

The background of the cover is a scenic photograph of a mountain range under a clear blue sky. In the foreground, a fishing net is visible, its mesh creating a grid-like pattern over the lower half of the image. The mountains in the background are rugged and partially covered in green vegetation.

REMUNERATION REPORT

2023



REMUNERATION REPORT 2023

CONTEXT FOR THE REMUNERATION REPORT

This Remuneration Report describes the remuneration principles for Grieg Seafood ASA’s Board of Directors and the members of the executive management team that has direct operational responsibilities in the Group’s value chain - the Group executive operational management team. This includes, in addition to the CEO and the CFO, the COOs and the CCO (in this report referred to as the executive management team).

The remuneration policy’s fundamental principle is that executive remuneration should be sufficient to attract and retain talented executives, without being at the forefront relative to the industry as a whole, and without the variable salary becoming such a large part of the total compensation that it leads to inappropriate incentives and short-term perspectives.

The Remuneration Report complies with the requirements defined in sections 6-16a and 6-16b of the Norwegian Public Limited Companies Act.

REMUNERATION COMMITTEE

The Remuneration Committee is governed by a separate set of instructions adopted by the Board of Directors. The members of the Remuneration Committee are appointed by and from the members of the Board of Directors and shall be independent of the company’s executive management. As of 31 December 2023, the members of the Remuneration Committee are independent of the executive management team. The Committee consisted of:

Board's Remuneration Committee	Role
Per Grieg	Chair
Marianne Ødegaard Ribe	Member

The primary purpose of the Remuneration Committee is to assist and facilitate the Board’s decision-making in matters related to the remuneration of the executive management team. The Remuneration Committee recommends the CEO’s personal bonus targets. The Committee submits proposals for changes to the bonus model to the Board, as well as changes in the terms and principles for the CEO’s remuneration. While recommendations concerning the award of and amendments to the cash based payment agreement are prepared by the Remuneration Committee, it is the Board that approves the final agreement and total number of options granted. However, the Remuneration Committee can approve non-significant changes to the share purchase program that Grieg Seafood Group offers to all employees.

SUMMARY OF THE 2023 FINANCIAL YEAR

In recent years, Grieg Seafood has reached several strategic milestones, with the aim of re-shaping the company for future value creation. Operations have been repositioned to Norway and Canada with a large potential for sustainable growth. A milestone was reached in 2023, when the first fish were harvested in Grieg Seafood Newfoundland.

Demand for salmon continued to be strong in 2023, fueled by an increased focus on healthy food and sustainably produced proteins. The Group has positive effects of having an internal in-house sales organization, which enables production and sales to work in a more integrated fashion resulting in increased value.

The Group harvested 72 015 tonnes GWT in 2023 (84 697 in 2022). The Norwegian regions contributed 71% (76%) of the volume harvested, while British Columbia contributed to 25% (24%) and Newfoundland 4% (0%). Total sales revenues came to NOK 7 020 million (NOK 7 164 million), while the sales revenues from the farming regions totaled NOK 5 956 million (NOK 6 418 million). The Group's aggregate price achievement for the year totaled NOK 82.7 per kg (NOK 75.8 per kg). Price realization was negatively impacted by fixed-price contracts for some of the Norwegian volume, as well as production-grade volumes that always command a lower price. The Group's farming cost for

2023 ended at NOK 70.2 per kg (NOK 52.7 per kg). The increased farming costs is primarily due to inflation pressure on key input to production throughout 2022, which impacted EBIT in 2023 when the fish was harvested. This is due to the long production cycle for Atlantic salmon, where the cost to produce the biological assets are capitalized to the balance sheet and released to the income statement at the point of harvest. Additionally, seawater growth was lower than expected due to biological challenges, particularly in Finnmark, where a rare parasite that occurred in the freshwater facility in 2022 has impacted both biological performance and EBIT throughout 2023. The Group's Operational EBIT in 2023 ended at NOK 780 million (NOK 1 739 million), equivalent to an EBIT of NOK 10.8 per kg (NOK 20.5 per kg). The decrease was driven by lower harvested volume and higher farming cost. Net profit totaled NOK 560 million in 2023, compared to NOK 1 154 million in 2022. The ROCE for 2023 ended at 7%, compared to 23% in 2022.

Grieg Seafood remains committed to reducing its impact and improving fish welfare – which is both an ethical responsibility and key to improve profitability. 81% of the Group's harvested volume in 2023 was certified according to the Aquaculture Stewardship Council standard, and work to certify more farms is ongoing. In 2023, the company was ranked third by the Collier FAIRR Protein Producer Index, which assesses the largest animal protein producers on critical environmental and ESG issues, reaffirming the company's commitment to environmentally responsible practices and ethical standards within the industry.

FIGURE 1
KEY FIGURES

KEY FIGURES** NOK MILLION	2023	2022	2021	2020	2019
Harvested volume (tonnes GWT)	72 015	84 697	75 601	71 142	71 700
Sales revenues	7 020	7 164	4 599	4 384	4 756
Operational EBITDA	1 334	2 191	818	602	1 384
Operational EBIT¹	780	1 739	442	233	1 077
Profit/loss for the year	560	1 154	604	-316	599
Return on Capital Employed (ROCE)*	7%	23%	6%	3%	19%
Earnings per share (NOK)	5.0	10.3	10.7	-4.8	5.6

* See definitions and more information in the Alternative Performance Measures section of our Annual Report 2023.

REMUNERATION OF EXECUTIVE PERSONNEL

Fixed Pay - salary

A fixed basic salary is the main component of executive compensation and should reflect industry-competitive terms, taking into consideration the individual's qualifications, level of responsibility and capacity to influence the company's performance and strategic direction. Executive management's fixed salaries are evaluated annually using Grieg Seafood's internal routines for salary adjustments. Part of these internal routines are the use of the Kornferry methodology and advisory consultants.

Fixed Pay – pension

The company has a defined-contribution pension scheme in Norway, to which all Norwegian employees belong.

The CEO is entitled to a separate pension agreement for salary above 12G, but this has never been implemented. In 2022, the CEO received a one-time payment and salary adjustment to compensate for not having a personal agreement for salary above 12G. This payment is reflected in Figure 2, included as a pension expense for 2022.

Pension is based on a defined contribution plan, and is capped at 12 times the National Insurance Scheme's basic amount (12G) for all employees including the executive management.

Fixed Pay – severance pay

The CEO, CFO, and COO Farming Europe have agreements for severance pay amounting to 12 month's salary.

Fixed Pay – options and other forms of share-based compensation or share price development-based remuneration

Grieg Seafood ASA's Board of Directors wishes senior executives to be shareholders of the company. A synthetic option scheme has therefore been established for members of the executive management team and regional directors. The Board believes that enabling executive management to receive a part of the dividend from Grieg Seafood's growth and success is a key incentive for the realization of the company's ambitions.

The Remuneration Committee evaluates the option program and makes the allocation in accordance with the Annual General Meeting's framework.

A synthetic cash option scheme requires participants' direct shareholding throughout the program's duration. Option holders are obliged to use 50% of the net gain from the scheme for the purchase of shares until the shares have reached a threshold corresponding to the individual's fixed annual salary.

Variable pay – performance-based pay scheme

If the budget is met and good financial results achieved, the variable compensation element is awarded. Good financial results are, in a variable pay setting, based on EBIT fulfillment being measured at a minimum of 1 on a scale of 1 to 6. The company's bonus system is designed to promote performance in line with the company's strategy. The bonus for all employees, including the executive management team, is determined by the company's performance on a pre-defined set of key performance indicators (KPIs) and company/personal goals or priorities. In general the KPIs consist of:

- Annual EBIT before production fee and fair value adjustment of biological assets (weighted 50%)
- Specific targets within the ongoing improvement program (weighted 50%)

These KPIs are further specified for each employee, function or department. Fulfillment is measured on a scale from 1 to 6. The amount of bonus received is a function of the number of fixed monthly salaries in the awarding unit and the individual's level within the organization. The maximum bonus per year is capped at the equivalent of six months' salary for the CEO, and five month's salary for the executive management team.

For 2023, the EBIT was measured at 0, hence no bonus payment. For 2022, the EBIT was measured at 6, while the farming cost target was not met. The personal goals were individually measured. For 2021, the EBIT was measured at 1, and the farming cost target was not met. The personal goals were individually measured.

In 2023, the executive management team received no bonus payout as the EBIT target was not met. In 2022, the executive management team received a bonus payout. However, the bonus payment to COO North America was not paid in full due to his resignation from Grieg Seafood. In 2021, a bonus was paid to the entire executive management team.

Variable pay - share purchase program

The company’s share purchase program aims to stimulate co-ownership and a sense of common interest with the company. The Board can decide annually that all employees, including executive management, shall be offered shares at a discount. All permanent employees who have been employed for at least six months at Grieg Seafood ASA or a wholly owned subsidiary are included in this program. Minor changes in qualifications to this program may be approved by the Remuneration Committee.

Other terms and benefits

Executive management may be awarded other benefits that are common in the industry. Members of the executive management team, like other employees, are enrolled in Grieg Seafood ASA’s current collective life and health insurance scheme. In addition, some members of executive management are covered by the company's board liability insurance. The level of other benefits awarded by the company matches that considered normal in the market and appropriate for individual circumstances.

No variable salary was recovered from any of executives during 2023.

FIGURE 2
REMUNERATION FOR EXECUTIVE MANAGEMENT

NOK 1000	Fixed Remuneration				Variable Remuneration			Total Remuneration	Proportion of fixed and variable remuneration	
	Year	Salary	Other	Bonus	Options exercised	Other	Pension expense			
CEO	2023	4 003	42	0	0	57	89	4 190	97%	3%
Andreas Kvame	2022	3 644	28	1 007	4 540	9	2688	11 916	31%	69%
CFO	2023	2 885	42	0	0	4	90	3 020	97%	3%
Atle Harald Sandtorv	2022	2 349	28	612	3 202	1	89	6 279	38%	62%
COO Farming Norway	2023	2 270	204	0	0	21	106	2 601	95%	5%
Alexander Knudsen	2022	2 066	226	321	2 917	10	89	5 628	41%	59%
COO Farming Canada*	2023	2 347	223	0	0	0	29	2 600	99%	1%
Grant Cumming	2022	0	0	0	0	0	0	0	0%	0%
CCO	2023	2 435	42	0	0	8	88	2 573	96%	4%
Erik Holvik	2022	2 247	30	483	3 070	3	87	5 920	38%	62%

The figures includes only national insurance contribution benefits.
In 2023, the CEO remuneration to the median employee salary ratio was 6.48.
*Employment started in 2023.

FIGURE 3
COMPARATIVE INFORMATION ON THE REMUNERATION PAID IN THE LAST FIVE YEARS

Annual change NOK 1000	2019 vs 2018		2020 vs 2019		2021 vs 2020		2022 vs 2021*		2023 vs 2022*	
	NOK	%	NOK	%	NOK	%	NOK	%	NOK	%
CEO Andreas Kvame	369	7%	-354	-6%	-1 844	-33%	8 095	212%	-7 726	-69%
CFO Atle Harald Sandtorv	277	8%	431	11%	-1 638	-38%	3 576	132%	-3 259	-52%
COO Farming Norway Alexander Knudsen	0	—%	0	—%	1 005	71%	3 201	132%	-3 027	-54%
COO Farming Canada Grant Cumming	0	—%	0	—%	0	—%	0	—%	2 600	100%
CCO Erik Holvik	0	—%	0	—%	1 690	221%	3 464	141%	-3 347	-57%
Average remuneration of a full-time equivalent basis of employees	14	2%	-26	-4%	117	20%	114	16%	-3	—%

The figures includes only national insurance contribution benefits.
*No options were exercised in 2021 and 2023. See figure 4 below.

SHARE-BASED PAYMENTS

The Group has issued options to the executive management team and other member of the Group Management Team, including the regional directors. The options’ strike price is the stock market price on the date of issue, rising by 0.5% per month until the exercise date. Since 2009, an option scheme with settlement in cash has been established for executive management and the Group Management Team. The most recent allocation was in 2023, totaling 2 680 000 options. The final exercise date is 31 May 2026. The options have a term of two years, where 50% is vested each year. Employees joining the Group after the initial allocation of options, are allocated options on taking up employment.

The Black & Scholes option pricing model is used to calculate the market value. A brokerage firm is used to perform the calculations and the measurement is according to level 3 of the fair value hierarchy (see Note 8 and Note 14 in the Group Accounts in the Annual Report 2023).

FIGURE 4
CHANGES IN OUTSTANDING OPTIONS

Overview (total options)	Option category	Outstanding options at 31.12.2020	Outstanding options at 31.12.2021	Outstanding options at 31.12.2022	Outstanding options at 31.12.2023
CEO Andreas Kvame	Cash settlement	540 000	540 000	229 764	550 000
CFO Atle Harald Sandtorv	Cash settlement	270 000	270 000	80 799	330 799
COO Farming Norway Alexander Knudsen	Cash settlement	270 000	270 000	86 832	255 000
CCO Farming Canada Grant Cumming	Cash settlement	0	0	0	170 000
CCO Erik Holvik	Cash settlement	170 000	170 000	65 788	235 788
Total		2 090 000	2 090 000	639 757	1 541 587

See Note 8 in the Group accounts in the Annual Report 2023 for details of allocated, exercised and expired options.

GOVERNANCE

Review of the remuneration report

The Board has the overall responsibility for reviewing the Remuneration Report. The Remuneration Committee has the responsibility for reviewing and proposing changes to the Remuneration Report. The Remuneration Committee is a sub-committee of the Board.

The Remuneration Committee reviews the Remuneration Policy and recommends to the Board any amendments to be proposed by the Board for adoption by the Annual General Meeting. The Remuneration Report will be presented for an advisory vote at the Annual General Meeting.

Authorization for the Board

The Board of Directors in Grieg Seafood ASA shall prepare a salary report for each accounting year in accordance with the Norwegian Public Limited Liability Companies Act, 6-16b which gives an overall summary of paid and accrued wages and remuneration encompassed by these guidelines.

The Board of Directors has appointed a Remuneration Committee, consisting of at least two members appointed by the Board. The Committee functions as an advisory body for the Board of Directors and shall ensure that Grieg Seafood ASA establishes, audits and implements the company’s [Policy for executive remuneration](#). Proposals for significant changes in the guidelines are evaluated

by the Committee, while preparing proposals for changes to the Annual General Meeting. The Board of Directors is authorized by the Annual General Meeting to adjust the applicable salary remuneration and incentive plans to remain appropriate and competitive.

In 2023 there were no deviations in the company’s remuneration versus the guidelines.

Information on shareholder vote

Pursuant to Section 6-16 b (3) of the Companies Act, this report shall include an explanation of how the result of the Annual General Meeting’s advisory vote on the report on salary and other remuneration of leading personnel for the previous year has been taken into account. The Annual General Meeting at 27 June 2023 approved the remuneration report for 2022. The votes were 95.5% for and 4.5% against. The guidelines were approved by the Annual General Meeting on 2 June 2021.

STATEMENT FROM THE BOARD OF DIRECTORS

The Board of Directors of Grieg Seafood ASA has reviewed and adopted the Remuneration Report for the financial year 2023. The report is prepared in accordance with sections 6-16a and 6-16b of the Norwegian Public Limited Companies Act. The Remuneration Report will be presented to the Annual General Meeting in June 2024 where shareholders will have the opportunity to provide their advisory vote.

Bergen, 19.03.2024
The Board of Directors of Grieg Seafood ASA

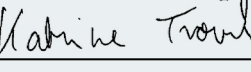

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Chair


TORE HOLAND
Vice Chair


NICOLAI HAFELD GRIEG
Board Member


RAGNHILD JANBU FRESVIK
Board Member


MARIANNE RIBE
Board Member


KATRINE TROVIK
Board Member





To the General Meeting of Grieg 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 Grieg 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.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap




Bergen, 19 March 2024
PricewaterhouseCoopers AS

Sturle Døsen
State Authorised Public Accountant
(electronically signed)

Attestation Renumeration

Signers:

Name	Method	Date
Døsen, Sturle	BANKID	2024-03-19 09:50



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REMUNERATION REPORT

2023