



## 4. REPORT ON REMUNERATION

REMUNERATION.....	48
INFORMATION ABOUT THE EMPLOYEES.....	50





## REMUNERATION

Remuneration principles of the Company's governing and supervisory bodies are determined by the Remuneration policy approved in Extraordinary General shareholders meeting in November 2023. Full remuneration policy can be found on Company's website: [Remuneration Policy - KN](#).

Remuneration for activities in the collegial bodies of the Company may be paid to the members of the collegial body of the Company who are independent or not.

The personal data of the members of the Company's governing and supervisory bodies is included in the report on remuneration for the following purposes:

- to increase the transparency of the Company;
- to improve the accountability of the members of the governing bodies;
- to supervise the remuneration of the governing bodies.

Members of collegial governing and supervisory bodies of the Company are only eligible for receiving fixed monthly compensation.

The remuneration to be paid must:

- promote the creation of long-term and sustainable value of the Company, to be fair and understandable;
- comply with the workload of the individual organs of the Company and their members;
- be competitive with the salary levels in the labour market of the respective field;
- ensure the indemnification of the liability assumed by the individual members of the Company bodies;
- promote the attraction of high-level professionals in their field to the management of the Company.

### REMUNERATION OF THE SUPERVISORY COUNCIL

TITLE	AVERAGE MONTHLY SALARY FOR 2024, EUR	TOTAL FOR 2024, EUR	AVERAGE MONTHLY SALARY FOR 2023, EUR	TOTAL FOR 2023, EUR
Robertas Vyšniauskas	3,942.50	47,354.90	3,516.00	42,192.00
Dovilė Kavaliauskienė	2,365.50	28,412.90	2,110.00	25,320.00
Mantas Šukevičius	2,957.00	35,517.68	2,637.00	31,644.00
<b>Total</b>	-	<b>111,285.48</b>	-	<b>99,156.00</b>

Members of the Supervisory Council were not granted with any loans, guarantees, assets, premiums, bonuses, shares or salary for service at any other company of the Group for the year 2024. They are not eligible for any variable part of remuneration or for recovery of it.

### REMUNERATION OF THE BOARD OF THE COMPANY

TITLE	AVERAGE MONTHLY SALARY FOR 2024, EUR	TOTAL FOR 2024, EUR	AVERAGE MONTHLY SALARY FOR 2023, EUR	TOTAL FOR 2023, EUR
Guy Mason	2,957.00	35,517.68	2,637.00	31,644.00
Edvinas Katilius	3,749.57	45,170.90	3,516.00	42,192.00
Alfonso Morriello	2,957.00	35,517.68	2,637.00	31,644.00
Jūratė Lingienė	3,126.44	45,187.97	2,637.00	31,644.00
Karolis Švaiuskas	2,365.50	28,412.90	2,110.00	25,320.00
<b>Total</b>	-	<b>198,807.13</b>	-	<b>162,444.00</b>

In 2024 members of the Board were not granted any shares, did not receive any loans, guarantees, assets, premiums, bonuses or any other benefits for work as members of the Board or salary for service at any other company of the Group. They are not eligible for any variable part of remuneration or for recovery of it.

### REMUNERATION OF THE AUDIT COMMITTEE

TITLE	MONTHLY SALARY FOR 2024, EUR	TOTAL FOR 2024, EUR	MONTHLY SALARY FOR 2023, EUR	TOTAL FOR 2023, EUR
Šarūnas Radavičius	1,971.00	23,674.42	1,676.95	17,210.84
Robertas Vyšniauskas	1,478.50	17,758.79	1,319.00	15,825.00
Mantas Šukevičius	1,478.50	17,758.79	1,319.00	15,825.00
<b>Total</b>	-	<b>59,192.00</b>	-	<b>48,860.84</b>

In 2024 members of the Audit Committee have not received any loans, guarantees or assets, unpaid bonuses and other benefits or salary for service at any other company of the Group, were not granted any shares of the Company. They are not eligible for any variable part of remuneration or for recovery of it.



### REMUNERATION OF THE REMUNERATION AND NOMINATION COMMITTEE

TITLE	AVERAGE MONTHLY SALARY FOR 2024, EUR	TOTAL FOR 2024, EUR	AVERAGE MONTHLY SALARY FOR 2023, EUR	TOTAL FOR 2023, EUR
Robertas Vyšniauskas	739.50	8,882.37	660.00	7,920.00
Dovilė Kavaliauskienė	-	-	-	-
Živilė Valeišienė	1,971.00	23,674.42	1,598.98	16,410.57
<b>Total</b>	<b>-</b>	<b>32,556.79</b>	<b>-</b>	<b>24,330.57</b>

In 2024 members of the Remuneration and Nomination Committee have not received any loans, guarantees or assets, unpaid bonuses and other benefits or salary for service at any other company of the Group, were not granted any shares of the Company. They are not eligible for any variable part of remuneration or for recovery of it.

### REMUNERATION OF THE CEO OF THE COMPANY

The CEO of the Company is rewarded according to provisions set in the Remuneration policy approved by the Board of the Company and the Company's Procedure for rewarding bonuses to AB KN Energies top management employees.

The monthly salary of the CEO of the Company since November of 2024 is EUR 12,000 (until May of 2024 was set to EUR 10,300, until April of 2024 was set to EUR 9,600). Following the Remuneration policy, the CEO is also eligible for receiving annual bonus depending on the results of the Company and achievement of the annual goals. The maximum bonus in case all goals are achieved consists of 4 monthly salaries. In 2024 variable pay for the CEO, was EUR 3,040 (monthly equivalent of yearly bonus) (2023 – EUR 2,960 (monthly equivalent of yearly bonus)).

### CHANGES IN THE COMPANY RESULTS AND AVERAGE MONTHLY SALARY OF ALL EMPLOYEES

	2024	2023	2022	2021	2020
Sales revenue	89,407	80,356	74,722	58,633	77,474
Net profit (loss)	13,797	12,370	(6,732)	(64,917)	33,495
Adj. net profit (loss)**	12,317	6,107	8,041	(48,084)	10,991
Average monthly salary (gross), EUR***	3,463	3,114	2,765	2,609	2,600

\* Remuneration of Members of governing and supervisory bodies are not included.

\*\* adj. – adjusted financial indicators/data are recalculated and presented by eliminating from net profit (loss) the following amounts: (1) the impact of unrealised foreign currency exchange rates (forex) arising from IFRS 16 requirements, (2) respective impact of deferred income tax arising from forex, and (3) impact of financial derivatives.

\*\*\*The average monthly salary is calculated according to the average monthly wage calculation procedure as stated in the State companies' employees' average monthly salary calculation procedure approved by the Government of Lithuania on 23 August 2002, resolution No. 1341 and its subsequent changes. On-call payments included.



## INFORMATION ABOUT THE EMPLOYEES

### PERSONNEL

The Company's main asset is its employees who are the most important link to the achievement of Company's goals. Company's personnel policy is focused on the development of teamwork, constant progress in professional development and process efficiency, the optimal use of work resources, training of qualified staff, and development of the Company's culture that empowers personal growth, cooperation, succession planning, and creates additional value for the company and its stakeholders.

Number of the Group employees as of 31 December 2024:

	31-12-2024	31-12-2023	CHANGE,%
AB KN Energies	356	338	5.3%
UAB KN New Energy Solutions	2	2	-
UAB KN Global Terminals	2	2	-
UAB SGD SPB	2	2	-
KN Energies Deutschland GmbH	5	-	-
KN Açú Serviços de Terminal de GNL LTDA	28	27	3.7%
<b>Total</b>	<b>395</b>	<b>371</b>	<b>6.5%</b>

The number of employees does not include employees on maternity/paternity leave.

The breakdown of the number of the Group and the Company employees by gender as of 31 December 2024:

	WOMEN	%	MEN	%
AB KN Energies	95	26.7%	261	73.3%
UAB KN New Energy Solutions	1	50.0%	1	50.0%
UAB KN Global Terminals	1	50.0%	1	50.0%
UAB SGD SPB	1	50.0%	1	50.0%
KN Energies Deutschland GmbH	1	20.0%	4	80.0%
KN Açú Serviços de Terminal de GNL LTDA	4	14.3%	24	85.7%
<b>Total</b>	<b>103</b>	<b>26.1%</b>	<b>292</b>	<b>73.9%</b>

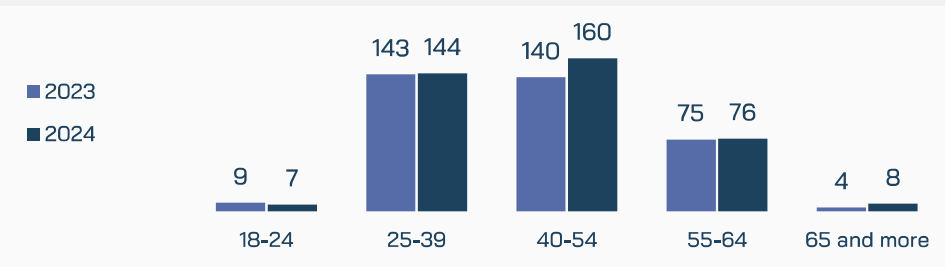
AVERAGE AGE OF THE EMPLOYEES OF THE GROUP



DISTRIBUTION OF GROUP'S EMPLOYEES BY WORK EXPERIENCE, (YEARS)



NUMBER OF THE GROUP'S EMPLOYEES BY AGE GROUPS



Education of the Group's employees by categories:

EMPLOYEE CATEGORY	EMPLOYEES ON 31-12-2024	UNIVERSITY	VOCATIONAL	SECONDARY AND OTHER	EMPLOYEES ON 31-12-2023	UNIVERSITY	VOCATIONAL	SECONDARY AND OTHER
Management	60	58	2	-	49	47	2	-
Professionals	211	180	26	5	198	172	18	8
Workers	124	10	50	64	124	10	54	60
<b>Total</b>	<b>395</b>	<b>248</b>	<b>78</b>	<b>69</b>	<b>371</b>	<b>229</b>	<b>74</b>	<b>68</b>

\* The management of the Company include Chief Executive Officer (CEO), Top managers, Middle managers (C-2) and Functional managers.

## PAYROLL SYSTEM AND REMUNERATION POLICY

The Company seeks to create motivating, efficient, fair, transparent, and easy to understand compensation system which aims to attract, retain, and motivate employees whose skills and work results help the Company to successfully develop and implement its mission and achieve strategic business objectives. The Company is constantly reviewing remuneration competitiveness and motivational system. As a result, in the beginning of January 2024 the Employee Remuneration Policy and the Procedure of Remuneration System Formation have been updated for motivational system to work even more effectively. The Company introduced quarterly short-term incentives system to C-2 level and lower positions in the organization. Accordingly, employee's bonus structure currently includes annual bonuses for all employees that focus on consistent alignment of the team towards the mutual annual objectives and also acknowledges short-term performance results on a monthly or quarterly basis.

The Employee Remuneration Policy defines the principles of determination and payment of remuneration as well as the incentives of employees. The Remuneration policy applies to all employees of the Company.

The goals of the Remuneration Policy are to:

- Establish clearly understandable, fair, and transparent procedures for the determination and payment of remuneration as well as the incentives of employees, aiming to ensure the Company's competitiveness in the labour market;
- Encourage the employees to achieve the objectives set in the corporate strategy, to create value added and increase the returns to shareholders while fostering the values of the Company.

The remuneration of the employee may consist of the following components: a fixed component, i. e. a monthly salary (or a wage) and a variable component payable for either short-term performance results or the annual results of the Company's/the employee's performance.

The Company's remuneration system is based on job structure framework, created using the Hay Methodology by determining the weight of each position (to ensure fair remuneration for work within the Company). The amount of the monthly remuneration for the position is determined by

assessing the level of knowledge and work experience required to perform the functions of each position, the complexity of the functions, the degree of responsibility and management level, the impact / risk on the Company's performance, working conditions. In order to ensure the competitiveness of the remuneration of the Company's employees and to promote the achievement of results, the remuneration (fixed and variable remuneration components) focuses on the range of the 50th and 75th per centiles of the remuneration market of all companies operating in Lithuania.

Employees in the same position can receive different monthly pay depending on qualifications, experience, capabilities, and functions and responsibilities assigned to the employee. The variable component is set according to the procedure laid down in the Remuneration Policy.

Employee's base salaries are usually reviewed once a year taking into account: Lithuanian labour market trends; the Company's performance results; The results of the evaluation of the Company's employees; demand – supply situation for jobs important to the company in the labour market.



The breakdown of employee related expenses (EUR thousand) of the Group:

	2024	2023	CHANGE,%
AB KN Energies	15,838	13,985	13.2%
UAB KN New Energy Solutions	5	4	25.0%
UAB KN Global Terminals	6	4	50.0%
UAB SGD SPB	5	4	25.0%
KN Energies Deutschland GmbH	75	-	-
KN Açu Serviços de Terminal de GNL LTDA	827	619	33.6%
<b>Total:</b>	<b>16,756</b>	<b>14,616</b>	<b>14.6%</b>

Employees according to categories:

EMPLOYEE CATEGORY	AVERAGE NUMBER OF EMPLOYEES					
	2024 GROUP	2023 GROUP	CHANGE,%	2024 COMPANY	2023 COMPANY	CHANGE,%
Executives	5	5	-	1	1	-
Top Management	6	5	20.0%	6	5	20.0%
Middle Management	50	52	(3.8%)	45	47	(4.3%)
Professionals	195	178	9.6%	170	158	7.6%
Workers	122	118	3.4%	122	118	3.4%
<b>Total:</b>	<b>378</b>	<b>358</b>	<b>5.6%</b>	<b>344</b>	<b>329</b>	<b>4.6%</b>

The Company's 2024 average monthly salary of all employees is 11.7% higher compared to 2023 (2024 – 3,584 EUR/month, 2023 – 3,209 EUR/month):

EMPLOYEE CATEGORY	AVERAGE MONTHLY SALARY (GROSS), EUR					
	2024 GROUP	2023 GROUP	CHANGE,%	2024 COMPANY	2023 COMPANY	CHANGE,%
Executives	8,699	8,814	(1.3%)	11,742	12,738	7.9%
Top Management	10,512	11,023	(4.6%)	10,512	11,023	(4.6%)
Middle Management	6,067	5,782	4.9%	6,321	5,964	6.0%
Professionals	3,366	2,938	14.6%	3,604	3,098	16.3%
Workers	2,255	2,020	11.6%	2,255	2,020	11.6%
<b>Total:</b>	<b>3,463</b>	<b>3,114</b>	<b>11.2%</b>	<b>3,584</b>	<b>3,209</b>	<b>11.7%</b>

\* The average monthly salary is calculated according to the average monthly wage calculation procedure as stated in the State companies' employees' average monthly salary calculation procedure approved by the Government of Lithuania on 23 August 2002, resolution No. 1341 and its subsequent changes. On-call payments included.

\*\* On 1 January 2024, a new remuneration system was introduced in the Company: a part of the variable pay component previously paid once a year was added to a monthly remuneration. In 2024 this change does not apply to the company CEO, to Top managers, to Middle managers (C-2) and Functional managers.

\*\*\* The following sums were calculated for the remuneration to the Group's Top managers (CEO and Directors) in 2024: EUR 1,250 thousand, in that amount taxes paid by the employer included EUR 27 thousand (when in 2023 were EUR 1,070 thousand from which EUR 47 thousand of taxes paid by the employer). The average annual salary of manager of the Group amounted to EUR 114 thousand in 2024 (in 2023 – EUR 107 thousand).



The Company's and Group's structure of average monthly salary in 2024 and 2023, EUR:

EMPLOYEE CATEGORY		STRUCTURE OF AVERAGE MONTHLY SALARY (GROSS), EUR					
		2024 GROUP	2023 GROUP	CHANGE,%	2024 COMPANY	2023 COMPANY	CHANGE,%
Executives	AMS without annual bonus	7,327	7,544	(2.9%)	10,702	10,048	6.5%
	Annual bonus	1,372	1,270	8.0%	3,040	2,690	13.0%
	<b>Executives total:</b>	<b>8,699</b>	<b>8,814</b>	<b>(1.3%)</b>	<b>13,742</b>	<b>12,738</b>	<b>7.9%</b>
Top Management	AMS without annual bonus	8,408	8,642	(2.7%)	8,408	8,642	(2.7%)
	Annual bonus	2,104	2,381	(11.6%)	2,104	2,381	(11.6%)
	<b>Top Managers total:</b>	<b>10,512</b>	<b>11,023</b>	<b>(4.6%)</b>	<b>10,512</b>	<b>11,023</b>	<b>(4.6%)</b>
Middle Management	AMS without annual bonus	5,301	5,052	4.9%	5,516	5,196	6.2%
	Annual bonus	766	730	4.9%	805	768	4.8%
	<b>Middle Managers total:</b>	<b>6,067</b>	<b>5,782</b>	<b>4.9%</b>	<b>6,321</b>	<b>5,964</b>	<b>6.0%</b>
Professionals	AMS without annual bonus	3,045	2,646	15.1%	3,255	2,768	17.6%
	Annual bonus	321	292	9.9%	349	330	5.8%
	<b>Professionals total:</b>	<b>3,366</b>	<b>2,938</b>	<b>14.6%</b>	<b>3,604</b>	<b>3,098</b>	<b>16.3%</b>
Workers	AMS without annual bonus	2,157	1,927	11.9%	2,157	1,927	11.9%
	Annual bonus	98	93	5.4%	98	93	5.4%
	<b>Workers total:</b>	<b>2,255</b>	<b>2,020</b>	<b>11.6%</b>	<b>2,255</b>	<b>2,020</b>	<b>11.6%</b>
<b>Total</b>	AMS without annual bonus	3,130	2,802	11.7%	3,237	2,875	12.6%
	Annual bonus	333	312	6.7%	347	334	3.9%
	<b>Total:</b>	<b>3,463</b>	<b>3,114</b>	<b>11.2%</b>	<b>3,584</b>	<b>3,209</b>	<b>11.7%</b>

Average monthly salary (gross) of employees by gender, EUR:

EMPLOYEE CATEGORY	2024 GROUP			2024 COMPANY		
	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE
Executives	8,699	8,699	-	13,742	13,742	-
Top and Middle Management	6,552	6,709	6,223	6,820	7,050	6,357
Professionals	3,366	3,536	3,077	3,604	3,892	3,168
Workers	2,255	2,283	1,604	2,255	2,283	1,604
<b>Total</b>	<b>3,463</b>	<b>3,421</b>	<b>3,590</b>	<b>3,584</b>	<b>3,554</b>	<b>3,675</b>

\* The average monthly salary is calculated according to the average monthly wage calculation procedure as stated in the State companies' employees' average monthly salary calculation procedure approved by the Government of Lithuania on 23 August 2002, resolution No. 1341 and its subsequent changes. On-call payments included.

\*\* AMS – average monthly salary.

\*\*\* On 1 January 2024, a new remuneration system was introduced in the Company: a part of the variable pay component previously paid once a year was added to a monthly remuneration. In 2024 this change does not apply to the Company CEO, to Top managers, to Middle managers (C-2) and Functional managers.



## EMPLOYEE PERFORMANCE EVALUATION AND ANNUAL BONUS ALLOCATION

The Company has completed a research and updated the procedures for annual employee performance evaluation and bonus allocation on a monthly, quarterly, and annual basis. These bonuses depend on the achievement of the goals set directly for the person, his/ her service director or for the Company. Monthly, quarterly and annual employee performance reviews brought more frequent one to one meetings throughout the year between manager and subordinates and have served to be one of the most effective management and leadership techniques that increase employee engagement, aligns resources, improves planning and thus help to achieve the organizational goals in a more efficient manner. Such practice creates collaborative and positive relationships between managers and their subordinates that enables employees to proactively plan their careers, increases their motivation, and promotes continuous improvement in their professional field.

Employees of all categories – workers, specialists, and managers – are assessed and rewarded annual bonus for achieving pre-set annual goals (WHAT) and evaluation on their compliance to Company's values (HOW). Workers, specialists and 1st level managers are assessed on a monthly or quarterly basis additionally enabling them to adapt KPIS faster if needed and plan more responsibly. In 2020 implementation of Asaichi methodology being one of the three LEAN tools initiated in the Company strengthened performance management further when KPIs have been reviewed and actioned with personal accountability daily. Monthly, quarterly and annual performance review meetings, on the other hand, allow to reflect on the entire month, quarter or year through the lens of competence development, process safety, continuous learning opportunities, career-advancement, and aspirations.

## EMPLOYEE SELECTION AND RECRUITMENT

The Teamtailor platform (Applicant tracking system) was implemented to ensure a more efficient recruitment of employees as well as more convenient tool for hirings managers. Since January 2022 the Company updated Employee Selection and Recruitment procedure whose purpose is to standardize the employee selection process and ensure efficient and effective procedures for organizing the selection of KN personnel (employees and trainees) in order to successfully achieve the objectives of KN – to select employees who recognize the values

of KN and have the greatest potential to achieve the objectives set for them.

In order to ensure that the objectives set out in KN's strategy are met, an assessment and planning of staffing needs is carried out. Each year management of the Company draws up a staffing plan for the upcoming year. The plan takes into account the workload of staff, the need for new positions (due to organizational changes or legal requirements), staff mobility (transition from one staff position to another) and natural change (retirement, parental leave, etc). The main steps of the recruitment process include the evaluation of need for employee, determination of required competencies, search and attraction of potential candidates, job interviews, final decision, and preparation of the offer.

## PRINCIPLES OF EMPLOYEE COMPETENCE DEVELOPMENT

KN education system is designed to promote the development of employees both independently and through the learning processes of strategically important knowledge and skills that are part of the curricula. All employees are given the opportunity to participate in the programs. The implementation of KN education system is based on 6 principles: link with business strategy, cooperation between departments, identification of needs based on assessment of employees' competencies, measurement of learning effectiveness, integration of education with other processes and selection of appropriate educational tools.

Each year up to 15% of the annual learning and development budget was allocated to fund employees with various formal studies at different universities.

In 2024, KN further developed its leadership competencies by expanding the talent pool and continuing its long-term leadership program. This program consists of 9 months of structured learning sessions and extends beyond that through the implementation of personalized career plans. Also, in 2024 the Company continued investments into development skills of negotiation, project management competencies, client centricity, Emotional Intelligence (EQ) and employee resilience.

