

# REPORT ON SALARY AND OTHER REMUNERATION OF SENIOR EXECUTIVES IN AUSTEVOLL SEAFOOD ASA FOR THE FINANCIAL YEAR 2023

## 1 INTRODUCTION

### 1.1 Background

This report on salary and other remuneration of senior executives in Austevoll Seafood ASA (AUSS or the “**Company**”) is based on the guidelines for salary and other remuneration of senior executives in the Company approved by the Company’s Annual General Meeting on 27 May 2021 (the “**Guidelines**”).

The report is based on the requirements set out in the Norwegian Public Limited Liability Companies Act (the “**Companies Act**”), cf. Section 6-16 b, supplemented by the Regulation on guidelines and report on remuneration of senior executives dated 11 December 2020 (the “**Regulation**”). The report has been prepared in accordance with the European Commission’s template for reporting directors’ remuneration.<sup>1</sup>

### 1.2 General overview of the financial year 2023

#### 1.2.1 Highlights summary

Over time, the Board of Directors and management have focused on building a strong Group and ensuring that the portfolio companies have organisations that are ready to solve challenges under difficult and changeable conditions. The management and Group employees are doing what they can in their daily activities to ensure the Group fulfils its underlying social responsibility by keeping the respective value chains and hence food deliveries cost-effective and operational even in challenging times.

2023 was a challenging year for parts of the Group. The weather phenomenon “El Niño” started with a coastal Niño in Peru in March 2023. The first fishing season was cancelled after just a few days’ trial fisheries, and a historically low quota was set for the second season. The loss of fisheries in the first season and lower volumes in the second season resulted in negative performance for the Peruvian operation. The farming companies were negatively impacted by the detection of ILA at several sites, leading to forced harvesting. In the last part of the year, the Central Norway and Vestland regions were affected by string jellyfish, which also led to forced harvesting with significant consequences in terms of costs. In light of these events, we do not consider 2023 performance and results to be representative of the potential in the Group’s companies.

#### 1.2.2 The Company’s performance in 2023

Group revenue was NOK 33,774 million in 2023, compared with NOK 31,150 million in 2022. Operating profit (EBIT) before fair value adjustment related to biological assets was NOK 3,076 million in 2023, against NOK 4,051 million in 2022.

The decrease in EBIT mainly reflects cancellation of the first fishing season in Peru. The loss of these fisheries resulted in negative performance for the Peruvian operation in 2023. In addition, earnings were negatively affected by the significantly lower harvest volume of salmon in 2023, partly because of the forced harvesting due to string jellyfish and the detection of ILA at several sites.

The largest associates are Pelagia and Norskott Havbruk AS (owner of the Scottish fish farming company Scottish Sea Farms Ltd). Income from associates in 2023 totalled NOK 285 million (2022: NOK 494 million). Pelagia is sustaining its positive development through cost focus/efficiency improvements, business development/growth and favourable market conditions, particularly for fish meal, protein concentrate and fish oil. Norskott Havbruk, which owns Scottish Sea Farms, faced extremely challenging operating conditions in 2023 and posted a significant loss. The company’s many years of good results together with causal relationships, measures implemented and current status give us confidence that it will deliver significantly better results as soon as this year.

Profit before tax in 2023 was NOK 2,845 million (2022: NOK 5,428 million).

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<sup>1</sup> [https://commission.europa.eu/document/download/982e7045-7830-43c8-b98e-a7ff83cf38a2\\_en?filename=rrg\\_draft\\_21012019.pdf](https://commission.europa.eu/document/download/982e7045-7830-43c8-b98e-a7ff83cf38a2_en?filename=rrg_draft_21012019.pdf)

The government's Proposition to the Storting (78 LS) of 28 March 2023 concerning resource rent tax on aquaculture was adopted by the Storting on 31 May 2023. The Group's tax expense for 2023 has been severely impacted by implementation effects (non-recurring effect) of resource rent tax on biomass in the sea at 1 January 2023 and the estimated resource rent tax for the year. The estimated resource rent tax expense for 2023 is NOK 1,912 million.

Net profit in 2023 was NOK 344 million, including the abovementioned effects of resource rent tax, compared with NOK 4,285 million in 2022.

In 2023 the parent company brought in new talents to strengthen its sustainability team. The project previously started on climate reporting in line with the Task Force on Climate Related Financial Disclosure (TCFD) for the portfolio companies and the parent company was put on hold following a regulatory change effective 2024. However, it was decided to complete the project, and the 2023 report for the Group is expected to be finished in the first half of 2024. It will be published on the parent company's website [www.auss.no](http://www.auss.no).

The company also reported to Carbon Disclosure Project (CDP) in 2023, achieving a score of B-. This is an improvement on its score of C in 2022.

### Selected key figures for Austevoll Seafood Group:

(Amounts in MNOK if not other stated)	Note	2023	2022	2021	2020	2019
<b>Revenue</b>		33,774	31,150	26,663	22,447	23,342
EBITDA	1	5,127	5,782	4,810	3,675	4,261
<b>EBIT</b>	1	<b>3,076</b>	<b>4,051</b>	<b>3,218</b>	<b>2,159</b>	<b>2,924</b>
Operating profit	2	3,153	5,240	4,332	1,205	2,617
Net income from associated companies		285	494	393	250	451
<b>Operating profit incl. net income from associated companies</b>		<b>3,438</b>	<b>5,734</b>	<b>4,725</b>	<b>1,455</b>	<b>3,068</b>
Net profit before tax		2,845	5,428	4,376	1,027	2,756
Corporate tax cost		-590	-1,143	-940	-204	-559
Resource rent tax cost	3	-1,912	-	-	-	-
<b>Net profit after tax</b>		<b>344</b>	<b>4,285</b>	<b>3,436</b>	<b>823</b>	<b>2,197</b>
<b>Profit to AUSS shareholders</b>		292	2,490	1,981	494	1,255
<b>Earnings per share (NOK)</b>	4	1.5	12.34	9.82	2.45	6.22
<b>Return on equity</b>	5	1.2 %	16.1 %	14.3 %	3.6 %	9.6 %

1) Before fair value adjustment related to biological assets

2) After fair value adjustment related to biological assets

3) Resource rent tax on aquaculture in Norway was approved by the Storting in May 2023 with effect from 01.01.2023, and the implementation effect had a substantial impact on tax cost in 2023.

4) Net profit after tax to AUSS shareholders/average number of shares

5) Net profit after tax expressed as percentage of average equity

## 2 REMUNERATION OF SENIOR EXECUTIVES IN 2023

### 2.1 Total remuneration of senior executives

The table below shows the total remuneration split into each salary component received, or to be received, by the Company's senior executives for financial year 2023. Note that annual variable remuneration relates to the previous year, meaning that the variable remuneration paid out in 2023 relates to financial year 2022. At the date of this report, bonuses related to financial year 2023 had not been determined, but will be set in line with the process in previous years.

Name and position (amounts in NOK 1,000)	Year	Fixed remuneration		Variable salary	Pension-expenses	Total remuneration	Proportion of fixed and variable salary	
		Fixed salary	Benefits				Fixed salary	Variable
Arne Møgster (CEO)	2023	3,905	233	3,500	118	<b>7,756</b>	55 %	45 %
	2022	3,543	215	3,520	175	<b>7,453</b>	53 %	47 %
Britt Kathrine Drivenes (CFO)	2023	3,053	200	1,200	120	<b>4,573</b>	74 %	26 %
	2022	3,008	195	1,000	178	<b>4,381</b>	77 %	23 %

1) Benefits consists of company car, insurances, subscriptions, and customary benefits

2) Variable salary (bonus) related to previous year, meaning bonus paid in 2023 are related to the year 2022

## 2.2 Use of the right to reclaim variable remuneration

The company has no scheme for reclaiming variable remuneration.

## 3 COMPLIANCE WITH THE GUIDELINES

### 3.1 Information on how the remuneration complies with the Guidelines

AUSS is a holding company exercising active ownership in its portfolio companies. The Company's vision is to be a "passionate owner of globally leading seafood companies", and its business strategy is creating lasting values through sustainable and expert use of both freshwater resources and the ocean, in thriving communities.

The main principles for the Group's policy on remuneration of senior executives are to offer competitive terms and conditions including salary, payment in kind, bonuses and pension schemes. This does not necessarily imply that the remuneration is to be market leading. The Company is to offer remuneration that is on a par with comparable companies and businesses, and that also considers the need for qualified staff in all parts of the business.

#### Criteria for variable remuneration

A discretionary bonus may be paid to senior executives. The bonus is determined each year based on an overall discretionary assessment of the following criteria: performance or target achievement linked to the Company's business strategy or financial results; target achievement linked to the Company's four main areas within sustainability; and contribution to business development and strategy processes in the Group's companies. As long as the criteria incentivise individuals to achieve the Company's targets, generate higher profits for the Group and demonstrate extraordinary performance, the discretionary bonus is considered an expedient means of contributing to the Company's business strategy, long-term interests and financial capacity.

#### Fulfilment of criteria for variable remuneration

The bonus for the CEO is set by the Chairman of the Board after clarification with the Board of Directors. The bonus for other senior executives is set by the CEO in consultation with the Chairman of the Board. The Board is advised of the outcome once the process is complete. The methodical approach to setting the bonus should ideally be an overall discretionary assessment of performance, based on the criteria detailed above.

The variable remuneration paid in 2023 was based on discretionary remuneration and in line with the Guidelines and previous assessments related to such payments.

### 3.2 Information on derogations and deviations from the Guidelines and from the procedure for their implementation

The Guidelines were approved by the Company's Annual General Meeting on 27 May 2021, and no changes to the Guidelines have been proposed as of the date of this report.

The table below contains information on the annual change in remuneration of senior executives at individual level and information on the Company's performance. The Company has three employees in total, including the senior executives. For this reason, average remuneration on a full-time equivalent basis of employees of the Company other than senior executives over the last five financial years is not included, as this information would breach confidentiality requirements.

## Annual change in remuneration for Executive Management

Name	Position	2023	2022	2021	2020	2019
Arne Møgster	CEO	4 %	6 %	3 %	-1 %	5 %
Britt Kathrine Drivenes	CFO	4 %	9 %	-1 %	-1 %	1 %
<b>Key figures</b>		<b>2023*</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>EBIT before biomass adjustment</b>	(MNOK)	3,076	4,051	3,218	2,159	2,924
Annual change	(%)	-24 %	26 %	49 %	-26 %	-32 %
<b>Earnings per share</b>	(NOK)	1.45	12.34	9.82	2.45	6.22
Annual change	(%)	-88 %	26 %	301 %	-61 %	-45 %

\* Resource rent tax on aquaculture in Norway was approved by the Storting in May 2023 with effect from 01.01.2023. The implementation effect had a substantial impact on tax cost in 2023

There have been no deviations from the Guidelines regarding remuneration of senior executives in 2023.

## Remuneration of the Board of Directors

The Nomination Committee makes a recommendation on remuneration of the Board of Directors for approval by the Company's Annual General Meeting.

		Note	2023*			2022		
(NOK 1,000)			Board-fee	Audit and ESG Committee	Total	Board-fee	Audit and ESG Committee	Total
Helge Singelstad	Chairman	1	425		425	425		425
Hege Charlotte Bakken	Deputy Chairman	2	300	100	400	300	100	400
Helge Møgster	Board member		300		300	300		300
Lill Maren Møgster	Board member		300	70	370	300	70	370
Siren Grønhaug	Board member		300	70	370	300	70	370
Erik Drønen Melingen	Board member		300		300	300		300
Hege Solbakken	Board member		300		300	300		300
Petter Dragesund	Board member	3	300		300	175		175

\* 2023 reflects the proposal for Board of Directors fee from the Nomination Committee to the shareholders meeting in 2024

- 1) The annual Directors's fee is not paid as taxable remuneration. Austevoll Seafood ASA is invoiced for the Chairman's services and consultancy fee by Laco AS
- 2) Chairperson of the company's Audit and ESG Committee
- 3) Elected in May 2022

## Annual change in remuneration for the Board of Directors

(%)		Note	2023	2022	2021	2020	2019
Helge Singelstad	Chairman	1	0 %	13 %	0 %	0 %	0 %
Hege Charlotte Bakken	Deputy Chairman	2	0 %	14 %	40 %	0 %	0 %
Helge Møgster	Board member		0 %	20 %	0 %	0 %	0 %
Lill Maren Møgster	Board member	3	0 %	16 %	0 %	7 %	0 %
Siren Grønhaug	Board member	4	0 %	23 %	20 %	0 %	0 %
Erik Drønen Melingen	Board member		0 %	20 %	0 %	0 %	0 %
Hege Solbakken	Board member	5	0 %	20 %	0 %		
Oddvar Skjegstad	Board member	6			0 %	17 %	0 %
Petter Dragesund	Board member	7	0 %	0 %			

- 1) The annual Directors's fee is not paid as taxable remuneration. Austevoll Seafood ASA is invoiced for the Chairman's services and consultancy fee by Laco AS
- 2) Chairperson of the company's Audit and ESG Committee

- 3) Member of Audit and ESG Committee
- 4) Member of ESG Committee since 2021
- 5) Elected in May 2021 (annualized change for 2021)
- 6) Chairperson of the Audit Committee until May 2021
- 7) Elected in May 2022 (annualized change for 2022 and 2023)

Remuneration of the Chairman of the Board is not paid as taxable remuneration. Austevoll Seafood ASA is invoiced for the Chairman's services and for consultancy fees by the Group's ultimate parent, Laco AS, by which company the Chairman is employed. The following table shows the breakdown into board fee and consultancy services that the working Chairman of the Board invoiced for 2023 and 2022.

(NOK 1,000)	Note	2023	2022
Invoiced Chairman's remuneration	1	425	425
Invoiced for the Chairmans's servics and consultancy fee		3,495	3,752
<b>Total invoiced Chairman's remuneration, services and consultancy fee</b>		<b>3,920</b>	<b>4,177</b>

1) The annual Directors's fee is not paid as taxable remuneration. Austevoll Seafood ASA is invoiced for the Chairman's services and consultancy fee by Laco AS

### Annual change

(%)	Note	2023	2022	2021	2020	2019
Invoiced Chairman's remuneration	1	0 %	13 %	0 %	0 %	0 %
Invoiced for the Chairman's services and consultancy fee		-7 %	24 %	-10 %	25 %	-7 %

1) The annual Directors's fee is not paid as taxable remuneration. Austevoll Seafood ASA is invoiced for the Chairman's services and consultancy fee by Laco AS

## 4 INFORMATION ON SHAREHOLDER VOTE

Pursuant to Section 6-16 b (3) of the Companies Act, this report must include a description of the outcome of the Annual General Meeting's advisory vote on the Report on salary and other remuneration of senior executives for the past year.

Information on shareholders vote	For	Against	Waiver
Report on salary and other remuneration of senior executives	83.1 %	16.9 %	0.0 %

Storebø, 29 April 2024

Helge Singelstad (s)

Hege Charlotte Bakken (s)

Helge Møgster (s)

Lill Maren Møgster (s)

Siren Grønhaug (s)

Eirik Drønen Melingen (s)

Hege Solbakken (s)

Petter Dragesund (s)



To the General Meeting of Austevoll Seafood ASA

## Independent auditor's assurance report on report on salary and other remuneration to directors

### Opinion

We have performed an assurance engagement to obtain reasonable assurance that Austevoll Seafood ASA report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2023 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

### Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

### Our Independence and Quality Management

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We apply the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design 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. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Bergen, 29 April 2024

**PricewaterhouseCoopers AS**

Sturle Døsen

State Authorised Public Accountant