

Remuneration report for the year 2024

Telia Lietuva, AB

Remuneration Report

Introduction

This report describes how the guidelines of the Policy for Remuneration of the CEO and Members of the Board of Telia Lietuva, AB (hereinafter 'the Policy') initially adopted by the Annual General Meeting of Telia Lietuva, AB shareholders on 28 April 2020 and the new edition was approved on 26 April 2024, were implemented in 2024. Following the requirement of the Lithuanian Law on Companies the Policy is publicly available at the [Company's website](#).

This report has been prepared following the requirements of the Law on Companies of the Republic of Lithuania. The report provides information on remuneration to the CEO and member of the Board of the Company in 2024.

Information on remuneration to the Company's key management is available in Note 27 (Related party transactions) of the Company's financial statements for the year ended 31 December 2024.

Information on the activities of the Remuneration Committee in 2024 is set out in the Corporate Governance part of the Company's Annual Report for the year 2024.

Remuneration of the member of the Board is resolved annually by the Annual General Meeting of the Company's shareholders.

Key development in 2024

During 2024, the Company's revenue grew by 3.1% and amounted to EUR 491.1 million (2023: EUR 476.6 million). EBITDA increased by 5.2% and amounted to EUR 173.7 million (2023: EUR 165.2 million). Profit for the period went up by 12.6% to EUR 71.6 million (2023: EUR 63.6 million). The Company's share price and market capitalization went down by 5.4%. The Company's overall performance in 2024 is summarised in Management Report in the Company's Annual Report for the year 2024.

Remuneration guidelines

The design of the remuneration system in the Company is consistent and aligned with the Company's strategy as well as long-term goals and interest of the Company, including its sustainability goals, in the following manners:

- the remuneration system in the Company is based on fairness and consistency with the responsibilities assigned and the capabilities demonstrated, it ensures balance between long-term and short-term performance criteria,
- a successful implementation of remuneration system ensures that the Company can attract, motivate and retain the best people, enabling the Company to execute its business strategies and serve the Company's long-term interests,
- it ensure that contractual terms, and any payments made, are fair to the individual and to the Company, and that failure is not rewarded and that the duty to mitigate loss is fully recognized.

Principles of CEO remuneration

The Policy provides that the remuneration package of the CEO consists of:

- 1) the fixed salary,
- 2) variable pay which is paid out taking into consideration the financial results of the Company and personal performance results of the CEO; and
- 3) other benefits.

No deferred payments mechanisms are applied to the remuneration of the CEO unless it is agreed otherwise by mutual agreement of the Company and CEO. The maximum amount of the variable pay to the CEO may amount to 50 % of the CEO's annual salary. The Company may provide other benefits and programs in accordance with market practice which may change from time to time. The CEO may be entitled to a company car, health and care provisions, etc. Premiums and other costs relating to such benefits may amount to not more than 10% of the fixed annual cash salary.

The information about remuneration of the CEO of Telia Lietuva, AB during 2024 (in EUR):

Name, surname	Fixed salary	Variable pay	Other benefits	Total remuneration	Employer's contribution	Daily allowance
Giedrė Kaminskaitė-Salters	279,696	114,293	7,743	401,732	7,111	2,459

Comparative information on change of remuneration and the Company's performance (in thousands of EUR):

	2020	Change	2021	Change	2022	Change	2023	Change	2024
CEO remuneration	561	-46 (-8.3%)	515	-62 (-11.9%)	453	-175 (-38.6%)	278	+124 (+44.7%)	402
Profit for the period	55,914	+894 (+1.6%)	56,808	-410 (-0.7%)	56,398	+7,196 (+12.8%)	63,594	+8,025 (+12.6%)	71,619
Average employee salary (EUR)	1,864	+240 (+12.9%)	2,104	+253 (+12.0%)	2,357	+245 (+10.4%)	2,602	+248 (+9.5%)	2,850

Remuneration Report

The CEO remuneration in 2024

No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made for the CEO. No remuneration has been reclaimed.

Variable pay amounting to 41% of the CEO annual salary was paid to the CEO in 2024 for the Company's financial results and goals achieved during the year 2023 following the Board's approval.

Other benefits (income in kind) implied a company car and other. Other benefits amounted to 2.8% of fixed CEO's salary. Following the Law, the employer's contribution to Social Insurance Fund in 2024 amounted to 1.77% of the employee's remuneration. The Company does not offer any share-related incentive plans to the CEO.

The CEO is also offered a standard benefits package under the same terms and conditions as for all employees of the Company. The package includes such benefits as the additional health insurance, contributions to the third pillar pension fund (optional) and others. During 2024, the Company's contribution to Giedrė Kaminskaitė-Salters' third pillar pension fund amounted to EUR 8,007.

Principles of members of the Board remuneration

The Policy states that the General Meeting may decide to make payments for the members of the Board, according to the provisions of the Law on Companies of the Republic of Lithuania. Members of the Board who are employees of Telia Company AB, a controlling shareholder holding 88.15% the Company's shares, get remuneration according to the signed employment contracts with their respective employers.

No additional payments for their activities as members of the Board (tantiemes) are made to them by the Company. The Company only remunerates independent members of the Board, who receive a fixed annual payment. The General Meeting decides on the exact amount of such a payment, while approving the distribution of profit. Such payments are not treated as employment related income, instead they are payments for the activities of the member of the Board (tantiemes). The payments to the independent members of the Board are set by taking into account relevant information from comparable companies (market benchmark).

Remuneration of members of the Board in 2024

Following the Policy that provides that members of the Board that are employed by Telia Company AB, a largest shareholder of the Company, are not entitled to any remuneration from the Company, only two independent members of the Board – Leda Iržikevičienė and Mindaugas Glodas – by decision of the Annual General Meeting held on 26 April 2024 received in total EUR 37 thousand or EUR 18.5 thousand each of tantiemes (annual payment) for the year 2023. No other remuneration or pay-outs from the Company to the Board members were allocated.

Information about remuneration of the Board members during 2024 (in EUR)

Name of the Board member	Member of the Audit Committee	Member of the Remuneration Committee	Employed by Telia Company	Independent member of the Board	Annual payment (tantiemes)	Other payouts
Dan Strömberg (till 25 April 2024)	-	-	-	-	-	-
Stefan Backman (from 26 April 2024)	-	-	X	-	-	-
Claes Nycander	-	X	X	-	-	-
Agneta Wallmark (till 20 Sep 2024)	X	-	X	-	-	-
Hannu-Matti Mäkinen	X	X	X	-	-	-
Leda Iržikevičienė	X	-	-	X	18,500	-
Mindaugas Glodas	X	X	-	X	18,500	-

Till August 2023 Dan Strömberg held a position of Senior Vice President & Head of cluster Lithuania, Estonia and Denmark (LED) at Telia Company. On 4 October 2024, Hannu-Matti Mäkinen was elected to the Audit committee upon resignation from the Board and the Audit Committee of Agneta Wallmark due to her retirement.