.

- Psychological

This is still the toughest barrier to overcome. The society is still highly hostile with regard to cremation services being provided in a close distance to residential environment. It is very difficult to find a land plot that would not be subject to any conflicts of interest.

- Administrative

So far as cremation is not considered a regular way of burial, receiving permission for building a crematorium from the local authority is complicated. By providing permissions to community-sensitive projects authorities risk losing their popularity.

It would take approximately 2 years to build a crematorium, considering that the project is developed in accordance with a plan and with all required permissions, as well as support from authorities and community.

Staff

As at December 31, 2024 the Company employed 13 people, including the director Bernardas Vilkelis.

Annual set of financial statements

The consolidated set of financial statements for the period January to December 2024 was audited by Moore Mackonis, UAB.

Significant Transactions

During the reporting period, EUR 451 thousand was invested in the construction of a farewell house in Šiauliai.

Acquisition and Transfer of the Company's Shares

As of May 11, 2015 shares of K2 LT, AB are traded in the securities market NASDAQ OMX Vilnius, electronic trade system First North.

At the end of reporting period the Company had over 300 shareholders, both natural and legal persons.

Major shareholder structure at the end of 31 December 2024:

Shareholder	Number of shares	Shareholding, %
Kristanavičius Redas	66'732	21,4%
UAB EMONT	45'115	14,5%
UAB ŽK Invest	35'488	11,4%
UAB VF Projektai	21'407	6,9%
UAB RGK Invest	16'626	5,3%
Others	126'454	40,6%
TOTAL	311 822	100,0%

Acquired and Transferred Shares

The Group did not acquire shares in other companies during the 2024 reporting period.

Subsidiaries

The Company established a subsidiary UAB Rekvie LT in 2018, the main activity of which is the organization of funeral ceremonies throughout Lithuania, and from 2021 it also works as a farewell home operator in Kaunas.

Financial risk

The majority of the Company's sales are billed prior to service provision or at the time of service provision. Payments within the due period are actively monitored, and no significant delays have been observed.

The company's credit risk is zero, the company's available cash exceeds financial debts.

Activities of managers in other organizations

The company's management (director, board members) regularly provides information about the positions held in other organizations. There are no conflicts of interest between the Company and companies in which managers hold positions or have shares.

The Company's Operational Plans and Forecasts

In 2025, AB "K2 LT" will carry out major repairs on one of the cremation lines, as a result of which "Lietuvos krematoriumas" will be able to operate with 50% of its available capacity in the short term. This will also affect financial results. During this year, the Company plans to perform 6 400 cremations and collect EUR 1,6 million in revenue. EBITDA should reach EUR 0,65 million, and pre-tax profit – EUR 0,35 million.

The main objective of the K2 LT Group is to ensure sustainable growth of the Group's companies by taking advantage of the competitive advantages, the growing popularity of services, and the experience and familiarity of cremation and burial work. The main focus remains on providing quality services of respectful ritual cremation in Lithuania and, taking into account the ongoing changes in the funeral services sector, to offer the services of farewell cremation to meet the needs of customers throughout Lithuania.

Bernardas Vilkelis
AB „K2 LT“ Director

The date of the Management report is the date of an electronic signature