

An aerial, black and white photograph of a winding road through a vast, arid desert landscape. A long line of cars, including SUVs and sedans, is driving along the road, which curves through the terrain. The sky is clear and dark, suggesting a late afternoon or night setting. The overall mood is one of exploration and adventure.

**THE BOARD OF DIRECTORS' REPORT ON SALARY
AND OTHER REMUNERATION FOR LEADING
PERSONNEL FOR 2022**

NORBIT
- explore more -

THE BOARD OF DIRECTORS' REPORT ON SALARY AND OTHER REMUNERATION FOR LEADING PERSONNEL FOR 2022

1. INTRODUCTION

1.1 Background

This remuneration report (the "Report") is prepared by the board of directors of NORBIT ASA (the "Company" or together with its subsidiaries the "Group") in accordance with the Norwegian Public Limited Liability Companies Act (the "Companies Act") Section 6-16b with regulations. The report contains information regarding remuneration to previous, present and future leading personnel of the Company ("Directors") for the financial year of 2022 in line with the applicable requirements.

The report is based on the board of directors' Guidelines for salary and other remuneration to the senior executives in NORBIT ASA approved by the general meeting on 4 May 2022 (the "Guidelines").

1.2 Overview of the year

In 2022, NORBIT ASA continued to make solid progress towards its ambition level with all-time high revenues, despite challenges relating to the supply market for components:

- Revenues came in at NOK 1 167.5 million, an increase of 48 per cent from 2021.
- Profitability improved driven by the higher revenue base and operational leverage, despite broad and elevated inflation. The EBITDA margin was 20 per cent in 2022, up from 18 per cent in 2021.
- Net profit increased to NOK 106.7 million compared to NOK 47.9 million in 2021 (diluted earnings per share of NOK 1.82 and NOK 0.83, respectively).
- A dividend of NOK 0.70 per share was proposed by the board, up from NOK 0.30 per share paid in 2021.
- The total shareholder return was negative 7 per cent. This compares to a 30 – 40 per cent decline in technology indices internationally and in Norway as increasing interest rates, inflation and uncertainty on the economic outlook impacted share prices negatively.

All three business segments delivered revenue growth in 2022. Segment Oceans grew 17 per cent on strong sonar sales across multiple geographies and the entry into the security market. Segment Connectivity reported the highest growth rate, with revenues more than doubling from 2021. This was primarily driven by strong demand for on-board units and full-year effect of the iData acquisition. Segment PIR reported 57 per cent revenue growth. Adjusting for reimbursement of extraordinary material costs, the growth rate was 39 per cent. Growth was strong both within contract manufacturing, as well as R&D products and services.

The EBITDA margin increased to 20 per cent from 18 per cent in 2021. Segment Connectivity and PIR reported an increase in the EBITDA margin to 25 and 10 per cent, respectively, driven by the strong revenue growth and operational leverage. Segment Oceans reported an EBITDA margin of 33 per cent, a slight decrease from 35 per cent in 2021.

During the year, NORBIT refinanced several of its debt facilities, raising approximately NOK 350 million in debt capital and established a non-recourse factoring facility. This secures a strong liquidity buffer and a solid financial platform for continued growth. Available liquidity under the credit facilities was NOK 439.4 million at 31 December 2022.

At the end of the year, NORBIT communicated the target to deliver revenues in excess of NOK 1.4 billion in 2023, with margins set to improve versus 2022. The ambition is to deliver revenues in excess of NOK 1.5 billion and an EBITDA margin above 25 per cent in 2024. In addition, NORBIT is continuing to pursue value-accretive acquisitions to accelerate growth further.

2. REMUNERATION TO THE BOARD OF DIRECTORS

2.1 Board composition

Up and until the annual general meeting 4 May 2022, the board consisted of Finn Haugan (chair), Bente Avnung Landsnes (deputy chair), Trond Tuvstein, Marit Collin and Tom Solberg. At the annual general meeting, Marit Collin and Tom Solberg were replaced by Magnus Reitan and Christina Hallin

as new members of the board. Tom Solberg was elected deputy board member.

2.2 Remuneration composition and framework

The board's remuneration is determined by the general meeting after receiving proposal from the nomination committee. The remuneration comprises of fixed payment for board membership and work in sub-committees. In addition, the board members are reimbursed for travel expenses. The Company is responsible for payment of social security taxes, as well as costs for Directors' and officer's liability insurance.

Remuneration to the board members is not performance-related nor includes share option elements. The board does not participate in incentive programs available to employees in the Group or any other share-based incentive schemes.

The table below presents the fees to the board of directors as determined by the general meeting for the work performed for each term. Fees are payable in arrear in June following each term.

Table 1: Board fees to the board of directors for the 2022/23 and 2021/22 terms

Amounts in NOK thousand		Board	Audit committee	Remuneration committee ¹⁾	Total remuneration
Finn Haugan	2022/23	525	-	20	545
Chair	2021/22	525	-	15	540
Bente Avnung Landsnes	2022/23	325	50	20	395
Deputy chair	2021/22	325	50	-	375
Trond Tuvstein	2022/23	175	75	-	250
Board member	2021/22	175	75	-	250
Magnus Reitan	2022/23	175	-	20	195
Board member	2021/22	-	-	-	-
Christina Hallin	2022/23	175	-	-	175
Board member	2021/22	-	-	-	-
Tom Solberg¹⁾	2022/23	127	-	-	127
Board member / deputy board member	2021/22	175	-	15	190
Marit Collin	2022/23	-	-	-	-
Board member	2021/22	175	-	15	190

¹⁾ Remuneration per meeting estimated for 2022/23 term for remaining period

2.3 Shareholding

The following number of shares is owned by the board members (including related parties) as of 31 December 2022.

Table 2: Shareholding by the board of directors

	Shares subject to lock-up	Shares not subject to lock-up	Total shares at year-end	Percentage of total shares
Board of directors				
Finn Haugan (direct and through MIFI AS)	-	93 998	93 998	0.16%
Bente Avnung Landsnes	-	69 473	69 473	0.12%
Trond Tuvstein (through TTU Invest AS)	-	32 894	32 894	0.06%
Magnus Reitan (through Reitan Kapital AS)	-	5 829 083	5 829 083	9.90%
Christina Hallin	-	-	-	0.00%
Tom Solberg (through Mariteam AS)	-	65 789	65 789	0.11%
Total shares held by the board of directors	-	6 091 237	6 091 237	10.34%

3. REMUNERATION TO THE DIRECTORS

3.1 Director composition

The Company considers the CEO, CFO and other members of the corporate management team to be covered by the term Director under the Companies Act. As of the date of this Report, the following persons are considered Directors:

- Per Jørgen Weisethaunet, group CEO
- Per Kristian Reppe, group CFO
- Arild Søraunet, group CTO
- Stein Martin Beyer, group COO and business unit director PIR
- Peter Koldgaard Eriksen, business unit director Oceans
- Julie Dahl Benum, director of strategy and ESG

In November 2022, Peter Tschulik, prior business unit director Connectivity, decided to leave his position. Julie Dahl Benum was employed as director of strategy and ESG late December 2022. There were no other changes to the corporate management team in 2022.

3.2 Remuneration composition and framework

The remuneration principles and compensation elements are described in the Guidelines. They consist of a (i) fixed base salary, (ii) non-financial benefits ("fringe benefits"), (iii) pension benefits, (iv) participation in share purchase programs open to all employees, (v) cash-based incentive performance program, and (vi) long-term equity-settled incentive performance program. The cash-based and long-term equity-settled incentive programs are considered variable pay for the purpose of this report.

Directors do not receive remuneration for directorships in group companies.

Table 3 below contains an overview of the total remuneration which the Directors have received and been awarded from the Company and other companies within the Group in 2022 and 2021. Fixed remuneration is reported as paid, while variable remuneration is reported as awarded, corresponding to the performance in the reporting year in accordance with the performance criteria further outlined in section 4 of this report.

Table 3: Remuneration of Directors for the reported financial year from the Group

Amounts in NOK million		Fixed remuneration ¹⁾			One-year variable remuneration ²⁾				Total remuneration	Proportion of fixed remuneration
		Base salary	Fees	Other benefits	Cash-based	Share-based ³⁾	Extra-ordinary items	Pension expense		
Per Jørgen Weisethaunet Group CEO	2022	3.1	-	0.0	0.3	0.8	-	0.1	4.4	74%
	2021	3.0	-	0.0	0.5	1.3	-	0.1	4.9	64%
Per Kristian Reppe Group CFO	2022	2.3	-	0.0	0.2	0.6	-	0.1	3.2	74%
	2021	2.0	-	0.1	0.5	0.9	-	0.1	3.5	60%
Arild Søraunet Group CTO	2022	1.8	-	0.0	0.2	0.5	-	0.1	2.6	74%
	2021	1.7	-	0.0	0.3	0.7	-	0.1	2.8	64%
Peter Koldgaard Eriksen Business unit director Oceans ⁴⁾	2022	3.4	-	0.1	0.4	0.9	-	0.1	4.9	74%
	2021	3.1	-	0.1	1.1	1.3	-	0.1	5.7	57%
Peter Tschulik Business unit director Connectivity ⁵⁾	2022	1.8	-	0.2	-	-	-	0.0	2.0	100%
	2021	1.8	-	-	0.3	0.7	-	0.0	2.8	64%
Stein Martin Beyer Business unit director PIR and group COO	2022	2.0	-	0.1	0.2	0.5	-	0.1	3.0	75%
	2021	2.0	-	0.0	0.4	0.9	-	0.1	3.4	64%

1) Salaries as expensed, excluding social security taxes.

2) As awarded.

3) Remuneration reclassified in 2021. Due to the vesting schedule, the remuneration awarded does not correspond to what has been provided for in the reporting year financial statements.

4) Remuneration in USD, translated to NOK using the average exchange rate for the year.

5) Remuneration in EUR, translated to NOK using the average exchange rate for the year. For 2022, salary up and until end of November 2022. Other benefits include severance pay.

3.3 Cash-based variable remuneration

Cash-based variable remuneration is based on fulfilment of the key performance criteria in the reporting year. Further details may be found in section 4 of this report.

Table 4: Cash-based remuneration of Directors for performance in 2022 and 2021

Amounts in NOK million		Incentive program	Other bonus	Total cash remuneration ¹⁾
Per Jørgen Weisethaunet Group CEO	2022	0.3	0.0	0.3
	2021	0.5	0.0	0.5
Per Kristian Reppe Group CFO	2022	0.2	0.0	0.2
	2021	0.3	0.2	0.5
Arild Søraunet Group CTO	2022	0.2	0.0	0.2
	2021	0.3	0.0	0.3
Peter Koldgaard Eriksen Business unit director Oceans ²⁾	2022	0.4	0.0	0.4
	2021	0.5	0.6	1.1
Peter Tschulik Prior business unit director Connectivity ³⁾	2022	0.0	0.0	0.0
	2021	0.3	0.0	0.3
Stein Martin Beyer Business unit director PIR and Group COO	2022	0.2	0.0	0.2
	2021	0.4	0.0	0.4
Total	2022	1.4	0.0	1.4
	2021	2.3	0.8	3.1

1) Remuneration excluding social security taxes

2) Remuneration in USD, translated to NOK

3) Remuneration in EUR, translated to NOK

In 2021, CFO Per Kristian Reppe and business unit director Oceans, Peter Koldgaard Eriksen, were paid discretionary bonuses of NOK 0.2 million and NOK 0.6 million outside the incentive performance program. There were no discretionary cash bonuses in 2022.

3.4 Share-based remuneration

At the general meeting held 4 May 2021, the board of directors was granted an authorisation to increase NORBIT ASA's share capital by up to 2.0 per cent of the share capital to be used to issue shares to the Group's employees in connection with incentive programs. The authorisation is valid until the annual general meeting 2022 to be held 4 May 2023. In June 2022, the board of directors approved and implemented an incentive share purchase programs for all eligible employees in NORBIT for the fiscal year 2022, which also included the Directors. Three out of six Directors participated in the incentive programs on the same terms as other employees.

NORBIT has a long-term equity-settled incentive performance program for its Directors. The program is structured as an award of restricted share units ("RSUs") which grants the Directors a right to receive shares in NORBIT ASA free of charge. The number of RSUs awarded

each year is based on the performance criteria, further detailed in section 4. One RSU granted gives a contingent entitlement to one NORBIT ASA share. When calculating the number of RSUs each Director receives, the Company applies the average of the last five trading days volume-weighted average share price in the accruing year. The RSUs are exercised based on a vesting plan, where 1/3 of the RSUs vest at the general meeting following the reporting year, 1/3 is released the year after the date of the general meeting and the remaining 1/3 vest two years after the general meeting. After the vesting period lapses, the RSUs are converted into ordinary shares in NORBIT ASA.

In connection with the annual general meeting's approval of the board of directors' report on salary and other remuneration for leading personnel for 2021 and in accordance with the performance criteria, the board of directors resolved to award a total of 183 395 restricted share units to the Directors based on the financial year 2021. One third of the RSUs awarded was exercised subsequent to the general meeting's approval, while 1/3 will vest at the time of the annual general meeting in 2023 and the last third at the time of the annual general meeting in 2024. The table below provides an overview of share-remuneration awarded for the financial year 2021 and the market value of the RSUs at grant date.

Table 5: Overview of the RSU plans granted

Director	Plan	Performance period	Grant date	Vesting date	Opening balance 1 January 2022	Granted	Released	Cancelled	Closing balance 31 December 2022	NOK	NOK million
										Market price at grant date	Market value at grant date
Per Jørgen Weisethaunet Group CEO	2021-plan	01.01.2021 - 31.12.2021	19.05.2022	19.05.2022	0	13 356	(13 356)	0	0	27.00	0.4
	2021-plan	01.01.2021 - 31.12.2021	19.05.2022	19.05.2023	0	13 357		0	13 357	27.00	0.4
	2021-plan	01.01.2021 - 31.12.2021	19.05.2022	19.05.2024	0	13 357		0	13 357	27.00	0.4
Per Kristian Reppe Group CFO	2021-plan	01.01.2021 - 31.12.2021	19.05.2022	19.05.2022	0	9 052	(9 052)	0	0	27.00	0.2
	2021-plan	01.01.2021 - 31.12.2021	19.05.2022	19.05.2023	0	9 053		0	9 053	27.00	0.2
	2021-plan	01.01.2021 - 31.12.2021	19.05.2022	19.05.2024	0	9 053		0	9 053	27.00	0.2
Arild Søraunet Group CTO	2021-plan	01.01.2021 - 31.12.2021	19.05.2022	19.05.2022	0	7 669	(7 669)	0	0	27.00	0.2
	2021-plan	01.01.2021 - 31.12.2021	19.05.2022	19.05.2023	0	7 670		0	7 670	27.00	0.2
	2021-plan	01.01.2021 - 31.12.2021	19.05.2022	19.05.2024	0	7 670		0	7 670	27.00	0.2
Peter Koldgaard Eriksen Business unit director Oceans	2021-plan	01.01.2021 - 31.12.2021	19.05.2022	19.05.2022	0	14 112	(14 112)	0	0	27.00	0.4
	2021-plan	01.01.2021 - 31.12.2021	19.05.2022	19.05.2023	0	14 113		0	14 113	27.00	0.4
	2021-plan	01.01.2021 - 31.12.2021	19.05.2022	19.05.2024	0	14 113		0	14 113	27.00	0.4
Peter Tschulik Business unit director Connectivity (prior)	2021-plan	01.01.2021 - 31.12.2021	19.05.2022	19.05.2022	0	7 713	(7 713)	0	0	27.00	0.2
	2021-plan	01.01.2021 - 31.12.2021	19.05.2022	19.05.2023	0	7 713		(7 713)	0	27.00	0.2
	2021-plan	01.01.2021 - 31.12.2021	19.05.2022	19.05.2024	0	7 713		(7 713)	0	27.00	0.2
Stein Martin Beyer Business unit director PIR and group COO"	2021-plan	01.01.2021 - 31.12.2021	19.05.2022	19.05.2022	0	9 227	(9 227)	0	0	27.00	0.2
	2021-plan	01.01.2021 - 31.12.2021	19.05.2022	19.05.2023	0	9 228		0	9 228	27.00	0.2
	2021-plan	01.01.2021 - 31.12.2021	19.05.2022	19.05.2024	0	9 228		0	9 228	27.00	0.2

Share-based remuneration for performance in 2022 under the equity-settled performance incentive program is based on fulfilment of the key performance criteria in the reporting year. The table below specifies the share-based

remuneration based on the performance criteria and the number of RSUs to be granted in May. Further details may be found in section 4 of this report.

Table 6: Share-based remuneration of Directors for performance in 2022 and 2021

Amounts in NOK million		Total remuneration ¹⁾	RSUs awarded
Per Jørgen Weisethaunet Group CEO	2022	0.8	28 535
	2021	1.3	40 069
Per Kristian Reppe Group CFO	2022	0.6	20 838
	2021	0.9	27 158
Arild Søraunet Group CTO	2022	0.5	16 541
	2021	0.7	23 009
Peter Koldgaard Eriksen Business unit director Oceans	2022	0.9	31 982
	2021	1.3	42 338
Peter Tschulik Business unit director Connectivity (prior)	2022	0.0	0
	2021	0.7	23 139
Stein Martin Beyer Business unit director PIR and Group COO	2022	0.5	18 768
	2021	0.9	27 682
Total	2022	3.4	116 664
	2021	5.8	183 395

1) Remuneration excluding social security taxes.

4. COMPLIANCE WITH THE GUIDELINES

4.1 Criteria framework

NORBIT's ambition is to deliver organic revenues of NOK 1.5 billion and an EBITDA margin above 25 percent in 2024. The revenue ambition implies an annual compounded growth rate of 25 per cent from 2020. In connection with the announced targets, the board of directors determined specific performance criteria for the cash-based and equity-settled incentive performance programs, reflecting the following financial ambitions:

- The Group delivering annual organic revenue growth between 15 and 25 per cent. This criterion is weighted 25 per cent.
 - Growth above 25 per cent implies full payout under the criteria, while growth below 15 per cent implies no payout. Linear adjustment is made between 15 and 25 per cent growth.
 - Acquisitions, mergers or divestments are adjusted for on yearly basis
- The Group delivering annual organic reported EBITDA margin between 20 and 25 per cent. This criterion is weighted 25 per cent.
 - A margin above 25 per cent implies full payout under the criteria, while a margin below 20 per cent would imply no payout. Linear adjustment is made between 20 and 25 per cent.

– Direct transaction expenses for completed acquisitions, mergers or divestments are to be adjusted for on yearly basis

- The Company delivering a total shareholder return (share price return plus dividend paid) of more than 25 per cent in a calendar year. This criterion is weighted 25 per cent.
- For variable cash salary: Determined at the board of directors' discretion based on individual performance.

For the long-term incentive program: Determined at the discretion of the board of directors based on the board's overall assessment of the Group's and management's performance. This criterion is weighted 25 per cent.

The four criteria are equal for all Directors, except for the discretionary award under the cash-based incentive program. Under criterion 4, the targets for discretionary award for the CEO are set by the board of directors. The targets for the other executive personnel are set by the CEO.

No compensation is payable under any criteria if NORBIT ASA's total shareholder return is less than 15 per cent in the calendar year.

4.2 Information on how the remuneration complies with the Guidelines

Cash-based incentive performance program

In relation to the variable cash-based incentive performance program, the actual performance for the year, as well as the resulting score is presented in the table below.

The cash-based incentive performance program is capped at 40 per cent of the annual fixed base salary. Hence, if the score is 100 per cent on all four criteria, the compensation is equal to 40 per cent of the annual fixed salary in the accruing year.

Table 7: Performance of Directors in the reported financial year – cash-based incentive performance program

Description of the performance criteria	Relative weighting of performance criteria	Information on performance targets		
		a) Minimum target/threshold b) Corresponding award	a) Maximum target/ threshold b) Corresponding award	a) Measured performance and b) Actual award outcome
Organic revenue growth	25%	a) 15% growth b) 0 bonus	a) 25% growth b) 10% bonus	a) 40.2% growth b) 10% bonus
Organic reported EBITDA margin	25%	a) 20% EBITDA margin b) 0 bonus	a) 25% EBITDA margin b) 10% bonus	a) 20.4% EBITDA margin b) 0.8% bonus
Total shareholder return	25%	a) 25% total shareholder return b) 10% bonus	a) n.a. b) n.a.	a) -7% total shareholder return b) 0% bonus
Discretionary award	25%	The targets for discretionary award for the CEO are set by the board of directors. The targets for the other executive personnel are set by the CEO.		a) n.a. b) 0% bonus

The Directors were awarded the following variable pay under the cash-based incentive performance program for the financial year 2022, to be paid in 2023:

Table 8: Remuneration to the Directors under the cash-based incentive performance program

Amounts in NOK million		Organic revenue growth	EBITDA margin	Total shareholder return	Discretionary award	Total remuneration ¹⁾
Per Jørgen Weisethaunet	2022	0.3	0.0	0.0	0.0	0.3
Group CEO	2021	0.2	0.0	0.3	0.0	0.5
Per Kristian Reppe	2022	0.2	0.0	0.0	0.0	0.2
Group CFO	2021	0.1	0.0	0.2	0.0	0.3
Arild Søråunet	2022	0.2	0.0	0.0	0.0	0.2
Group CTO	2021	0.1	0.0	0.2	0.0	0.3
Peter Koldgaard Eriksen	2022	0.3	0.0	0.0	0.0	0.4
Business unit director Oceans ²⁾	2021	0.2	0.0	0.3	0.0	0.5
Peter Tschulik	2022	0.0	0.0	0.0	0.0	0.0
Prior business unit director Connectivity ³⁾	2021	0.1	0.0	0.2	0.0	0.3
Stein Martin Beyer	2022	0.2	0.0	0.0	0.0	0.2
Business unit director PIR and Group COO	2021	0.1	0.0	0.2	0.0	0.4
Total	2022	1.3	0.1	0.0	0.0	1.4
	2021	1.0	0.0	1.4	0.0	2.3

- 1) Remuneration excluding social security taxes
2) Remuneration in USD, translated to NOK
3) Remuneration in EUR, translated to NOK

Long-term equity settled incentive performance program

In relation to the long-term equity settled incentive performance program, the actual performance for the year, as well as the resulting score is presented in the table below.

Remuneration under the program is capped at 100 per cent of the annual fixed base salary. Hence, if the score is 100 per cent on all four criteria, the compensation is equal to 100 per cent of the annual fixed salary in the accruing year.

Table 9: Performance of Directors in the reported financial year – long-term equity settled incentive performance program

Description of the performance criteria	Relative weighting of performance criteria	Information on performance targets		
		a) Minimum target/threshold b) Corresponding award	a) Maximum target/ threshold b) Corresponding award	a) Measured performance and b) Actual award outcome
Organic revenue growth	25%	a) 15% growth b) 0 bonus	a) 25% growth b) 25% bonus	a) 40.2% growth b) 25.0% bonus
Organic reported EBITDA margin	25%	a) 20% EBITDA margin b) 0 bonus	a) 25% EBITDA margin b) 25% bonus	a) 20.4% EBITDA margin b) 2.0% bonus
Total shareholder return	25%	a) 25% total shareholder return b) 25% bonus	a) n.a. b) n.a.	a) -7% total shareholder return b) 0% bonus
Discretionary award	25%	The targets for discretionary award determined by the board of directors based on an overall assessment of the Group and executive management performance		a) n.a. b) 0% bonus

The Directors were awarded the following variable pay under the long-term equity settled incentive performance program for the financial year 2022.

Table 10: Remuneration to the Directors under the long-term equity settled incentive performance program

Amounts in NOK million		Organic revenue growth	EBITDA margin	Total shareholder return	Discretionary award	Total remuneration ¹⁾	RSUs awarded
Per Jørgen Weisethaunet	2022	0.8	0.1	0.0	0.0	0.8	28 535
Group CEO	2021	0.5	0.0	0.8	0.0	1.3	40 069
Per Kristian Reppe	2022	0.6	0.0	0.0	0.0	0.6	20 838
Group CFO	2021	0.4	0.0	0.5	0.0	0.9	27 158
Arild Søråunet	2022	0.4	0.0	0.0	0.0	0.5	16 541
Group CTO	2021	0.3	0.0	0.4	0.0	0.7	23 009
Peter Koldgaard Eriksen	2022	0.9	0.1	0.0	0.0	0.9	31 982
Business unit director Oceans ²⁾	2021	0.5	0.0	0.8	0.0	1.3	42 338
Peter Tschulik	2022	0.0	0.0	0.0	0.0	0.0	0
Prior business unit director Connectivity ³⁾	2021	0.3	0.0	0.4	0.0	0.7	23 139
Stein Martin Beyer	2022	0.5	0.0	0.0	0.0	0.5	18 768
Business unit director PIR and group COO	2021	0.4	0.0	0.5	0.0	0.9	27 682
Total	2022	3.1	0.3	0.0	0.0	3.4	116 664
	2021	2.4	0.0	3.4	0.0	5.8	183 395

1) As awarded. Remuneration excluding social security taxes. Remuneration for 2021 performance has been reclassified into 2021 for correct comparison (not part of last year's report as remuneration was subject to general meeting approval).

2) Remuneration in USD, translated to NOK.

3) Remuneration in EUR, translated to NOK.

Other remuneration

Other remuneration as specified in section 3.2 was in compliance with the Guidelines.

4.3 Derogations from the Guidelines

Under the Guidelines, no compensation is payable under any criteria if NORBIT ASA's total shareholder return is less than 15 per cent in the calendar year. In 2022, the total shareholder return was negative 7 per cent.

In the performance year, NORBIT delivered all-time high revenues by growing nearly 50 per cent, margins improved from 2021 and earnings per share more than doubled. As such, the share price development did not mirror the strong financial and operational performance for the year. This was largely due to increased uncertainty with regards to the general economic outlook, rising interest rates and inflation, particularly impacting technology growth stocks. Most technology indices fell by more than 30 per cent in 2022.

It is in the board of directors' opinion that variable remuneration should reflect actual performance, measured through the Group's operational and financial development, among others. To that end, remuneration shall be fair and reasonable, ensuring that NORBIT remains an attractive and competitive employer, securing the Company's long-term interests.

With reference to the above, the board of directors has resolved to derogate from the Guidelines for the binary total shareholder return criterion and remunerate the Directors in accordance with the other performance criteria as described further in section 4.2.

The board of directors has proposed amending the Guidelines for 2023 by retaining total shareholder return as one of the performance criteria, while removing it as a sole overriding binary criterion in favour of a more balanced approach that considers all the performance criteria.

4.4 Use of the right to reclaim variable remuneration

According to the Guidelines, if notice of termination of employment is given or received during the vesting period of the long-term equity settled incentive performance program, the RSUs shall become void and lapse without any compensation.

Furthermore, the Directors are not entitled to remuneration under the cash-based incentive performance program if termination is given or received in the accruing year.

The Company can demand refunded any RSUs, ordinary shares or payment of cash that the senior executive received, but was not eligible to receive at the date of receipt.

In 2022, Peter Tschulik, prior business unit director of Connectivity, decided to leave his position. In accordance with the agreement and the malus provision, the Company utilised its right to reclaim variable remuneration awarded May 2022 under the long-term equity settled incentive performance program for the financial performance in 2021 (the relevant year). In total, this comprised 15 426 RSUs, equivalent to approximately NOK 0.4 million based on the share price at the award date.

5. COMPARATIVE INFORMATION ON THE CHANGE OF REMUNERATION AND GROUP PERFORMANCE

Table 11 below contains information on the annual change of remuneration for each Director, the average remuneration on a full-time equivalent basis of employees of the Norwegian companies in the Group other than the Directors, as well as the performance of the Group over the last five financial years.

Table 11: Comparative information on the change of remuneration and group performance

Annual change	2022	2021	2020	2019	2018
Director's remuneration¹⁾					
Per Jørgen Weisethaunet Group CEO	(10.3%)	72.3%	(66.9%)	276.0%	4.9%
Per Kristian Reppe ²⁾ Group CFO (from Jun-20)	(8.0%)	59.6%	-	-	-
Stian Lønvik ²⁾ Prior group CFO (until Jun-20)	-	-	(55.5%)	212.9%	12.2%
Arild Søraunet Group CTO	(8.4%)	105.7%	(68.4%)	246.6%	7.3%
Peter Koldgaard Eriksen ³⁾ Business unit director Oceans	(13.7%)	29.1%	(6.7%)	112.7%	16.5%
Peter Tschulik ⁴⁾ Business unit director Connectivity (until Nov-22)	(23.2%)	55.0%	16.5%	16.3%	3.3%
Stein Martin Beyer Business unit director PIR and group COO	(11.5%)	62.5%	(40.6%)	98.9%	12.2%
Company performance					
Revenue growth Annual percentage change	48.2%	27.3%	(7.4%)	52.4%	25.2%
EBITDA margin Per cent of revenues	20.2%	18.1%	15.1%	22.4%	17.1%
Total shareholder return Per cent in calendar year ⁵⁾	(7.0%)	75.6%	(7.0%)	5.3%	-
Average remuneration on a full-time equivalent basis of employees					
Employees of the Norwegian companies ⁶⁾	8.8%	6.3%	(5.2%)	(2.8%)	12.2%

1) Total remuneration paid and awarded excluding social security taxes. 2021 numbers restated for comparison.

2) Annulised in 2020.

3) Remuneration converted from USD to NOK using average exchange rate for the year.

4) Remuneration converted from EUR to NOK using average exchange rate for the year. Annualised in 2022.

5) 2019 total shareholder return from initial public offering.

6) Remuneration including pension costs and other benefits, but excluding social security taxes.

Trondheim, Norway, 29 March 2023

The board of directors
NORBIT ASA

Finn Haugan
Chair of the board

Bente Avnung Landsnes
Deputy chair of the board

Christina Hallin
Director

Trond Tuvstein
Director

Magnus Reitan
Director



To the General Meeting of NORBIT 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 NORBIT ASA report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2022 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

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



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.

Trondheim, 29 March 2023
PricewaterhouseCoopers

Kjetil Smørdal
State Authorised Public Accountant
(electronically signed)

Dokument

Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Smørdal, Kjetil	BANKID_MOBILE	2023-03-29 21:26



This document package contains:
- Closing page (this page)
- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.



NORBIT

- explore more -

NORBIT ASA
Stiklestadveien 1
NO-7041 Trondheim
Norway
T: +47 73 98 25 50
www.norbit.com