

"K2 LT"
(Public Limited Liability Company)
INDEPENDENT AUDITOR'S REPORT,
FINANCIAL STATEMENTS AND MANAGEMENT REPORT
As at 31 December 2025

Translation into English. Financial statements approved in the original (Lithuanian) language on 13/03/2026

CONTENTS:

Independent auditor's report	3
Balance sheet	5
Income statement	8
Statement of changes in equity	9
Cash flow statement	11
Explanatory notes	13
Management report	28

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of AB "K2 LT"

Opinion

We have audited the financial statements of AB "K2 LT" (the Company), which comprise the balance sheet at December 31, 2025, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects of the financial position of the Company as at December 31, 2025, and (of) its financial performance and its 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 Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements of the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania that are relevant to audit of financial statements in the Republic of Lithuania and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code). We have also fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements and Other Assurance Services 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 Company's Management Report but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Company's Management Report for the financial year for which the financial statements are prepared is consistent with the 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 financial statements, in our opinion, in all material respects:

- The information given in the Company's Management Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Company's management report, excluding the requirements for the information on sustainability matters, has been prepared in accordance with the requirements of the Law on Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Company'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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Company audit certificate No. 001539

Morta Turčinė, Certified Auditor

Auditor's certificate No. 000639

Kauno str. 22, Vilnius

Only the independent auditor's report is signed by the auditor's electronic signature

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

The original date of the audit report in Lithuanian language is 13/03/2026

K2 LT, AB

Company code 301950535; Address: Metalistų g. 3, Kėdainiai
 Data stored in Centre of Registers, SE, Register of Legal Entities
Financial statements for the year ended on 31 December 2025
 (All amounts are presented in Euros, unless indicated otherwise)

BALANCE SHEET

ASSETS		Notes No.	31.12.2025	31.12.2024
A.	Non-current assets		4 320 382	4 579 651
1.	INTANGIBLE ASSETS		1 200	
1.1.	Development works			
1.2.	Prestige			
1.3.	Software	1.	1 200	
1.4.	Concessions, patents, licenses, trademarks and similar rights			
1.5.	Other intangible assets			
1.6.	Paid advance payments			
2.	TANGIBLE ASSETS	2.	4 318 929	4 576 944
2.1.	Land		610 000	600 000
2.2.	Buildings and constructions		2 099 974	1 773 482
2.3.	Machinery and equipment		1 248 431	728 136
2.4.	Vehicles		97 878	89 498
2.5.	Other devices, equipment and tools		222 829	240 495
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		39 817	1 145 333
3.	FINANCIAL ASSETS			2 500
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.		2 500
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		253	207
4.1.	Deferred income tax assets	4.	253	207
4.2.	Biological assets			
4.3.	Other assets			

K2 LT, AB

Company code 301950535; Address: Metalistų g. 3, Kėdainiai
 Data stored in Centre of Registers, SE, Register of Legal Entities
Financial statements for the year ended on 31 December 2025
 (All amounts are presented in Euros, unless indicated otherwise)

ASSETS		Notes No.	31.12.2025	31.12.2024
B.	CURRENT ASSETS		5 627 181	1 365 692
1.	INVENTORIES	5.	50 365	23 189
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		34 104	23 189
1.5.	Biological assets			
1.6.	Long-term tangible assets for resale			
1.7.	Paid advance payments		16 261	
2.	AMOUNTS RECEIVABLE WITHIN ONE YEAR	6.	537 026	211 175
2.1.	Trade receivables		537 026	97 173
2.2.	Debts of companies of the group of companies			
2.3.	Debts of associated companies			
2.4.	Other receivable amounts			114 002
3.	SHORT-TERM INVESTMENTS		4 530 000	
3.1.	Shares of companies of the group of companies			
3.2.	Other investments	7.	4 530 000	
4.	CASH AND CASH EQUIVALENTS	8.	509 790	1 131 328
C.	DEFERED COSTS AND ACCRUED INCOME FOR FUTURE PERIODS	9.	9 046	8 215
	TOTAL ASSETS		9 956 609	5 953 558
EQUITY AND LIABILITIES		Notes No.	31.12.2025	31.12.2024
D.	EQUITY CAPITAL		8 531 999	5 518 961
1.	CAPITAL		311 822	311 822
1.1.	Authorized (subscribed) or core capital	10.	311 822	311 822
1.2.	Subscribed unpaid capital (–)			
1.3.	Own shares, participatory interests (–)			
2.	ADDITIVES TO THE SHARES		1 514 760	1 514 760
3.	REVALUATION RESERVE			
4.	RESERVES		31 183	31 183
4.1.	Legal reserve or stock (reserve) capital		31 183	31 183
4.2.	For the acquisition of own shares			
4.3.	Other reserves			
5.	RETAINED PROFIT (LOSS)	11.	6 674 234	3 661 196
5.1.	Profit (loss) for the reporting year		3 013 038	592 075
5.2.	Profit (loss) for the previous year		3 661 196	3 069 121

K2 LT, AB

Company code 301950535; Address: Metalistų g. 3, Kėdainiai
 Data stored in Centre of Registers, SE, Register of Legal Entities
Financial statements for the year ended on 31 December 2025
 (All amounts are presented in Euros, unless indicated otherwise)

EQUITY AND LIABILITIES		Notes	31.12.2025	31.12.2024
		No.		
E.	GRANTS AND SUBSIDIES			
F.	RESERVES			
1.	Reserves for pensions and similar obligations			
2.	Reserves for taxes			
3.	Other reserves			
G.	AMOUNTS PAYABLE AND OTHER LIABILITIES		1 379 200	391 857
1.	AMOUNTS PAYABLE AFTER A ONE-YEAR AND OTHER LONG-TERM LIABILITIES		742 609	49 537
1.1.	Debt liabilities	12.	50 189	49 537
1.2.	Debts to credit institutions	12.	692 420	
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		636 591	342 320
2.1.	Debt liabilities	12.	29 901	25 785
2.2.	Debts to credit institutions			
2.3.	Received advance payments	13.	9 445	14 078
2.4.	Debts to suppliers	13.	98 881	67 222
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	13.	31 003	106 545
2.9.	Liabilities related to employment	13.	98 917	99 071
2.10.	Other payable amounts and short-term liabilities	13.	368 444	29 619
H.	ACCRUED COSTS AND DEFERRED INCOMES	14.	45 410	42 740
TOTAL EQUITY AND LIABILITIES			9 956 609	5 953 558

Director Bernardas Vilkelis

Signed with e-signature

UAB "Audikom" authorised person Jelena Sergejeva

Signed with e-signature

K2 LT, AB

Company code 301950535; Address: Metalistų g. 3, Kėdainiai
Data stored in Centre of Registers, SE, Register of Legal Entities
Financial statements for the year ended on 31 December 2025
(All amounts are presented in Euros, unless indicated otherwise)

INCOME STATEMENT

Line No.	Items	Notes No.	2025	2024
1.		15.	1 860 805	1 919 920
2.	COST OF SALES	16.	(478 640)	(344 258)
3.	Change of the fair value of biological assets			
4.	GROSS PROFIT (LOSSES)		1 382 165	1 575 662
5.	Operating sales costs	16.	(12 733)	(9 506)
6.	General and administrative costs	16.	(916 337)	(909 284)
7.	Results of other activity	14.	414 681	23 245
8.	Incomes from investment in the shares of parent, subsidiaries and associated companies		2 297 500	
9.	Incomes of other long-term investments and loans			
10.	Interest and other similar incomes	17.	10 138	23 230
11.	Decrease of the value of financial assets and short-term investments			
12.	Interest and other similar costs	17.	(23 249)	(4 721)
13.	PROFIT (LOSS) BEFORE TAX		3 152 165	698 626
14.	INCOME TAX	18.	(139 127)	(106 551)
15.	NET PROFIT (LOSS)		3 013 038	592 075

Director Bernardas Vilkelis

Signed with e-signature

UAB "Audikom" authorised person Jelena Sergejeva

Signed with e-signature

K2 LT, AB

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

Financial statements for the year ended on 31 December 2025

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

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 2023	311 822	1 514 760				31 183			3 380 943	5 238 708
2 Result of changes in accounting policies										
3 Result of the correction of essential errors										
4 Recalculated remaining balance as at 31 December 2023	311 822	1 514 760				31 183			3 380 943	5 238 708
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									592 075	592 075
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 2024	311 822	1 514 760				31 183			3 661 196	5 518 961

K2 LT, AB

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

Financial statements for the year ended on 31 December 2025

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

	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									3 013 038	3 013 038
23 Dividends										
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 2025	311 822	1 514 760				31 183			6 674 234	8 531 999

Director Bernardas Vilkelis

Signed with e-signature

UAB "Audikom" authorised person Jelena Sergejeva

Signed with e-signature

K2 LT, AB

Company code 301950535; Address: Metalistų g. 3, Kėdainiai
 Data stored in Centre of Registers, SE, Register of Legal Entities
Financial statements for the year ended on 31 December 2025
 (All amounts are presented in Euros, unless indicated otherwise)

CASH FLOW STATEMENT

Line No.	Items	Notes No.	2025	2024
1.	Operating cash flows			
1.1.	Cash inflows for the reporting period (with VAT)		2 100 283	2 100 698
1.1.1.	Cash inflows from clients		2 100 283	2 100 698
1.1.2.	Other inflows			
1.2.	Cash payments for the reporting period		(1 883 836)	(1 130 929)
1.2.1.	Cash paid to suppliers of raw materials, goods and services (with VAT)		(1 152 478)	(597 860)
1.2.2.	Cash payments related to employment relations		(502 713)	(283 230)
1.2.3.	Taxes paid to budgeted		(226 959)	(242 064)
1.2.4.	Other payments		(1 686)	(7 775)
	<u>Net cash flows of the main activity</u>		216 447	969 769
2.	Cash flows of investment activity			
2.1.	Acquisition of the long-term assets, except of investments		(988 691)	(638 684)
2.2.	Transfer of the long-term assets, except of investments		1 700 000	
2.3.	Acquisition of long-term investments			
2.4.	Transfer of long-term investments		2 300 000	
2.5.	Granting of loans			
2.6.	Returning of loans		738 339	100 000
2.7.	Received dividends, interests		10 138	23 229
2.8.	Other increase of the cash flows of investments activity			3 000 000
2.9.	Other decrease of the cash flows of investments activity		(4 530 000)	(3 000 000)
	<u>Net cash flows of investment activity</u>		(770 214)	(515 455)
3.	Cash flows of financial activity			
3.1.	Cash flows related to the owners of company			(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)
3.2.	Cash flows related to other sources of funding		(67 771)	(105 711)
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		(67 771)	(105 711)
3.2.2.1.	Loan repayment		(45 918)	(91 486)
3.2.2.2.	Bond purchase			

K2 LT, AB

Company code 301950535; Address: Metalistų g. 3, Kėdainiai
Data stored in Centre of Registers, SE, Register of Legal Entities
Financial statements for the year ended on 31 December 2025
(All amounts are presented in Euros, unless indicated otherwise)

Line No.	Items	Notes No.	2025	2024
3.2.2.3.	Paid interests		(19 153)	(2 480)
3.2.2.4.	Leasing (financial lease) payments		(2 700)	(11 745)
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			
	<u>Net cash flows of financial activity</u>		(67 771)	(417 533)
4.	Influence of the changes in exchange rates on cash and cash equivalents remaining balance			
5.	Increase (decrease) of net cash flow		(621 538)	36 781
6.	Cash and cash equivalents at the beginning of period		1 131 328	1 094 548
7.	Cash and cash equivalents at the end of period		509 790	1 131 328

Director Bernardas Vilkelis

Signed with e-signature

UAB "Audikom" authorised person Jelena Sergejeva

Signed with e-signature

K2 LT, AB

Company code 301950535; Address: Metalistų g. 3, Kėdainiai
Data stored in Centre of Registers, SE, Register of Legal Entities
Financial statements for the year ended on 31 December 2025
(All amounts are presented in Euros, unless indicated otherwise)

EXPLANATORY NOTES

General Information

"K2 LT", AB was registered on 7 October 2008. The Company's registered address until 14 April 2015 was M. Počobuto g. 4, Vilnius. Since 14 April 2015, the registered address has been Metalistų g. 3, Kėdainiai.

The Company's principal activity is crematorium services.

Shareholders - private individuals and legal entities. The company has no subsidiaries or associates.

The average number of employees of the Company was 14 in 2025 and 13 in 2024.

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.

ACCOUNTING POLICY

Basis for Accounting

Financial statements of the Company are prepared in accordance with the Law of the Republic of Lithuania on accounting and financial reporting and Lithuanian financial reporting Standards, valid on 01-01-2025.

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

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.

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.

K2 LT, AB

Company code 301950535; Address: Metalistų g. 3, Kėdainiai
Data stored in Centre of Registers, SE, Register of Legal Entities
Financial statements for the year ended on 31 December 2025
(All amounts are presented in Euros, unless indicated otherwise)

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
Cash and cash equivalents at the beginning of	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.

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.

K2 LT, AB

Company code 301950535; Address: Metalistų g. 3, Kėdainiai
Data stored in Centre of Registers, SE, Register of Legal Entities
Financial statements for the year ended on 31 December 2025
(All amounts are presented in Euros, unless indicated otherwise)

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.

Financial assets

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

K2 LT, AB

Company code 301950535; Address: Metalistų g. 3, Kėdainiai
Data stored in Centre of Registers, SE, Register of Legal Entities
Financial statements for the year ended on 31 December 2025
(All amounts are presented in Euros, unless indicated otherwise)

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.

K2 LT, AB

Company code 301950535; Address: Metalistų g. 3, Kėdainiai
Data stored in Centre of Registers, SE, Register of Legal Entities
Financial statements for the year ended on 31 December 2025
(All amounts are presented in Euros, unless indicated otherwise)

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.

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.

K2 LT, AB

Company code 301950535; Address: Metalistų g. 3, Kėdainiai
Data stored in Centre of Registers, SE, Register of Legal Entities
Financial statements for the year ended on 31 December 2025
(All amounts are presented in Euros, unless indicated otherwise)

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.

Contingent Liabilities and Assets

The calculation of corporate income tax is based on the requirements of the Corporate Income Tax Law of the Republic of Lithuania. In 2025, the Company is subject to a corporate income tax rate of 16%. From 2026, a corporate income tax rate of 17% will apply.

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.

K2 LT, AB

Company code 301950535; Address: Metalistų g. 3, Kėdainiai
Data stored in Centre of Registers, SE, Register of Legal Entities
Financial statements for the year ended on 31 December 2025
(All amounts are presented in Euros, unless indicated otherwise)

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.

The Company considers an error to be material if it exceeds 5% of the net profit for the reporting period. If information in the reporting year is classified differently, the comparative figures of the previous year are reclassified accordingly to ensure comparability of the figures.

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 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.

K2 LT, AB

Company code 301950535; Address: Metalistų g. 3, Kėdainiai
Data stored in Centre of Registers, SE, Register of Legal Entities
Financial statements for the year ended on 31 December 2025
(All amounts are presented in Euros, unless indicated otherwise)

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

Items	Software
Acquisition value	
31 December 2023	
Acquired	
Written-off (-)	
Reclassifications	
31 December 2024	
Acquired	1 200
Written-off (-)	
Reclassifications	
31 December 2025	1 200
Accumulated amortization	
31 December 2023	
Calculated for the period	
Written-off (-)	
Reclassifications	
31 December 2024	
Calculated for the period	
Written-off (-)	
Reclassifications	
31 December 2025	
Balance value	
31 December 2023	
31 December 2024	
31 December 2025	1 200

K2 LT, AB

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

Financial statements for the year ended on 31 December 2025

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

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) works	Total
Acquisition value							
31 December 2023	600 000	3 060 832	1 038 587	84 904	354 536	580 281	5 719 140
Acquired		13 443	55 224	62 436	23 268	565 052	719 423
Written-off (-)							
Reclassifications							
31 December 2024	600 000	3 074 275	1 093 811	147 340	377 804	1 145 333	6 438 563
Acquired	300 000		105 981	29 738	26 043	932 247	1 394 009
Written-off (-)	(290 000)	(1 179 086)	(137 682)		(60 432)	(103 000)	(1 770 200)
		1 457 413	477 350			(1 934 763)	
31 December 2025	610 000	3 352 602	1 539 460	177 078	343 415	39 817	6 062 372
Accumulated depreciation							
31 December 2023		1 125 405	325 730	46 842	126 339		1 624 316
Calculated for the period		175 388	39 945	11 000	10 970		237 303
Written-off (-)							
Reclassifications							
31 December 2024		1 300 793	365 675	57 842	137 309		1 861 619
Calculated for the period		172 896	35 419	21 358	12 063		241 736
Written-off (-)		(221 061)	(110 065)		(28 786)		(359 912)
Reclassifications							
31 December 2025		1 252 628	291 029	79 200	120 586		1 743 443
Balance value							
31 December 2023	600 000	1 935 427	712 857	38 062	228 197	580 281	4 094 824
31 December 2024	600 000	1 773 482	728 136	89 498	240 495	1 145 333	4 576 944
31 December 2025	610 000	2 099 974	1 248 431	97 878	222 829	39 817	4 318 929

No indications of impairment of property, plant and equipment were identified.

K2 LT, AB

Company code 301950535; Address: Metalistų g. 3, Kėdainiai
 Data stored in Centre of Registers, SE, Register of Legal Entities
Financial statements for the year ended on 31 December 2025
 (All amounts are presented in Euros, unless indicated otherwise)

Pledge of fixed assets

Asset Group	Balance value 2024	Pledge end date	Balance value 2025
Crematorium building with equipment	1 650 440	2029-10-09	2 085 244
Total	1 650 440		2 085 244

Depreciated Assets in Use

Asset Group	Acquisition cost 2025	Acquisition cost 2024
Vehicles	37 735	37 735
Other equipment	67 016	68 633
Total	104 751	106 368

The buildings were constructed on land leased for 99 years, the land lease right is pledged to the bank.

Residual value of leased assets

Asset Group	31.12.2025	31.12.2024
Land	610 000	600 000
Vehicles	97 878	48 661
Other equipment, tools	750 106	219 900
Unfinished construction	39 817	1 145 333
Total	1 497 801	2 013 894

K2 LT, AB

Company code 301950535; Address: Metalistų g. 3, Kėdainiai
 Data stored in Centre of Registers, SE, Register of Legal Entities
Financial statements for the year ended on 31 December 2025
 (All amounts are presented in Euros, unless indicated otherwise)

3. Subsidiaries

In December 2025, the subsidiary UAB Rekviem LT was sold.

4. Deferred income tax assets

Taxable and deductible temporary differences	Basis for deferred tax assets	Rate %	Deferred income tax assets
31.12.2025			
Holiday accumulations	1 583	16	253
Total	1 583	X	253
31.12.2024			
Holiday accumulations	1 295	16	207
Total	1 295	X	207
Difference			-46

5. Inventories

Items	31.12.2025	31.12.2024
Inventories for sale	34 104	23 189
Prepayments	16 261	
Total	50 365	23 189

6. Amounts Receivable

Amounts Receivable within one year	31.12.2025	31.12.2024
Trade receivables	536 536	97 173
VAT receivable		
Income tax receivable from the budget		110 859
Doubtful debts (-)	490	3 143
Total	537 026	208 032

7. Other investments

	31.12.2025	31.12.2025
Term deposit	4 530 000	
Total	4 530 000	

K2 LT, AB

Company code 301950535; Address: Metalistų g. 3, Kėdainiai
 Data stored in Centre of Registers, SE, Register of Legal Entities
Financial statements for the year ended on 31 December 2025
 (All amounts are presented in Euros, unless indicated otherwise)

8. Cash

	31.12.2025	31.12.2024
Cash in bank	491 398	1 108 150
Cash on hand	18 392	23 178
Total	509 790	1 131 328

9. Deferred Costs

	31.12.2025	31.12.2024
Insurance	8 647	7 625
Other	399	590
Total	9 046	8 215

10. Authorised Capital Structure

Items	Number of Shares	Amount
Share capital structure at the end of financial year		
1. On the basis of share type		
1.1. Ordinary shares	311 822	311 822
1.2. Preference shares		
1.3. Employee shares		
1.4. Special shares		
1.5. Other shares		
Total	311 822	311 822
2. State or municipal capital		
Own shares held by the company		
Shares held by subsidiaries		

All shares were fully paid as at 31 December 2025 and 31 December 2024.

11. Profit Appropriation Project

Items	Year	Amount
Retained earnings – net earnings (loss)	31.12.2024	3 661 196
Net earnings– Profit (Loss)		3 013 038
Result – profit (loss) – available for appropriation	31.12.2025	6 674 234
Shareholder contributions to cover losses		
Transfers from reserves		
Profit available for appropriation		6 674 234
Distribution of profit:		
the statutory reserves		
other reserves		
dividends		
other		
Retained earnings – net earnings (loss)		6 674 234

K2 LT, AB

Company code 301950535; Address: Metalistų g. 3, Kėdainiai
 Data stored in Centre of Registers, SE, Register of Legal Entities
Financial statements for the year ended on 31 December 2025
 (All amounts are presented in Euros, unless indicated otherwise)

12. Loans and leasing liabilities

	31.12.2025	31.12.2024
Long term payables (2 to 5 years)	742 609	49 537
Bank credit lines and loans	692 420	
Payables for lease companies	50 189	49 537
Current payables	29 901	25 785
Payables for lease companies	29 901	25 785
Total	772 510	75 322

Information on pledged assets is disclosed in the note on property, plant and equipment (Note 2).

(a) Finance lease liabilities for vehicles from SEB Bank amounted to EUR 78,081 as at 31 December 2025, with an annual interest rate of 4.80%–6.35%, consisting of 6-month EURIBOR plus a margin ranging from 2.29% to 4.06%. The repayment date is 16 January 2030. In addition, EUR 2,009 relates to a lease liability for a mobile phone.

(b) Loan from SEB Bank:

A loan of EUR 692,420 from SEB Bank, with a repayment date of 9 October 2029, bearing interest at 6-month EURIBOR (2.124%) plus a margin of 2.50% per annum, resulting in a total interest rate of 4.624%.

13. Amounts Payable Within One Year

	31.12.2025	31.12.2024
Advances received	9 445	14 078
Trade payable	98 881	67 222
Payroll liabilities	8 520	19 865
Vacation payable accrued	90 397	79 206
Income tax liabilities	31 003	106 545
VAT liabilities	366 105	27 298
Other tax liabilities	2 339	2 321
Total	606 690	316 535

14. Accrued Costs and Future Periods Incomes

	31.12.2025	31.12.2024
Annual bonuses	40 910	38 440
Audit	4 500	4 300
Total	45 410	42 740

15. Income

	2025	2024
Income from sold services and goods	1 860 805	1 919 920
Sales of goods	42 690	44 901
Services	1 818 115	1 875 019
Income from other activities	414 681	23 245
Revenue from metal sales	15 899	22 926
Gain on disposal of property, plant and equipment.	393 311	
Other income	5 471	319

K2 LT, AB

Company code 301950535; Address: Metalistų g. 3, Kėdainiai
 Data stored in Centre of Registers, SE, Register of Legal Entities
Financial statements for the year ended on 31 December 2025
 (All amounts are presented in Euros, unless indicated otherwise)

16. Costs

	2025	2024
Cost of sales	478 640	344 258
Cost of sales	28 628	31 007
Depreciation	188 878	197 752
Gas costs, system maintenance	92 611	87 044
Other expenses	168 523	28 455
Costs from operating activities	12 733	9 506
Marketing and advertisement, fairs	11 965	3 161
Other expenses	768	6 345
General and administrative costs	916 337	909 284
Salaries and social insurance	482 374	468 790
Depreciation	52 860	39 936
Other expenses	381 103	400 558

17. Financing and Investing Activities

	2025	2024
Income	2 307 638	23 230
Income from investments in shares of subsidiaries	2 297 500	
Interest	10 138	23 230
Costs	23 249	4 721
Interest	23 249	4 721
Results	2 284 389	18 509

18. Income Tax Costs

	2025	2024
Profit before tax	3 152 165	698 626
Income tax rate	16%	15%
Increased amount of profit before tax	25 960	16 632
Decreased amount of profit before tax	2 305 471	319
Charity deductions	3 400	4 600
Deducted operating loss (with inherited loss)		
Amount of taxable profit reduction on investment		
Declared income tax payable to the budget	139 081	106 551
Change in taxable temporary differences between tax and financial statements		
Deferred income tax costs (income)	46	
Amount of adjustment of previous years' income tax returns		
Income tax expense (income)	139 127	106 551
Effective income tax rate	4,41%	15,25%

19. Transactions with Management and Other Related Persons

In 2025, remuneration of EUR 147,548 was accrued to the Head of Administration (1 person) (EUR 126,251 in 2024). During 2025, the Head of Administration did not receive any other income, loans, guarantees, or other benefits. No Supervisory Board is formed in the Company; the Board consisted of four members. Remuneration paid to the members of the Board for 2025 amounted to EUR 13,581 (EUR 50,250 in 2024).

K2 LT, AB

Company code 301950535; Address: Metalistų g. 3, Kėdainiai
Data stored in Centre of Registers, SE, Register of Legal Entities
Financial statements for the year ended on 31 December 2025
(All amounts are presented in Euros, unless indicated otherwise)

20. Rights and Obligations of the Company Not Indicated in the Balance Sheet

Company was not received or issued bank guarantees or sponsorships, was not involved in any legal proceedings, which could have significant influence on the financial statements.

21. Contingent Liabilities

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

22. Events after the Balance Sheet Date

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

Director Bernardas Vilkelis

Signed with e-signature

UAB "Audikom" authorised person Jelena Sergejeva

Signed with e-signature

**K2 LT, AB MANAGEMENT REPORT
FOR A TWELVE-MONTH PERIOD ENDED ON DECEMBER 31, 2025**

General information

Name	AB „K2 LT”
Legal form	Public limited liability company
Date of registration and register	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.	37 061 330 996
E-mail address	info@k2lt.lt www.k2lt.lt

K2 LT, UAB 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.

The shareholders of the Company are natural and legal persons.
The Company's financial year is the calendar year.

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

Operations of the Company in 2025

In 2025, the revenue of AB K2 LT, which operates the Lithuanian Crematorium, amounted to EUR 1.86 million and was 3% lower than in 2024, when it amounted to EUR 1.92 million.

The decrease in revenue of AB K2 LT was driven by a 1.6% lower mortality rate in Lithuania compared to 2024 and the reconstruction of the first line at the Lithuanian Crematorium, due to which operations were carried out at 50% capacity for 16 weeks. During the reconstruction period, servicing clients at other crematoriums resulted in a higher cost of services and contributed to a 12% decrease in gross profit, which amounted to EUR 1.38 million (EUR 1.58 million in 2024).

At the end of 2025, UAB Rekviam LT and the farewell house building in Kaunas were sold for EUR 4 million. The transaction had a significant impact on the Company's final profitability. During the reporting period, AB K2 LT's profit before tax and net profit were more than four times higher than in 2024 and amounted to EUR 3.15 million and EUR 3.01 million, respectively.

Environment

The Company holds a leading position in the cremation services market in Lithuania, where a total of five crematoriums are currently operating. Two of them are located in Klaipėda, and one each in Vilnius, Utena and Kėdainiai. In this market, there are high barriers to entry:

- Legal

In order to carry out cremation activities, a licence is required, which is issued only to already constructed crematoriums. The activity must comply with all environmental protection requirements of Lithuania and the European Union. Since 2015, such construction has been permitted only on plots designated for commercial use.

- Environmental

Environmental protection laws in Lithuania are among the strictest in the European Union. Crematorium technology must comply with all environmental pollution and emission requirements. Compliance with these requirements requires a higher initial investment in the project.

- Psychological

This remains the most difficult barrier to overcome. Although cremation services are now viewed positively, society remains strongly opposed to the provision of cremation services near residential communities. It is difficult to find a land plot where no conflicts of interest with the surrounding community would arise.

- Administrative

As long as cremation is not considered a common method of burial, obtaining a permit for the construction of a crematorium from local authorities remains difficult, as by granting permits for projects that are sensitive to the community, they risk losing their popularity.

If the project is developed according to plan, with all the required permits and the support of the authorities and the community, a crematorium can be built within approximately two years.

Personnel matters

As at 31 December 2025, the Company employed 14 employees, including the Director Bernardas Vilkelis.

Annual financial statements

The financial statements for January–December 2025, audited by UAB Moore Mackonis, are presented separately (attached).

Significant transactions

In December 2025, the subsidiary UAB Rekviam LT and the farewell house building in Kaunas were sold. The total value of the transactions amounted to EUR 4 million. In December 2025, the reconstruction of the first line was completed, with an investment of EUR 0.5 million. In December 2025, the construction of the farewell house in Šiauliai was completed. The value of the investment amounted to EUR 1.6 million.

Acquisition and transfer of the Company's shares

Since 11 May 2015, the shares of AB K2 LT have been traded on the First North market of the NASDAQ OMX Vilnius stock exchange electronic trading system.

At the end of the reporting period, the Company had more than 200 shareholders, including both natural and legal persons.

Structure of the largest shareholders as at 31 December 2025:

Shareholder	Number of shares	Shareholding, %
UAB REVCO6	68 513	22,0%
UAB VF Projektai	47 377	15,2%
UAB EMONT	45 115	14,5%
UAB RGK INVEST	35 969	11,5%
UAB ŽK Invest	35 488	11,4%
UAB HEALTHNEST CAPITAL	30 388	9,7%
Others	48 972	15,7%
TOTAL	311 822	100,0%

Acquired and transferred shares

During 2025, the Company sold 100% of the shares of UAB Rekvium LT and did not acquire shares in any other companies.

Subsidiary companies

In 2018, the Company established a subsidiary, UAB Rekvium LT, whose main activity was the organisation of funeral ceremonies throughout Lithuania and, since 2021, it has also operated as the operator of the farewell house in Kaunas. In 2025, UAB Rekvium LT was sold.

Financial risk

The majority of the Company's sales are settled before the service is provided or at the time the service is rendered. Payments within the agreed payment period are actively monitored, and no significant delays have been observed. The Company's credit risk is negligible, and the cash held by the Company exceeds its financial liabilities.

Activities of the management in other organisations

The Company's management (the Director and members of the Board) regularly disclose information about positions held in other organisations. There are no conflicts of interest between the Company and the entities in which the management hold positions or shares.

Information on the managerial positions held by the Chief Executive Officer and members of the Board, as well as information on their principal place of employment:

Name, surname	Raimondas Gintautas Kriūnas
Position in AB K2 LT	Chairman of the Board
Principal place of employment, position	Director of UAB RGK Invest (legal entity code 303234214)
Other managerial positions	Director of UAB Elektrėnai 171 (legal entity code 304952114)

Name, surname	Raimondas Bučys
Position in AB K2 LT	Member of the Board

Name, surname	Bernardas Vilkelis
Position in AB K2 LT	Director, Member of the Board
Principal place of employment, position	Director of AB K2 LT (legal entity code 301950535)

Other managerial positions

Member of the Board of UAB Grinda (legal entity code 120153047)

Chairman of the Audit and Risk Management Committee of UAB Grinda (legal entity code 120153047)

Director of UAB Home Media (legal entity code 306626989)

Member of the Board of IGNSB Sakiškių Girelė (legal entity code 301844553)

Plans and forecasts of the Company's activities

In 2026, AB K2 LT plans to complete equipment upgrade works and carry out a major overhaul of the second line. As a result, in the short term the Lithuanian Crematorium will operate at approximately 50% of its available capacity. This will also have an impact on the Company's financial results. During the year, the Company plans to perform 7,000 cremations and generate revenue of EUR 1.9 million. EBITDA is expected to reach EUR 0.7 million, while profit before tax is projected to amount to EUR 0.5 million.

The main objective of AB K2 LT is to ensure the sustainable growth of the Company by leveraging its existing

Bernardas Vilkelis
AB "K2 LT" director