

**REMUNERATION REPORT 2023**

for

**SALMON EVOLUTION ASA**

## REMUNERATION OF DIRECTORS OF SALMON EVOLUTION ASA

Subject to advisory vote by the general meeting on 5 June 2024

In accordance with the Norwegian Public Limited Liability Companies Act (the “Act”) section 6-16 b, the Board of Directors of Salmon Evolution ASA (the “Company”) has prepared a report on the salary and other remuneration of the CEO and senior executives of the Company awarded or due in 2023.

This report regards remuneration of the following executive management of 2023:

- Chief Executive Officer (CEO) - position held by Trond Håkon Schaug-Pettersen (from Oct 2022). Position held by Håkon Andre Berg until October 2022
- Chief Financial Officer (CFO) - position held by Trond Vadset Veibust (from April 2023). Position held by Trond Håkon Schaug-Pettersen until March 2023
- Chief Operating Officer (COO) - position currently held by Ingjarl Skarvøy
- Chief Project Officer (CPO) - position currently held by Kamilla Mordal Holo
- Chief Commercial Officer (CCO) - position currently held by Odd Frode Roaldsnes
- Technical Director (TD) - position currently held by Henriette Nordstrand (from Sep 2022)
- Director of Strategic Projects (DSP) - position currently held by Tore-Jakob Reite (from April 2023)

Hereinafter collectively referred to as the “Executive Management” or separately as each “Executive”. The whole Executive Management are formally employed by Salmon Evolution ASA.

### 1. Introduction, scope and purpose

This remuneration report 2023 provides an overview of remuneration of the Executive Management of the Company in 2023 in relation to the Company’s Remuneration Policy adopted by the general meeting on 19 May 2021. This report has been prepared in accordance with the Norwegian Public Limited Liability Companies Act section 6-16 b.

The Company’s Remuneration Policy is designed to align the interests between Executives and the Company’s shareholders and further stimulate a culture focused on profitability and growth in shareholder values. The Company is dependent on being able to offer remuneration which can attract and retain executives with strong competence.

The purpose of the Remuneration Policy is to set out remuneration components for the Executive Management and providing a framework for remuneration to Executives in accordance with the Company’s business strategy and long-term interests, hereunder long-term sustainability, profitability and long-term growth in shareholder values. The total remuneration of the Executive Management is therefore constructed as a combination of fixed salary and variable compensation.

A competitive fixed salary shall be paid in order to attract and retain high-quality and experienced executives and to provide appropriate remuneration for their important role in the Company. This is required to support the recruitment and retention of executives of the caliber required to implement the Company’s strategy. The variable compensation is designed to achieve good financial results and increase shareholder value while retaining key employees.

Further information on remuneration can be found in the Annual Report 2023 on page 83 and 84. The Company does not currently have a remuneration committee.

The remuneration of Executives in 2023 was in accordance with the Company's approved Remuneration Policy.

## 2. Overview of financial year 2023

### 2.1 Introduction to Salmon Evolution

Salmon Evolution ASA is a Norwegian company headquartered in Elnesvågen, Norway and listed on the Oslo Stock Exchange. The Company owns the following subsidiaries (collectively "**Salmon Evolution**" or the "**Group**"):

- Salmon Evolution Norway AS ("**SENAS**", registered in Hustadvika municipality, Norway)
- Salmon Evolution International AS ("**SE International**", registered in Hustadvika municipality, Norway)
- Salmon Evolution Dale AS ("**Dale**", registered in Volda municipality, Norway)
- Salmon Evolution Sales AS ("**SE Sales**", registered in Ålesund municipality, Norway)

Salmon Evolution is the global leader within land-based salmon farming with a clear roadmap for 100,000 tonnes HOG annual production capacity. Pioneering the hybrid flow-through system (HFS), Salmon Evolution is Extending the Ocean Potential by creating optimal growth conditions in a controlled environment on land. This approach, capturing the benefits of both land-based and sea-based farming, puts biology first and limits operational and biological risk.

Salmon Evolution is strategically located the heart of the global aquaculture industry on the west coast of Norway, where the Company has its first facility and global centre of excellence fully operational at industrial scale. Enabled by the proof of concept in Norway, Salmon Evolution targets significant international expansion.

As per 31 December 2023, the Group had 69 full time employees and expect to further increase the workforce as the Group continues to grow.

### 2.2 Full Year results

Operating revenues in 2023 amounted to NOK 168.4 million compared to operating revenues of NOK 47.7 million in 2022. Most of the operating revenues for 2023 are linked to sale of salmon. A minor part of the revenue comes from sale of services.

Operating profit for 2023 was NOK -110.5 million compared to NOK -62.9 million in 2022. The increased loss in 2023 is driven by a higher activity level within the Group ahead of production start and completion of phase 1 at Indre Harøy.

Profit for the period in 2023 was NOK -145.8 million compared to NOK -32.7 million in 2022. Profit for 2023 was impacted by net negative financials of NOK -35.2 million.

## 2.3 Statement of Financial Position

Total assets were NOK 2,709 million as per 31 December 2023 compared to NOK 2,306 million as per 31 December 2022. The increase was mainly related to continued progress at the Indre Harøy project.

Cash and cash equivalents were NOK 386 million as per 31 December 2023 compared to NOK 279 million as per 31 December 2022.

Total equity increased to NOK 1,921 million as per 31 December 2023 compared to NOK 1,564 million as per 31 December 2022, following the completion of equity issues during the financial year. The Group's equity ratio as per 31 December 2023 was 71%.

## 2.4 Highlights of 2023

- Key events in the Company 2023 that have impact on management remuneration have been the continued operation and project execution at the Indre Harøy, further development of the establishment in South Korea and potential new projects in North America, and successful equity and debt capital raisings. Share price appreciation have a direct impact on variable remuneration paid to management through the Company's option program.
- During 2023 the following additions to and changes in the management team were made:
  - Trond Vadset Veibust took on the position as CFO from 1 April 2023
  - Tore-Jakob Reite took on the position as Director of Strategic Projects from 17 April 2023
- There have been no derogations from the Remuneration Policy during 2023.

## 3. Total remuneration in 2023 to Executive Management

### 3.1 Remuneration awarded or due in 2023

In 2023, the remuneration to Executives consisted in average of 82% fixed salary and 18% variable remuneration and was in line with the guidelines set out in the Remuneration Policy. The bonus amount was mainly based on specific achievements such as the continued progress and project execution at the Indre Harøy project. The total remuneration is designed to increase shareholder value while retaining key employees.

Table 1-3 below gives an overview of the total remuneration paid to the Directors of the Board and the Executive Management in 2023 together with comparative figures for 2022:

**Table 1 - Remuneration of management awarded or due in 2023 (numbers in NOK thousands)**

Name of Director, position	FY	1 Fixed remuneration			2 Variable remuneration		3 Extraordinary items	4 Pension expense	5 Remuneration before share based options	6 Executed share based options	7 Total paid remuneration 2022	8 Proportion of fixed and variable remuneration
		Base salary	Fees	Fringe benefits	One-year variable	Multi-year variable						
Trond Håkon Schaug-Pettersen,	2023	2,740	0	272	500	0	0	71	3,583	0	3,583	86%/14%
	2022	2,228	0	246	0	0	0	67	2,541	585	3,126	81%/19%

CEO*												
Trond Vadset Veibust, CFO**	2023	1,243	0	120	0	0	0	71	1,434	0	1,434	100%/0%
	2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ingjarl Skarvøy, COO	2023	1,946	0	206	0	0	0	71	2,223	0	2,223	100%/0%
	2022	1,844	0	162	0	0	0	67	2,073	275	2,348	88%/12%
Kamilla Mordal Holo, CPO	2023	1,623	0	15	0	0	0	71	1,709	0	1,709	100%/0%
	2022	1,482	0	8	100	0	0	67	1,657	275	1,932	81%/19%
Odd Frode Roaldsnes, CCO	2023	1,729	0	168	0	0	0	71	1,968	0	1,968	100%/0%
	2022	1,533	0	17	0	0	0	67	1,617	0	1,617	100%/0%
Henriette Nordstrand, TD***	2023	1,108	0	23	0	0	0	64	1,195	0	1,195	100%/0%
	2022	380	0	22	0	0	0	29	431	0	431	100%/0%
Tore-Jakob Reite, DSP****	2023	807	0	29	0	0	0	67	903	0	903	100%/0%
	2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Håkon André Berg, CEO*****	2023	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2022	2,722	0	208	0	0	0	67	2,997	1,238	4,235	71%/29%

\*CEO in Salmon Evolution from October 2022

\*\*CFO in Salmon Evolution from April 2023

\*\*\*TD in Salmon Evolution from September 2022

\*\*\*\*Director of Strategic Projects from April 2023

\*\*\*\*\*CEO in Salmon Evolution until October 2022

### 3.2 Fixed remuneration

The fixed salary for executives shall be at market terms and in accordance with the market salary for similar positions in the industry and shall be based on responsibility, competence and performance. The level of the fixed salary shall be reviewed on a regular basis, normally once a year.

Within the framework of the existing agreements, the remuneration to the CEO shall be recommended by the chairman and approved by the board of directors on a yearly basis, while the remuneration to other executives shall be approved by the CEO in consultation with the chairman and presented to the board of directors on a yearly basis.

In 2023, the CEO's fixed salary increased by 23% compared to 2022, reflecting his new role and responsibility in the Group, as well as general market alignment and increased activity level within the Group. The fixed salary for the CEO constitutes 86% of the total remuneration, and 100% for the other Executives, which complies with the guidelines set out in the Remuneration Policy.

### 3.3 Variable remuneration

The variable compensation for 2023 consisted of a discretionary bonus payable in cash to one member of the Executive Management.

The following cash bonuses were paid to the Executive Management during 2023:

- CEO Trond Håkon Schaug-Pettersen: NOK 500,000, equivalent to 14% of the fixed salary.

The company cannot demand repayment of variable remuneration unless obvious miscalculations or non-entitled payment have been made.

For information about the variable remuneration and the specific application of the performance criteria, please refer to section 3.6 Application of performance criteria.

### 3.4 Share based remuneration

#### 3.4.1 Share ownership

As of 31 December 2023, the members of the Executive Management held shares in the Company as set out below:

Name	Total shareholding
Trond Håkon Schaug-Pettersen, CEO <sup>1)</sup>	400,000
Trond Vadset Veibust, CFO <sup>2)</sup>	55,000
Ingjarl Skarvøy, COO <sup>3)</sup>	1,800,150
Kamilla Mordal Holo, CPO <sup>4)</sup>	160,060
Henriette Nordstrand, Technical Director <sup>5)</sup>	32,849
Tore-Jakob Reite, Director Strategic Projects	1,250

1) Through his wholly owned company Troha Invest AS

2) Through his wholly owned company Trollkyrkja AS

3) Through his wholly owned company Terra Mare AS and private

4) Through her wholly owned company C10 Holding AS and private

5) Through her wholly owned company Heno holding AS

#### 3.4.2 Share option program

In August 2021 the Board of the directors established a share option program for members of the Company's executive management where total of 6,900,000 share options were granted, in November 2021 this was updated to 7,650,000 share options. These options were issued on an annual basis with 1/3 each year, with issue dates being 31 August 2021, 1 June 2022 and 1 June 2023. Issued options vest 50% after year one and 50% after year two, with a strike price equal to the closing price of the Company's shares on Oslo Børs on the last trading day prior to the respective to the issue date + 15%.

In 2023, 700,000 share options were granted to executive management in January, 250,000 in June as well as 960,000 to key employees in June. These options were issued with issue date 1 June 2023. Issued options vest 50% after year one and 50% after year two, with a strike price equal to the closing price of the Company's shares on Oslo Børs on the last trading day prior to the respective to the issue date + 15%.

The strike price for the share options issued 31 August 2021 was NOK 9,00 per share, 1 June 2022 NOK 10,06 per share and 1 June 2023 NOK 8,30 per share.

The share option agreements contain clauses customary for such agreement, hereunder cancellation of unvested options in case the employee's employment with the Company is terminated, option for the Company to settle exercised option with shares or cash and a cap on maximum profit from each annual allotment of options.

As per 31 December 2023 a total of 7,060,000 share options were granted.

Further, in case of certain corporate changes, hereunder M&A situations, all granted, but yet not issued options under the program, immediately become exercisable at a strike price equal to the strike price for the last option grant plus a premium of 15%, without any limitation as to maximum profit under the program.

The objective of the share remuneration program is to stimulate long-term profitability and value creation as well as being able to attract and retain competent executives.

As of 31 December 2023, the members of the Executive Management held share options in the Company as set out below in table 2:

**Table 2 - Share options awarded or due to the directors for 2023**

	Grant date	Vesting Date	Expiration Date	Quantity Granted	Exercise Price (NOK)
Håkon André Berg, CEO*	27.08.2021	01.06.22/ 01.06.23	25.08.2026	500,000	9.0
Trond H. Schaug-Pettersen, CEO & CFO**	27.08.2021	01.06.22/ 01.06.23	25.08.2026	800,000	9.0
	27.08.2021	01.06.23/ 01.06.24	01.06.2027	800,000	10.06
	27.08.2021	01.06.24/ 01.06.25	01.06.2028	800,000	8,3
	01.06.2023	01.06.23/ 01.06.25	01.06.2028	200,000	8,3
Trond Vadset Veibust, CFO***	01.06.2023	01.06.23/ 01.06.25	01.06.2028	500,000	8,3
Ingjarl Skarvøy, COO	27.08.2021	01.06.22/ 01.06.23	25.08.2026	250,000	9.0
	27.08.2021	01.06.23/ 01.06.24	01.06.2027	250,000	10.06
	27.08.2021	01.06.24/ 01.06.25	01.06.2028	250,000	8,3
Kamilla Mordal Holo, CPO	27.08.2021	01.06.22/ 01.06.23	25.08.2026	250,000	9.0
	27.08.2021	01.06.23/ 01.06.24	01.06.2027	250,000	10.06
	27.08.2021	01.06.24/ 01.06.25	01.06.2028	250,000	8,3
Odd Frode Roaldsnes, CCO	22.11.2021	01.06.22/ 01.06.23	25.08.2026	250,000	9.0
	22.11.2021	01.06.23/ 01.06.24	01.06.2027	250,000	10.06
	22.11.2021	01.06.24/ 01.06.25	01.06.2028	250,000	8,3
Henriette Nordstrand, Technical Director (TD)****	01.06.2023	01.06.23/ 01.06.25	01.06.2028	125,000	8,3
Tore-Jakob Reite, Director of Strategic Projects*****	01.06.2023	01.06.23/ 01.06.25	01.06.2028	125,000	8,3

\*CEO in Salmon Evolution until October 2022

\*\*CEO in Salmon Evolution from October 2022

\*\*\*CFO in Salmon Evolution from April 2023

\*\*\*\*TD in Salmon Evolution from September 2022

\*\*\*\*\*Director of Strategic Projects from April 2023

### **3.4.3 Expired share options in 2023**

None of the existing share options were exercised in 2023.

### **3.5 Use of the right to reclaim remuneration**

No remuneration has been reclaimed in 2023.

### **3.6 Application of performance criteria**

The purpose of the Company's variable remuneration for the Executive Management is to stimulate long-term profitability and value creation as well as being able to attract and retain competent executives and employees.

In this respect and as further described in section 3.4.2, the Company implemented a share option program in 2021, and further extended this program in 2023. See 3.4.2 for more information.



#### 4. Total remuneration in 2023 to the Board of Directors

Remuneration to the Board of Directors is determined annually by the General Meeting and consists of a fixed annual fee. In addition, each member of any committee may receive an additional fee for the work performed in such committee. In addition, members of the Board are reimbursed for reasonable and documented business expenses related to the performance of required functions. Such expenses include, but are not limited to, accommodation, transportation, and meals when traveling for Board meetings, if applicable.

The proposals for remuneration of the Board of Directors are prepared by the Nomination Committee.

**Table 3 - Remuneration of directors awarded or due in 2023 (numbers in NOK thousands)**

Name of Director, position	FY	Annual fee	Audit committee	Nomination committee	Total fee	Comment
Tore Tønseth, Chairman	2023	500	0	0	500	
	2022	500	0	0	500	
Janne-Grethe A. Strand, Board member	2023	250	250	0	500	
	2022	250	250	0	500	
Glen Bradley, Board member	2023	250	125	0	375	
	2022	250	125	0	375	
Peder Stette, Board member	2023	250	0	0	250	
	2022	250	0	0	250	
Anne Breiby, Board member	2023	250	0	0	250	
	2022	250	0	0	250	
Eunhong Min, Board member	2023	250	0	0	250	Board member from June 2022
	2022	0	0	0	0	
Ingvild Vartdal, Board member	2023	250	0	0	250	
	2022	250	0	0	250	
Håkon André Berg, Board member	2023	146	0	0	146	Board member from November 2022 until May 2023
	2022	0	0	0	0	
Kristofer Reiten, Board member	2023	0	0	0	0	
	2022	250	0	0	250	
Yun Ki Yun, Board member	2023	0	0	0	0	
	2022	250	0	0	250	
Frode Kjøllås, Former board member	2023	0	0	75	75	
	2022	0	0	75	75	
Berit Rogne, Nomination committee	2023	0	0	50	50	
	2022	0	0	50	50	
Trond Svinø, Nomination committee	2023	0	0	50	50	
	2022	0	0	0	0	

## 5. Information about any derogations and deviations from the remuneration policy and procedure for implementation

The Company has not deviated from the guidelines set out in the Remuneration Policy in connection with remuneration granted in 2023.

## 6. Comparative information on the change of remuneration and Groups performance

Table 4 - Comparative information on the change of remuneration and group performance (numbers in NOK thousand)

Name of Director, position	2020	2021	Change% 2020-2021	2022	Change% 2021-2022	2023	Change% 2022-2023
<b>Directors of the Board</b>							
Tore Tønseth, Chairman	80	500	525%	500	0%	500	0%
Janne-Grethe A. Strand, Board member	0	42	N/A	500	1090%	500	0%
Glen Bradley, Board member	140	250	79%	375	50%	375	0%
Peder Stette, Board member	140	250	79%	250	0%	250	0%
Anne Breiby, Board member	0	250	N/A	250	0%	250	0%
Eunhong Min, Board member	0	0	N/A	0	N/A	250	N/A
Ingvild Vartdal, Board member	0	42	N/A	250	495%	250	0%
Håkon André Berg, Board member	0	0	N/A	0	N/A	146	N/A
Kristofer Reiten, Board member	240	250	4%	250	0%	0	N/A
Yun Ki Yun, Board member	0	208	N/A	250	20%	0	N/A
<b>Executive management</b>							
Trond Håkon S. Pettersen, CEO*	0	3,255	N/A	2,541	-22%	3,583	41%
Trond Vadset Veibust, CFO**	0	0	N/A	0	N/A	1,434	N/A
Ingjarl Skarvøy, COO	1,584	2,146	35%	2,073	-3%	2,223	7%
Kamilla Mordal Holo, CPO	1,066	1,533	44%	1,657	8%	1,709	3%
Odd Frode Roaldsnes, CCO	0	535	N/A	1,617	202%	1,968	22%
Henriette Nordstrand, TD***	0	0	N/A	431	N/A	1,194	177%
Tore-Jakob Reite, Director of Strategic Projects****	0	0	N/A	0	N/A	903	N/A
Håkon André Berg, CEO*****	1,901	4,598	142%	2,997	-35%	0	N/A
<b>Group's performance</b>							
Annual revenue	704	12,257	1,641%	47,681	289%	168,424	253%
EBIT	-17,676	-37,841	-114%	-62,931	-66%	-110,532	-76%
Profit (Loss)	-16,826	-26,444	-58%	-32,726	-24%	-145,773	-345%
<b>Average remuneration per FTE</b>							
Average total remuneration, Per FTE in Group (excl. executive management)	963	1,041	8%	1,004	-4%	1,017	1%

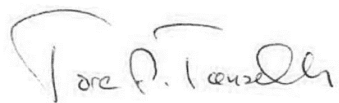
\*CEO in Salmon Evolution from October 2022

\*\*CFO in Salmon Evolution from April 2023

\*\*\*TD in Salmon Evolution from September 2022

\*\*\*\*Director of Strategic Projects in Salmon Evolution from April 2023

\*\*\*\*\* CEO in Salmon Evolution until October 2022



---

Tore Tønseth (Chair)



---

Trond Vadset Veibust (CFO)



---

Trond Håkon Schaug-Pettersen (CEO)