

A background image of a vast, snow-covered mountain range under a pale sky. In the foreground, there is a dark, rocky shoreline with white foam from waves crashing against it. The overall color palette is cool, dominated by blues, greys, and whites.

# Remuneration Report 2023

# Main developments in 2023

## Financial summary

The Group's vision is to be the leading and most profitable global supplier of sustainable, high-quality seafood by means of an efficient and sustainable value chain. The Group's approximately 6 000 employees process between 350 000 and 400 000 tonnes of seafood every year, which is equivalent to around 5 million meals every day. The Group has a vertically integrated value chain for red fish and whitefish, as well as significant activities using third-party products.

The Group's values – open, honest, responsible and creative – shall underpin everything we do, and we work hard to achieve our goal of creating the world's most efficient and sustainable value chain for seafood. The Group has a number of different targets within sustainability, including cutting greenhouse gas emissions by 46% by 2030. We take active steps in every part of the value chain to ensure food safety for our consumers, and as a fully integrated seafood supplier, we can maintain control of and quality assure our products throughout the value chain. This means we can comply with the seafood market's ever more stringent requirements for traceability, food safety, product quality, cost efficiency, sustainability and continuity of supply.

Group revenue was up 15.8% from NOK 26.6 billion in 2022 to NOK 30.9 billion in 2023. The Group's return on

capital employed and operating profit/loss before fair value adjustment of biomass are important metrics for calculating return and earnings. The target for return on capital employed before tax (ROCE) is 18% per annum. Return on capital employed before fair value adjustment decreased from 14.5% in 2022 to 12.6% in 2023. Operating profit before fair value adjustment was down from NOK 3.472 million in 2022 to NOK 3.335 million in 2023.

The operating profit from the Group's wild catch operations decreased from NOK 348 million in 2022 to NOK 278 million in 2023. Although the overall catch volume was good, the volume of high-value cod caught was significantly reduced, while catches of lower-value species, such as redfish and saithe, increased. 2023 was a difficult year for Lerøy Norway Seafood's primary business, which is the processing of wild-caught whitefish. Significant investments have been made in recent years both to make onshore operations more efficient and to expand the product range. This work is gradually delivering results, but cod remains the most important species for LNWS, making a reduction in the quotas challenging.

The Farming segment comprises the Group's three farming regions in Norway: Lerøy Aurora located in Troms and Finnmark, Lerøy Midt located in Nordmøre and Trøndelag, and Lerøy Sjøtroll located in Vestland.

The fish stocks being raised at the Group's sea farms achieved lower than expected growth in 2023. As a result of this, the annual volume of salmon and trout harvested decreased from 174 000 tonnes in 2022 to 160 000 tonnes in 2023. A sharp rise in operating expenses increased the production cost per harvested kilo and led to a decrease in operational EBIT from NOK 3.213 million in 2022 to NOK 2.607 million in 2023.

2023 was a good year for the Group's VAPS&D segment, although extremely high and volatile raw material prices, volatile exchange rates and price increases for other input factors have made downstream activities extremely challenging in recent years. The Group is taking a highly structured approach to increasing profitability, and was pleased to see a significant year-on-year improvement in earnings. The segment's revenue increased by 16% from NOK 25.5 billion in 2022 to NOK 28.9 billion in 2023.

## Financial summary 2023

	2023	2022	2021	2020	2019
Revenue (NOK million)	30 869	26 646	23 073	19 960	20 427
Growth in revenue (%)	15.8%	15%	16%	-2%	3%
Operational EBITDA (NOK million)	4 831	4 797	3 856	3 109	3 746
Operational EBIT (NOK million)	3 335	3 471	2 604	1 950	2 734
Change in operational EBIT (%)	-3.9%	33.3%	33.5%	-28.7%	-23.4%
EPS before fair value adj. of biomass and excl. impl. effect resource tax (NOK)	2.91	3.59	3.08	2.46	3.48
Change in EPS before fair value adj. of biomass and excl. impl. effect resource tax	-18.9%	16.6%	25.2%	-29.3%	-29.0%
ROCE before fair value adjustment	12.6%	14.5%	12.4%	10.5%	15.5%
No. full-time equivalents	5 203	5 092	4 953	4 293	4 361
Average salary based on full-time equivalents	616*	583	544	566	542
Change in average salary based on full-time equivalents	5.7%	7.2%	-3.9%	4.4%	14.8%

\*) exclusive Group Management

## Development in remuneration of board members

At the Annual General Meeting in 2023, board members Britt Kathrine Drivenes, Didrik Munch and Karoline Møgster were re-elected for two new years as board members. Are Dragesund was elected as a board member for a period of two years.

The Annual General Meeting in 2023 made no changes to the NOK 500 000 remuneration paid to the Board Chair, or the NOK 300 000 paid to board members.

The Board of Directors has a subcommittee: the Audit Committee. Didrik Munch is the chair of the Audit

Committee and Britt Kathrine Drivenes is a member. The Audit Committee's workload has increased significantly in recent years. In 2022, the Annual General Meeting therefore decided to increase the remuneration of the Audit Committee's chair to NOK 120 000 and to increase remuneration of the committee member to NOK 80 000. This compensation is in addition to the ordinary directors' fee. The Annual General Meeting in 2023 made no changes to the Audit Committee's remuneration.

Lerøy Seafood Group ASA has a Nomination Committee. This committee has three members. The Annual General Meeting in 2023 made no changes to the NOK 45 000 per member paid to the Nomination Committee.

## Development in remuneration of Group management

Group management has expanded in recent years. Until 2019, Group management comprised three members: the CEO, COO Farming and CFO. It was then increased to five members and now also includes the COO VAPS&D and CHRO.

There were no changes to the Group's management team in 2023.

# Remuneration principles and framework

In May 2022, the Annual General Meeting adopted the Group's Guidelines for salaries and other remuneration of persons in senior positions. The Guidelines can be found on the Group's website at [leroyseafood.com](https://leroyseafood.com) and are described briefly below. The Guidelines steer remuneration of the Group's management and the Board of Directors.

The main principle for executive pay at Lerøy is that the Group shall attract and retain talented managers without being a wage leader in the industry. Where an employee's salary comprises a fixed and a variable element, the variable element shall not represent such a large proportion of the total salary as to result in unfortunate incentives and short-termism at the expense of the Group's targets.

Lerøy's values – open, honest, responsible and creative – shall underpin the Group's day-to-day operations and the strategic business development required to achieve the vision of being the leading and most profitable global supplier of sustainable, high-quality seafood. Being a leading player in a global industry and safeguarding the Group's long-term interests are closely linked to the company's ability to recruit, develop and retain senior executives. Lerøy's people are the Group's most important resource. Lerøy shall be a respected and attractive employer in the seafood industry, with the capacity to attract employees with the appropriate competencies. It is important that the Group succeeds

in building a learning and dynamic organisation, where employees are able to thrive and develop, so that they work together to meet our customers' needs.

Lerøy has established a remuneration scheme intended to stimulate the achievement of goals and at the same time promote good risk management and help prevent conflicts of interest. The Group's long-term interests and financial capacity shall be safeguarded.

## Remuneration of members of the Board of Directors

The remuneration of board members is proposed by the Group's Nomination Committee and adopted by the Annual General Meeting in accordance with Section 6-10 of the Norwegian Public Limited Liability Companies Act. Board members do not receive options to purchase shares in the Group.

## Remuneration of executive personnel

The remuneration of the Group CEO is determined annually by the Board's chair in accordance with a mandate issued by the Board. Remuneration of the individual members of the Group management is determined by the CEO in consultation with the Board's chair. The Board of Directors is subsequently informed of the decision.

General schemes for payment of variable benefits, including bonus schemes, are established by the Board of Directors as part of its budget work. The Group CEO allocates such incentive schemes and other benefits to the Group's senior executives within the boundaries established by the Board. The Board does not have a Remuneration Committee.

Regarding the remuneration of senior executives, the company primarily focuses on fixed salary as an instrument, and uses variable remuneration other than bonuses to a limited degree. Executive pay shall be competitive, so that the company is able to attract and retain the most talented managers. The fixed remuneration of senior executives shall include:

### Base salary

Base salary is established on the basis of the responsibilities, complexity, competencies and length of service for the position. The base salary is normally the main element of executive pay.

### Bonus scheme

In principle, bonuses are a form of profit sharing, where executives are remunerated for their contribution to the company's long-term earnings and development. The purpose of Lerøy's bonus scheme is to stimulate continuous development of Lerøy's value creation, growth and results, as defined in the company strategy.

Bonus payments are assessed every year based on a comprehensive discretionary evaluation of five components: the executive's value creation, efforts, results, values, and attitudes and conduct, all of which are in relation to the position's defined goals, tasks and available resources.

At the end of the period under assessment, a decision is made regarding the extent to which the criteria for a bonus payment have been met. This evaluation shall be based on an assessment of the criteria as described above and in the bonus schemes for senior executives.

Bonus payments to persons in senior positions may comprise up to one year's salary.

The company does not have any scheme for reclaiming variable remuneration. The Board of Directors has the right to make changes to or terminate the bonus scheme on a yearly basis.

## Other remuneration

### Pension schemes:

- Lerøy Seafood Group ASA has a defined-contribution pension scheme, pursuant to the Norwegian Act relating to mandatory occupational pensions. The base for premium payments is capped at a maximum of 12G (G is the Norwegian National Insurance Service's base amount) per year. Senior executives in the Group are members of the company's collective pension scheme up to the Group's in-house retirement age (which is 70), and do not have separate agreements that include early retirement or supplementary pensions. The company

may, however, enter into such agreements in the future.

### Severance pay:

- In principle, the company does not make use of severance pay over and above the salary payable during the period of notice for the number of months stipulated in the Norwegian Working Environment Act. In some circumstances, however, severance pay may be a good alternative for all the parties concerned. Severance pay may therefore be utilised in extraordinary circumstances, however, limited to two times the individual's annual salary.

### Other special remuneration:

- Senior executives may receive other special remuneration that is normal for comparable positions, such as free telephone, PC at home, free broadband, newspapers, company car/car scheme and parking.

### Options and other types of remuneration linked to shares or developments in the share price:

- The company does not currently grant incumbents of senior positions share purchase options or other types of remuneration linked to shares in the company or developments in the share price.

### Share purchase programmes:

- Lerøy is entitled to assess a share-savings programme for all employees, where employees have the right to subscribe to a limited number of shares at a discounted price.

In extraordinary circumstances, when significant events require senior executives to make extraordinary efforts, the Board may decide to deviate from these guidelines. The Board is not entitled to deviate from the guidelines in relation to the remuneration of board members. If necessary, such deviations shall be proposed and presented to the Annual General Meeting for a general vote. There were no such deviations in 2023.

## Remuneration Committee

In first quarter of 2024 the board established a remuneration committee existing of The Chairman of the Board and one board member to ensure remuneration policy in the group is in line with the company's long-term interest and strategy. The Remuneration Committee will among other update the Group's Guidelines for stipulating salaries and other remuneration of persons in senior positions.

## Breakdown of remuneration paid to management in 2023

Payment element	Purpose	Level	Disbursement criteria	Period
Fixed salary / Base salary	Attract, retain and develop talented managers	Attractive, but not wage leaders in the industry.	None, but fixed salary will normally be adjusted annually.	Annual, but paid as 11/12 of the amount, since the final month is paid as holiday pay.
Bonus	Harmonising the Group's need for constant strategic business development with the interests of senior executives, to enable Lerøy to achieve its vision.	Up to one year's salary.	Evaluation of the executive's value creation, efforts, results, values, and attitudes and conduct - all in relation to the position's defined goals, tasks and available resources.	Annual
Holiday pay	Part of the statutory pay system in Norway.	Holiday pay normally amounts to 12% of the holiday pay base amount. The holiday pay base amount includes fixed salary and bonuses, unless otherwise agreed.	The holiday pay base amount accrues over one year, and payment is made in the holiday month the following year.	The annual payment is in May, as the employee does not receive salary in June (fixed salary is paid for 11 of the 12 months of the year).
Pension	The Group focuses on a long-term perspective, and must make itself attractive for employees to remain with the Group throughout their careers.	Defined-contribution pension scheme, whereby the Group pays contributions to the employee's personal pension account. The Group pays pension contributions up to 12G (G is the Norwegian National Insurance Service's base amount. 1G in 2023 is NOK 118 620).	Pension contribution based on fixed salary and bonus. However, the Group does not pay contributions for remuneration exceeding 12G. A 2% deduction is made from the employee's fixed salary up to 12G.	
Other benefits	Compensation for minor expenses related to work. Typically, internet connection, mobile telephone and newspapers.	Based on actual documented expenses.		

# Remuneration earned and received by the Board

## Remuneration earned by the Board

As described in the framework for remuneration of persons in senior positions, the annual fee payable to the Board of Directors is adopted by the Group's Annual General Meeting and contains no variable elements. The following table shows the annual remuneration for the period 2019 to 2023. Remuneration disclosed for 2023 is a recommendation, which will be voted on at the Annual General Meeting in 2024.

Name and position	2023	2022	2021	2020	2019
Arne Møgster (Chair)	500 000	500 000	300 000	250 000	250 000
Karoline Møgster	300 000	300 000	300 000	250 000	250 000
Didrik Munch (Chair of the Audit Committee)	420 000	420 000	420 000	350 000	300 000
Britt Kathrine Drivenes (member of the Audit Committee)	380 000	380 000	380 000	320 000	300 000
Siri Lill Mannes	300 000	300 000	300 000	250 000	250 000
Are Dragesund	300 000				
Hans Petter Vestre (employee representative)	300 000	300 000	300 000	250 000	250 000
Helge Singelstad (former Chair)			500 000	400 000	400 000

Nomination Committee	2023	2022	2021	2020	2019
Helge Singelstad (Chair)	45 000	45 000			
Benedicte Schilbred Fasmer	45 000	45 000	45 000	45 000	35 000
Morten Borge	45 000	45 000			
Helge Møgster			45 000	45 000	35 000
Aksel J. Linchausen			45 000	45 000	35 000

Remuneration is not paid to the Chairman of the Board in the form of directors' remuneration subject to reporting. Lerøy Seafood Group is invoiced for the services of the Chairman, and for consultancy fees related to the role of working Chairman of the Board, by the Group's ultimate parent company, Laco AS, where the Chairman is CEO. Amount invoiced by the ultimate parent company, Laco AS, for consultancy services as working Chairman of the Board. These numbers is then included the ordinary board remuneration as described above.

	2023	2022	2021	2020	2019
Invoiced for consultancy services as former Chairman of the Board		3 338 400	5 108 249	5 564 800	5 888 000

#### Annual change in remuneration for the Board

Name and position	2023	2022	2021	2020	2019
Arne Møgster (Chair)	0%	67%	20%	0%	0%
Karoline Møgster	0%	0%	20%	0%	0%
Didrik Munch (Chair of the Audit Committee)	0%	0%	20%	17%	0%
Britt Kathrine Drivenes (member of the Audit Committee)	0%	0%	19%	7%	0%
Siri Lill Mannes	0%	0%	20%	0%	0%
Are Dragesund					
Hans Petter Vestre (employee representative)	0%	0%	20%	0%	0%
Helge Singelstad			25%	0%	0%

Nomination Committee	2023	2022	2021	2020	2019
Helge Singelstad (Chair)	0%				
Benedicte Schilbred Fasmer	0%	0%	0%	29%	
Morten Borge	0%				
Helge Møgster			0%	29%	
Aksel J. Linchausen			0%	29%	



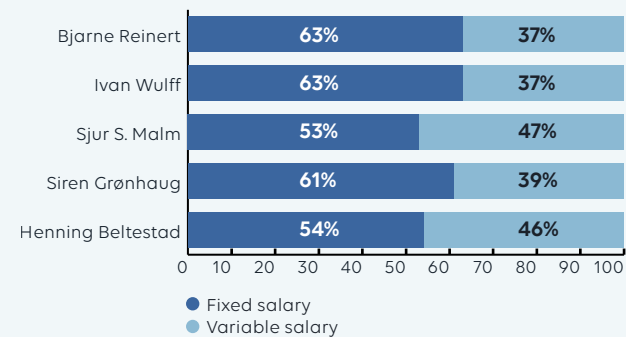
# Remuneration earned and received by Group management

## Remuneration earned by Group management

Please refer to the previous comments on the different elements included in the salaries paid to Group management. There will be deviations between when the remuneration is earned and when it is disbursed. The following table shows when remuneration is earned.

In light of Norway's holiday pay scheme, fixed salary is paid as 11/12 of the agreed salary. With the exception of the CEO, bonuses are included in the holiday pay base amount.

Bonuses for 2023 are also specified in the table. These figures show the provision for bonuses in the Group's financial statements for 2023. Final bonus payments may vary from these figures.



## Remuneration payable to management in 2023

Name and position	2023	2022	2021	2020	2019
<b>Henning Beltestad (CEO)</b>					
Fixed salary	3 550 000	3 500 000	3 208 333	3 000 000	3 000 000
Deduction from salary for holiday pay	-331 439	-331 439	-284 091	-284 091	-284 091
Bonus incl. holiday pay	3 100 000*	3 400 000	3 400 000	3 300 000	3 300 000
Holiday pay	380 228	380 100	350 909	325 909	325 909
Pension expense	170 520	159 191	151 239	149 501	144 285
Other benefits	32 821	8 964	11 000	11 000	11 000
Total earned this year	6 902 130	7 116 815	6 837 390	6 502 319	6 497 104
<b>Siren Grønhaug (COHR)</b>					
Fixed salary	1 854 071	1 787 771	1 698 834	1 627 200	1 466 667
Deduction from salary for holiday pay	-171 851	-165 720	-154 091	-151 515	-133 333
Bonus	1 200 000	1 200 000	1 120 000	1 000 000	1 000 000
Holiday pay	329 046	324 472	305 369	295 994	160 000
Pension expense	170 628	160 537	151 239	150 501	117 285
Other benefits	23 549	8 964	30 000	22 000	10 000
Total earned this year	3 405 443	3 316 024	3 151 351	2 944 179	2 620 619
<b>Sjur S. Malm (CFO)</b>					
Fixed salary	2 611 377	2 517 999	2 437 800	2 400 000	2 341 667
Deduction from salary for holiday pay	-242 045	-233 409	-227 273	-227 273	-217 803
Bonus	2 200 000	2 200 000	2 053 571	1 785 714	1 964 285
Holiday pay	520 579	512 375	479 549	496 442	471 149
Pension expense	169 378	159 223	152 239	153 501	147 285
Other benefits	29 973	8 964	21 000	10 000	10 000
Total earned this year	5 289 262	5 165 151	4 916 886	4 618 384	4 733 462

\*) estimate

Name and position	2023	2022	2021	2020	2019
<b>Ivar Wulff (COO VAPS&amp;D)</b>					
Fixed salary	2 065 963	1 992 088	1 900 250	1 830 600	1 650 000
Deduction from salary for holiday pay	-191 491	-184 659	-173 352	-170 455	-150 000
Bonus	1 200 000	1 200 000	1 120 000	1 000 000	1 000 000
Holiday pay	351 292	346 661	327 228	317 993	180 000
Pension expense	168 928	158 883	149 239	147 501	114 285
Other benefits	25 346	8 964	30 000	24 000	14 000
Total earned this year	3 620 038	3 521 886	3 353 365	3 149 639	2 808 285
<b>Bjarne Reinert (COO Farming)</b>					
Fixed salary	2 118 938	2 043 166	2 000 000		
Deduction from salary for holiday pay	-196 402	-189 394	-189 394		
Bonus	1 200 000	1 200 000	1 120 000		
Holiday pay	356 853	352 208	242 317		
Pension expense	169 086	158 997	150 239		
Other benefits	25 796	8 964	11 000		
Total earned this year	3 674 271	3 573 941	3 334 162		
<b>Stig Nilsen (COO Farming)</b>					
Fixed salary				2 400 000	2 400 000
Deduction from salary for holiday pay				-319 580	-181 119
Bonus				1 517 857	1 517 857
Holiday pay				534 353	534 353
Pension expense				146 501	142 285
Other benefits				136 000	135 000
Total earned this year				4 415 130	4 548 376

Name and position	2023	2022	2021	2020	2019
<b>Webjørn Barstad (COO Wildcatch)</b>					
Fixed salary				2 300 000	2 300 000
Deduction from salary for holiday pay				-217 803	-217 803
Bonus					2 000 000
Holiday pay				466 863	425 863
Pension expense				107 000	97 000
Other benefits				11 000	12 000
Total earned this year				2 667 060	4 617 060
<b>Annual change in remuneration for Group Management</b>					
Henning Beltestad (CEO)	-3.0%	4.1%	5.1%	0.1%	0.0%
Siren Grønhaug (COHR)	2.7%	5.2%	7.0%	12.3%	
Sjur S. Malm (CFO)	2.4%	5.0%	6.5%	-2.4%	5.5%
Ivar Wulff (COO VAPS&D)	2.8%	5.0%	6.5%	12.2%	
Bjarne Reinert (COO Farming)	2.8%	7.2%			
Stig Nilsen (COO Farming)				-2.9%	3.9%
Webjørn Barstad (COO Wildcatch)				-42.2%	16.0%

There have been no deviations from the guidelines for remuneration to senior executives in 2023.

In accordance with the Norwegian Public Liability Companies Act, sections § 6-16 b (3), reference is made to case 6. during the ordinary general meeting on 23 May 2023.

Approval was given to the company's remuneration report for the previous year. The remuneration report is available at the company's website [leroyseafood.com](http://leroyseafood.com)

# The Board of Director's statement on the Remuneration Report

The Board of Directors has today reviewed and adopted the Compensation Report of Lerøy Seafood Group ASA for the financial year 2023. The report is prepared in accordance with the Norwegian Public Liability Companies Act, section 6-16a and supplementing regulations. The compensation report will be presented to the Annual General Meeting in May 2024 for an advisory note.

Bergen, April 29, 2024

The Board of Directors of Lerøy Seafood Group ASA

**Arne Møgster**  
Chairman



**Are Dragesund**  
Board member



**Karoline Møgster**  
Board member



**Didrik Munch**  
Board member



**Hans Petter Vestre**  
Employees' representative



**Britt Kathrine Drivenes**  
Board member



**Siri Lill Mannes**  
Board member



**Henning Beltestad**  
CEO Lerøy Seafood Group ASA





To the General Meeting of Lerøy Seafood Group 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 Lerøy Seafood Group ASA's 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

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

