



NORBIT
- explore more -

**THE BOARD OF DIRECTORS' REPORT ON SALARY AND OTHER
REMUNERATION FOR LEADING PERSONNEL FOR 2023**

THE BOARD OF DIRECTORS' REPORT ON SALARY AND OTHER REMUNERATION FOR LEADING PERSONNEL FOR 2023

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 2023 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 6 May 2023 (the "Guidelines").

1.2 Overview of the year

In 2023, NORBIT ASA delivered another record year supported by strong operational performance across the three business segments. As a result of the progress, NORBIT was able to reach its ambition for 2024 one year ahead of schedule:

- ▼ Revenues came in at NOK 1 518.9 million, an increase of 30 per cent from 2022.
- ▼ Profitability improved driven by the higher revenue base and operational leverage. The EBITDA margin was 26 per cent in 2023, up from 20 per cent in 2022.
- ▼ Net profit increased to NOK 185.3 million compared to NOK 106.7 million in 2022 (diluted earnings per share of NOK 3.10 and NOK 1.82, respectively).

- ▼ A dividend of NOK 2.55 per share was proposed by the board, up from NOK 0.70 per share paid in 2022.
- ▼ The total shareholder return (share price and dividends paid) was 100 per cent. This compares to an increase of 10 per cent for the Oslo Stock Exchange benchmark index (OSEBX), a 22 per cent increase in OSEBX Technology and a 50 – 60 per cent increase on selected international technology indices.

All three business segments delivered underlying revenue growth in 2023. Segment Oceans grew 35 per cent on strong sonar sales across multiple geographies with particularly Europe showing strong growth. Segment Connectivity reported the highest growth rate, with revenue growth of 75 per cent from 2022. All verticals showed growth in 2023, with the strongest development being sale of On-Board Units. Segment PIR reported underlying revenue growth of 16 per cent which was driven by higher activity in contract manufacturing, particularly towards industrial clients.

The EBITDA margin increased to 26 per cent from 20 per cent in 2022. All segments delivered higher margins in 2023 versus 2022. Segment Connectivity and PIR reported an increase in the EBITDA margin to 34 and 13 per cent, respectively, while segment Oceans reported an EBITDA margin of 35 per cent, up from 33 per cent in 2022.

During the year, NORBIT continued to strengthen the balance sheet and financial position. At the end of the year, the Net-Interest Bearing Borrowings to EBITDA ratio was 0.5x, below the long-term

financial target of 1.0 – 2.5x over the cycle. At the same date, available liquidity under the credit facilities was NOK 530.0 million. This secures a strong liquidity buffer and a solid financial platform for continued growth.

In February 2024, NORBIT communicated the ambition plan to deliver organic revenues in excess of NOK 2.75 billion in 2027 with an EBIT margin of 20 per cent and a return on capital employed target of 30 per cent. 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 2023, the board consisted of Finn Haugan (chair), Bente Avnung Landsnes (deputy chair), Trond Tuvstein, Magnus Reitan and Christina Hallin. Tom Solberg is a deputy director. At the annual general meeting 2023, all directors up for election were re-elected.

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 directorship and work in sub-committees. In addition, the directors 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 directors is not performance-related nor included share option elements. The board does not participate in incentive programmes 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 2023/24 and 2022/23 terms

Amounts in NOK thousand		Board	Audit committee	Remuneration committee ¹⁾	Total remuneration
Finn Haugan	2023/24	575	-	18	593
Chair	2022/23	525	-	20	545
Bente Avnung Landsnes	2023/24	375	75	18	468
Deputy chair	2022/23	325	50	20	395
Trond Tuvstein	2023/24	225	100	-	325
Director	2022/23	175	75	-	250
Magnus Reitan	2023/24	225	-	18	243
Director	2022/23	175	-	20	195
Christina Hallin	2023/24	225	-	-	225
Director	2022/23	175	-	-	175
Tom Solberg¹⁾	2023/24	108	-	-	108
Deputy director	2022/23	92	-	-	92

1) Remuneration per meeting estimated for 2023/24 term for remaining period.

2.3 Shareholding

The following number of shares is owned by the board members (including related parties) at 31 December 2023.

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	0.05%
Magnus Reitan (through Reitan Kapital AS)	-	5 829 083	5 829 083	9.71%
Christina Hallin	-	-	-	0.00%
Tom Solberg (through Mariteam AS)	-	46 052	46 052	0.08%
Total shares held by the board of directors	-	6 071 500	6 071 500	10.12%

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
- ▼ Julie Dahl Benum, Director of Strategy and ESG
- ▼ Arild Søråunet, Group CTO
- ▼ Stein Martin Beyer, Group COO
- ▼ Peter Koldgaard Eriksen, Business Unit Director Oceans

There were no changes to the corporate management team in 2023.

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 programmes open to all employees, (v) cash-based incentive performance programme, and (vi) long-term equity-settled incentive performance programme. The cash-based and long-term equity-settled incentive programmes 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 awarded from the company and other companies within the group in 2023 and 2022. 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⁾			Pension expense	Total remuneration	Proportion of fixed remuneration
		Base salary	Fees	Other benefits	Cash-based	Share-based ³⁾	Extraordinary items / other bonus ⁴⁾			
Per Jørgen Weisethaunet	2023	3.3	-	0.0	1.3	3.3	-	0.1	8.1	43%
Group CEO	2022	3.1	-	0.0	0.3	0.8	-	0.1	4.4	74%
Per Kristian Reppe	2023	2.5	-	0.0	1.0	2.5	0.5	0.1	6.7	43%
Group CFO	2022	2.3	-	0.0	0.2	0.6	-	0.1	3.2	74%
Arild Søråunet	2023	1.8	-	0.0	0.7	1.8	-	0.1	4.5	44%
Group CTO	2022	1.8	-	0.0	0.2	0.5	-	0.1	2.6	74%
Peter Koldgaard Eriksen	2023	3.9	-	0.0	1.6	3.9	0.6	0.1	10.1	43%
Business Unit Director Oceans ⁵⁾	2022	3.4	-	0.1	0.4	0.9	-	0.1	4.9	74%
Julie Dahl Benum	2023	1.4	-	0.0	0.6	1.6	-	0.1	3.7	41%
Director of Strategy and ESG	2022	-	-	-	-	-	-	0.0	-	n.a
Stein Martin Beyer	2023	2.1	-	0.1	0.9	2.2	-	0.1	5.4	44%
Group COO	2022	2.0	-	0.1	0.2	0.5	-	0.1	3.0	75%
Peter Tschulik	2023	-	-	1.9	-	-	-	-	1.9	100%
Business Unit Director Connectivity (prior) ⁶⁾	2022	1.8	-	0.2	-	-	-	-	2.0	100%
Total	2023	15.1	-	2.0	6.1	15.2	1.1	0.6	40.2	44%
	2022	14.5	-	0.4	1.4	3.4	0.0	0.6	20.2	76%

1) Salaries as expensed, excluding social security taxes.

2) As awarded for the performance year.

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

4) Other bonus for 2023 includes matching shares received for participating in the employee share incentive program 2021.

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

6) 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 2023 and 2022

<i>Amounts in NOK million</i>		Incentive programme	Other bonus	Total cash remuneration¹⁾
Per Jørgen Weisethaunet	2023	1.3	0.0	1.3
Group CEO	2022	0.3	0.0	0.3
Per Kristian Reppe	2023	1.0	0.0	1.0
Group CFO	2022	0.2	0.0	0.2
Arild Søråunet	2023	0.7	0.0	0.7
Group CTO	2022	0.2	0.0	0.2
Peter Koldgaard Eriksen	2023	1.6	0.0	1.6
Business unit director Oceans ²⁾	2022	0.4	0.0	0.4
Julie Dahl Benum	2023	0.6	0.0	0.6
Director of Strategy and ESG	2022	0.0	0.0	0.0
Stein Martin Beyer	2023	0.9	0.0	0.9
Group COO	2022	0.2	0.0	0.2
Total	2023	6.1	0.0	6.1
	2022	1.4	0.0	1.4

1) Remuneration excluding social security taxes.

2) Remuneration in USD, translated to NOK.

There were no discretionary cash bonuses in 2022 and 2023.

3.4 Share-based remuneration

At the general meeting held 4 May 2023, 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 programmes. The authorisation is valid until the annual general meeting to be held 6 May 2024. In July 2023, the board of directors approved and implemented an incentive share purchase programmes for all eligible employees in NORBIT for the fiscal year 2023, which also included the directors. Three out of six directors participated in the incentive programmes on the same terms as other employees.

NORBIT has a long-term equity-settled incentive performance programme for its directors. The programme 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 2022 and in accordance with the performance criteria, the board of directors resolved to award a total of 116 664 restricted share units to the directors based on the financial year 2022. 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 2024 and the last third at the time of the annual general meeting in 2025. The table below provides an overview of share-remuneration awarded for the financial year 2022 and 2021 and the market value of the RSUs at grant date.

										NOK	NOK
										NOK	million
<i>Table 5: Overview of the RSU plans granted</i>											
Director	Plan	Performance period	Grant date	Vesting date	Opening balance	Granted	Released	Cancelled	Closing balance 31.12.2023	Market price at grant date	Market value at grant date
Per Jørgen Weisethaunet Group CEO	2022-plan	01.01.2022 - 31.12.2022	05.06.2023	05.06.2023	0	9 511	(9 511)	0	0	54.60	0.5
	2022-plan	01.01.2022 - 31.12.2022	05.06.2023	06.05.2024	0	9 512	0	0	9 512	54.60	0.5
	2022-plan	01.01.2022 - 31.12.2022	05.06.2023	06.05.2025	0	9 512	0	0	9 512	54.60	0.5
	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	05.06.2023	0	13 357	(13 357)	0	0	27.00	0.4
2021-plan	01.01.2021 - 31.12.2021	19.05.2022	06.05.2024	0	13 357	0	0	13 357	27.00	0.4	
Per Kristian Reppe Group CFO	2022-plan	01.01.2022 - 31.12.2022	05.06.2023	05.06.2023	0	6 946	(6 946)	0	0	54.60	0.4
	2022-plan	01.01.2022 - 31.12.2022	05.06.2023	06.05.2024	0	6 946	0	0	6 946	54.60	0.4
	2022-plan	01.01.2022 - 31.12.2022	05.06.2023	06.05.2025	0	6 946	0	0	6 946	54.60	0.4
	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	05.06.2023	0	9 053	(9 053)	0	0	27.00	0.2
2021-plan	01.01.2021 - 31.12.2021	19.05.2022	06.05.2024	0	9 053	0	0	9 053	27.00	0.2	
Arild Søråunet Group CTO	2022-plan	01.01.2022 - 31.12.2022	05.06.2023	05.06.2023	0	5 513	(5 513)	0	0	54.60	0.3
	2022-plan	01.01.2022 - 31.12.2022	05.06.2023	06.05.2024	0	5 514	0	0	5 514	54.60	0.3
	2022-plan	01.01.2022 - 31.12.2022	05.06.2023	06.05.2025	0	5 514	0	0	5 514	54.60	0.3
	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	05.06.2023	0	7 670	(7 670)	0	0	27.00	0.2
2021-plan	01.01.2021 - 31.12.2021	19.05.2022	06.05.2024	0	7 670	0	0	7 670	27.00	0.2	
Peter Koldgaard Eriksen Business unit director Oceans	2022-plan	01.01.2022 - 31.12.2022	05.06.2023	05.06.2023	0	10 660	(10 660)	0	0	54.60	0.6
	2022-plan	01.01.2022 - 31.12.2022	05.06.2023	06.05.2024	0	10 661	0	0	10 661	54.60	0.6
	2022-plan	01.01.2022 - 31.12.2022	05.06.2023	06.05.2025	0	10 661	0	0	10 661	54.60	0.6
	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	05.06.2023	0	14 113	(14 113)	0	0	27.00	0.4
2021-plan	01.01.2021 - 31.12.2021	19.05.2022	06.05.2024	0	14 113	0	0	14 113	27.00	0.4	
Stein Martin Beyer Group COO	2022-plan	01.01.2022 - 31.12.2022	05.06.2023	05.06.2023	0	6 256	(6 256)	0	0	54.60	0.3
	2022-plan	01.01.2022 - 31.12.2022	05.06.2023	06.05.2024	0	6 256	0	0	6 256	54.60	0.3
	2022-plan	01.01.2022 - 31.12.2022	05.06.2023	06.05.2025	0	6 256	0	0	6 256	54.60	0.3
	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	05.06.2023	0	9 228	(9 228)	0	0	27.00	0.2
2021-plan	01.01.2021 - 31.12.2021	19.05.2022	06.05.2024	0	9 228	0	0	9 228	27.00	0.2	
Peter Tschulik Business unit director Connectivity (prior)	2022-plan	01.01.2022 - 31.12.2022	05.06.2023	05.06.2023	0	0	0	0	0	54.60	0.0
	2022-plan	01.01.2022 - 31.12.2022	05.06.2023	06.05.2024	0	0	0	0	0	54.60	0.0
	2022-plan	01.01.2022 - 31.12.2022	05.06.2023	06.05.2025	0	0	0	0	0	54.60	0.0
	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	05.06.2023	0	7 713	0	(7 713)	0	27.00	0.2
2021-plan	01.01.2021 - 31.12.2021	19.05.2022	06.05.2024	0	7 713	0	(7 713)	0	27.00	0.2	

Share-based remuneration for performance in 2023 under the equity-settled performance incentive programme 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

directors determined specific performance criteria for the cash-based and equity-settled incentive performance programmes, reflecting the following financial ambitions:

based on the board's overall assessment of the group's and management's performance.

This criterion is weighted 25 per cent.

Table 6: Share-based remuneration of directors for performance in 2023 and 2022

Amounts in NOK million		Total remuneration ¹⁾	RSUs awarded
Per Jørgen Weisethaunet Group CEO	2023	3.3	58 830
	2022	0.8	28 535
Per Kristian Reppe Group CFO	2023	2.5	45 014
	2022	0.6	20 838
Arild Søråunet Group CTO	2023	1.8	32 149
	2022	0.5	16 541
Peter Koldgaard Eriksen Business unit director Oceans ²⁾	2023	3.9	69 090
	2022	0.9	31 982
Julie Dahl Benum Director of Strategy and ESG	2023	1.6	27 632
	2022	0.0	0
Stein Martin Beyer Group COO	2023	2.2	38 387
	2022	0.5	18 768
Total	2023	15.2	271 102
	2022	3.4	116 664

1) As awarded. Remuneration excluding social security taxes.

2) Remuneration in USD, translated to NOK.

In 2023, the group CFO and Business Unit Director Oceans received a share bonus of NOK 0.5 million and NOK 0.6 million respectively outside the equity-settled performance incentive program. The bonus is related to receipt of matching shares for participating in the incentive program in 2021 open to all eligible employees in the Group. Reference is made to note 26 in the annual report 2023.

4. COMPLIANCE WITH THE GUIDELINES

4.1 Criteria framework

NORBIT's has since 2021 had an ambition 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

- 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 EBITDA¹ 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 programme: Determined at the discretion of the board of directors

The four criteria are equal for all directors, except for the discretionary award under the cash-based incentive programme. 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.

4.2 4.2 Information on how the remuneration complies with the Guidelines

Cash-based incentive performance programme

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

The cash-based incentive performance programme 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.

1) Short for earnings before interest, tax, depreciation and amortisation. EBITDA corresponds to operating profit before depreciation and amortisation expenses, as reported in the consolidated statement of profit and loss.

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

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) 29.8% growth b) 10% bonus
Organic reported EBITDA margin	25%	a) 20% EBITDA margin b) 0 bonus	a) 25% EBITDA margin b) 10% bonus	a) 25.8% EBITDA margin b) 10% bonus
Total shareholder return	25%	a) 25% total shareholder return b) 10% bonus	a) n.a. b) n.a.	a) 100% total shareholder return b) 10% 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) 10% bonus

The directors were awarded the following variable pay under the cash-based incentive performance programme for the financial year 2023, to be paid in 2024:

Table 8: Remuneration to the directors under the cash-based incentive performance programme

<i>Amounts in NOK million</i>		Organic revenue growth	EBITDA margin	Total shareholder return	Discretionary award	Total remuneration¹⁾
Per Jørgen Weisethaunet	2023	0.3	0.3	0.3	0.3	1.3
Group CEO	2022	0.3	0.0	0.0	0.0	0.3
Per Kristian Reppe	2023	0.3	0.3	0.3	0.3	1.0
Group CFO	2022	0.2	0.0	0.0	0.0	0.2
Arild Søraunet	2023	0.2	0.2	0.2	0.2	0.7
Group CTO	2022	0.2	0.0	0.0	0.0	0.2
Peter Koldgaard Eriksen	2023	0.4	0.4	0.4	0.4	1.6
Business unit director Oceans ²⁾	2022	0.3	0.0	0.0	0.0	0.4
Julie Dahl Benum	2023	0.2	0.2	0.2	0.2	0.6
Director of Strategy and ESG	2022	0.0	0.0	0.0	0.0	0.0
Stein Martin Beyer	2023	0.2	0.2	0.2	0.2	0.9
Group COO	2022	0.2	0.0	0.0	0.0	0.2
Total	2023	1.5	1.5	1.5	1.5	6.1
	2022	1.3	0.1	0.0	0.0	1.4

1) Remuneration excluding social security taxes.

2) Remuneration in USD, translated to NOK.

Long-term equity settled incentive performance programme

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

Remuneration under the programme 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 programme

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) 29.8% 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) 25.8% EBITDA margin b) 25.0% bonus
Total shareholder return	25%	a) 25% total shareholder return b) 25% bonus	a) n.a b) n.a.	a) 100% total shareholder return b) 25% 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) 25% bonus

The directors were awarded the following variable pay under the long-term equity settled incentive performance programme for the financial year 2023 and 2022.

Table 10: Remuneration to the directors under the long-term equity settled incentive performance programme

Amounts in NOK million		Basis for calculations				Total remuneration ¹⁾	RSUs awarded
		Organic revenue growth	EBITDA margin	Total shareholder return	Discretionary award		
Per Jørgen Weisethaunet Group CEO	2023	0.8	0.8	0.8	0.8	3.3	58 830
	2022	0.8	0.1	0.0	0.0	0.8	28 535
Per Kristian Reppe Group CFO	2023	0.6	0.6	0.6	0.6	2.5	45 014
	2022	0.6	0.0	0.0	0.0	0.6	20 838
Arild Søråunet Group CTO	2023	0.5	0.5	0.5	0.5	1.8	32 149
	2022	0.4	0.0	0.0	0.0	0.5	16 541
Peter Koldgaard Eriksen Business unit director Oceans ²⁾	2023	1.0	1.0	1.0	1.0	3.9	69 090
	2022	0.9	0.1	0.0	0.0	0.9	31 982
Julie Dahl Benum Director of Strategy and ESG	2023	0.4	0.4	0.4	0.4	1.6	27 632
	2022	0.0	0.0	0.0	0.0	0.0	0
Stein Martin Beyer Group COO	2023	0.5	0.5	0.5	0.5	2.2	38 387
	2022	0.5	0.0	0.0	0.0	0.5	18 768
Total	2023	3.8	3.8	3.8	3.8	15.2	271 102
	2022	3.1	0.3	0.0	0.0	3.4	116 664

1) As awarded. Remuneration excluding social security taxes.

2) Remuneration in USD, 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

There were no derogations from the Guidelines in 2023.

The board of directors has proposed updating the Guidelines for 2024 with new criteria that reflect the ambition plan towards 2027 that NORBIT has presented. This includes targets related to realised organic growth, operating margin, pre-tax return

on capital employed, total shareholder return and a discretionary award by the board of directors. Please see the Guidelines presented to the annual general meeting for more information.

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 programme, the RSUs shall become void and lapse without any compensation.

Furthermore, the directors are not entitled to remuneration under the cash-based incentive performance programme 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.

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		2023	2022	2021	2020	2019
Director's remuneration ¹⁾						
Per Jørgen Weisethaunet	Group CEO	83.1%	(10.3%)	72.3%	(66.9%)	276.0%
Per Kristian Reppe ²⁾	Group CFO (from Jun-20)	90.9%	(8.0%)	59.6%	-	-
Arild Søråunet	Group CTO	72.7%	(8.4%)	105.7%	(68.4%)	246.6%
Peter Koldgaard Eriksen ³⁾	Business unit director Oceans	91.8%	(13.7%)	29.1%	(6.7%)	112.7%
Julie Dahl Benum	Director of Strategy and ESG	-	-	-	-	-
Stein Martin Beyer	Group COO	77.3%	(11.5%)	62.5%	(40.6%)	98.9%
Peter Tschulik ⁴⁾	Business unit director Connectivity (until Nov-22)	-	(23.2%)	55.0%	16.5%	16.3%
Stian Lønvik ²⁾	Prior Group CFO (until Jun-20)	-	-	-	(55.5%)	212.9%
Company performance						
Revenue growth	Annual percentage change	30.1%	48.2%	27.3%	(7.4%)	52.4%
EBITDA margin	Per cent of revenues	25.8%	20.2%	18.1%	15.1%	22.4%
Total shareholder return	Per cent in calendary year ⁵⁾	100.3%	(7.0%)	75.6%	(7.0%)	5.3%
Average remuneration on a full-time equivalent basis of employees						
Employees of the Norwegian companies ⁶⁾		2.3%	8.8%	6.3%	(5.2%)	(2.8%)

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. Annulised in 2022. 2023 includes only severance pay.

5) 2019 total shareholder return from initial public offering.

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

Trondheim, Norway, 8 April 2024

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 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.



Trondheim, 8 April 2024
PricewaterhouseCoopers AS

Marius Fevaag Larsen
State Authorised Public Accountant
(electronically signed)

 Securely signed with Brevio

Attestasjon Lederlønnrapport

Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Larsen, Marius Fevaag	BANKID_MOBILE	2024-04-08 17:30



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