

AQUA BIO TECHNOLOGY ASA

REPORT ON SALARY AND OTHER REMUNERATION FOR THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT TEAM

1 INTRODUCTION

1.1 Basis of the Report

This report on salary and other remuneration (the "**Report**") for the Board of Directors (the "**Board**") of Aqua Bio Technology ASA ("**ABT**" or the "**Company**", and together with its consolidated subsidiaries, the "**Group**") and the senior management team of the Company (the "**Executive Management Team**") has been prepared for the financial year ended 31 December 2023. During 2023, the Executive Management Team consisted of Håvard Lindstrøm (the "**CEO**").

The purpose of the Report is to give an overview of paid and retained salary and other remuneration from the Company to the members of the Board and the Executive Management Team for 2023, pursuant to the Company's remuneration policy as approved by the Company's general meeting on 9 June 2021 (the "**Remuneration Policy**"). The Remuneration Policy is available at www.aquabiotechnology.com.

This Report is based on the requirements set out in the Norwegian Public Limited Companies Act of 13 June 1997 no. 45 (the "**Companies Act**") sections 6-16a and 6-16b, as well as the Regulation on guidelines and report on remuneration for Senior Executives of 11 December 2021 no. 2730 (the "**Regulation**").

In the preparation of this Report, the Board has taken into account that the Company's annual general meeting on 9 June 2023 approved the report on salary and other remuneration for the Board and the Executive Management Team for the financial year ended 31 December 2023. Hence, this Report has been prepared on the basis of general meeting's approval, cf. sections 6-16b and 5-6 (4) of the Companies Act.

1.2 Overall Company performance in 2023

1.2.1 Financial performance

During 2023, the Group's main financial performance measures were as set out below:

<i>(NOK thousands)</i>	2023	2022
Operating revenues	18 736	7 162
Operating loss	-15 784	-16 368
Net loss	-21 023	-18 736
Total assets	237 744	67 203
Total equity	85 775	1 861
Total liabilities	151 968	65 342
Cash and cash equivalents at 31 December	4 840	1 861

1.2.2 Important events in 2023

On 16 August 2023, the company bought 100% of the shares in Skinteam Norge AS (Skinteam). Skinteam is a retail chain that targets independent skin care and hairdressing salons with "one stop shop" solutions. Skinteam offers a complete integrated operating system for independent salons: online store, membership club, sales training, product training, advertising, AI app and high quality products. Skinteam offers independent salons a range of services so that they can improve profitability without Skinteam assuming the risk on the salons' operational side. At the time of the purchase, Skinteam was the largest player in skin care in Western Norway, with 3 wholly owned salons and close cooperation with 12 independent partner salons. With the acquisition of Skinteam, the group is in a position to become the main supplier for all of Skinteam's skin care salons and hairdressing salons. The group will be able to acquire, manufacture and deliver high-quality hair care products to Skinteam's value chain for hairdressing salons. The group is thus entering a new market that is both large and lucrative. The agreed consideration for the shares was NOK 41,424,090, which was made up of 13,808,030 shares in Aqua Bio Technology ASA at a subscription price of NOK 3.00. In addition, subscription rights to employees of Skinteam worth NOK 102,757 were transferred, so that the total consideration is NOK 41,526,847.

On 22 December 2023, the company bought 100% of the shares in Cover Brands AS (Coverbrands). Coverbrands is an e-commerce business which sells beauty products to customers through the company's online store and had an e-commerce platform at the time of purchase with over 140,000 customers. Through social media and influencers, Coverbrands has a total reach of around 2 million users. Coverbrands is a well-known brand in the cosmetics market, with a diverse range of products on offer to a wide audience. In addition to e-commerce, Coverbrands has established B2B distribution channels to several retail channels in Norway and Sweden. Through this purchase, the group will secure the entire value chain from production to end users. The acquisition of Coverbrands coincides with the group's adopted strategy of controlling larger distributors. Through the purchase of Coverbrands, the group will have one of the largest distributions towards B2B and B2C in the Nordics. The agreed consideration for the shares was NOK 16,500,000. The consideration was settled in its entirety with 6,000,000 shares in Aqua Bio Technology ASA at a subscription price of NOK 2.75 per share. It is assumed at the time of purchase that this corresponds to its fair value of the equity instruments at the time of takeover.

For further information, please refer to the Company's annual report for 2023 available at the Company's website.

1.3 Composition of the Board and the Executive Management Team in 2023

1.3.1 The Board of Directors

During 2023, the Board consisted of the following members:

- Jon Olav Ødegård, chairman;
- Roger Hofseth, director;
- Jan Håkan Ingemar Pettersson, director;
- Birgit Marie Liodden, director; and
- Camilla Helena Andersson, director.

1.3.2 The Executive Management Team

During 2023, the Executive Management Team has consisted of the CEO.

2 REMUNERATION OF THE BOARD OF DIRECTORS

2.1 Key principles for remuneration of the Board of Directors

The nomination committee, in addition to recommending members to the Board and its own members, are also tasked with preparing recommendations regarding the remuneration for the members of the Board, and such recommendations are presented by the nomination committee for approval of the annual general meeting before they are effectuated. The Board's remuneration is approved as a separate item on the annual general meeting.

The chairman and each member of the Board receives a fixed yearly fee which is to be approved by ABT's shareholders on each annual general meeting. Board members are further encouraged to acquire shares in the Company.

2.2 Remuneration to the Board members in 2023

During 2023, the members of the Board received remuneration as set out below (in NOK thousands):

Name	Board fees	Audit committee fees	Remuneration Committee fees	Total remuneration	Proportion of fixed and variable remuneration
Jon Olav Ødegård ¹⁾	285	N/A	N/A	285	100% fixed
Jan Håkan Ingemar Pettersson ²⁾	145	N/A	N/A	145	100% fixed
Roger Hofseth ³⁾	145	N/A	N/A	145	100% fixed
Birgit Marie Liodden ⁴⁾	145	N/A	N/A	145	100% fixed
Camilla Helena Andersson ⁵⁾	145	N/A	N/A	145	100% fixed

- 1) Jon Olav Ødegård was elected chairman on 9 June 2022.
- 2) Jan Håkan Ingemar Pettersson was reelected Board member on 9 June 2022.
- 3) Roger Hofseth was reelected as Board member on 9 June 2022.
- 4) Birgit Marie Liodden was elected Board member on 9 June 2022.
- 5) Camilla Helena Andersson was elected Board member on 9 June 2022.

The table below shows the change of the Board members' total Board fees for the years 2019 until 2023.

Name	Change in fees from previous years							
	2023 vs. 2022		2022 vs. 2021		2021 vs. 2020		2020 vs. 2019	
	NOK	%	NOK	NOK	NOK	%	NOK	%
Jon Olav Ødegård ¹⁾	285	N/A	0	N/A	N/A	N/A	N/A	N/A
Jan Pettersson ²⁾	0	N/A	145	0,02 %	-2,5	-1,7 %	0	2,5 %
Roger Hofseth ³⁾	0	N/A	0	-100%	-72,5	-33,3 %	217,5 ¹⁾	N/A
Birgit Marie Liodden ⁴⁾	145	N/A	0	N/A	N/A	N/A	N/A	N/A
Camilla Andersson ⁵⁾	145	N/A	0	N/A	N/A	N/A	N/A	N/A

- 1) Jon Olav Ødegård was elected Board member on 9 June 2022.

- 2) Jan Håkan Ingemar Pettersson was elected Board member in 2015.
- 3) Roger Hofseth was appointed to the Board in 2019. Roger Hofseth received the same fee as the board members of the Board and a post-payment of the fee for 2019.
- 4) Birgit Marie Liodden was elected Board member on 9 June 2022.
- 5) Camilla Helena Andersson was elected Board member on 9 June 2022.

2.3 Share-based remuneration

As of 31 December 2023, the current members of the Board held shares in the Company as set out below:

Name	Total shareholding
Roger Hofseth ¹⁾	9,225,426
Jan Håkan Ingemar Pettersson ²⁾	6,354 271
Jon Olav Ødegård ³⁾	300
Birgit Marie Liodden ⁴⁾	-
Camilla Helena Andersson ⁵⁾	-

- 1) Shares held directly and through his wholly owned subsidiary RH Industri AS and the subsidiary World Heritage Salmon AS.
- 2) Shares held directly and through his wholly owned subsidiaries Initia AB and Swelandia International AB
- 3) Jan Olav Ødegård was elected as Board member on 9 June 2022. Shares held through wholly owned subsidiary Ødegård Prosjekt AS.
- 4) Birgit Marie Liodden was elected as Board member on 9 June 2022.
- 5) Camilla Andersson was elected as Board member on 9 June 2022.

3 REMUNERATION OF THE EXECUTIVE MANAGEMENT TEAM

3.1 Key principles for the remuneration of the Executive Management Team

The overall objective of the remuneration guidelines for the Executive Management Team is to offer senior executives employment conditions which are competitive and motivating. The Company shall offer fixed salary levels that are comparable with similar companies and activities and considering the Company's need for qualified staff at all levels.

The principle for determining the members of the Executive Management Team is the combined total level of fixed salary and other benefits. ABT may grant members of the Executive Management Team options and other forms of remuneration linked to shares or the share price, hereunder through incentive – or option programmes. Please refer to section 3.4 below for an overview warrants held by members of the Executive Management Team. The overall level shall be competitive, but not a pacesetter in wage settlements. With respect to variable remuneration, ABT's policy is that a maximum amount shall be determined for the applicable remuneration at as of the time it is provided.

In addition to fixed salary and share options, ABT may provide other forms of remuneration such as bonus arrangements, pension arrangements and insurance, severance arrangements, and other benefits that are customary for comparable positions such as free telephone and free broadband services.

The Company cannot demand repayment of variable remuneration unless obvious miscalculations or non-entitled payments have been made.

3.2 Remuneration to the Executive Management Team in 2023

During 2023, the CEO received remuneration as set out below (in NOK thousands):

Name	Fixed remuneration			Variable remuneration	Extraordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration
	Base salary	Fees	Fringe benefits					
Håvard Lindstrøm	1366	0	12	0	0	69	1435	100 % fixed

The fixed remuneration and the benefits offered allow ABT to offer its senior executives a competitive salary and remuneration package compared to similar companies.

The CEO has not received remuneration from any Group company besides the Company.

3.3 Comparison of remuneration, Group performance and average remuneration of other employees

The table below shows the change in total remuneration paid to the CEO for the years 2019 until 2023, compared with the performance of the Group and the average remuneration of employees outside the Executive Management Team (on a full-time equivalent basis and in NOK thousands).

Change in total remuneration from previous years								
Name	2023 vs. 2022		2022 vs. 2021		2021 vs. 2020		2020 vs. 2019	
	NOK	%	NOK	%	NOK	%	NOK	%
Håvard Lindstrøm ⁽¹⁾	0	0,0 %	151	11,7 %	N/A	N/A	N/A	N/A
Espen Kvale	338	23,5 %	-146	-3,9 %	-234	-14,2 %	-57	-3,3
Change in Group performance								
Net profit or loss for the period	-2 288	-12,2 %	377	-3,0 %	-4 409	30,0 %	-1 488	11,3 %
Average remuneration of employees								
Average remuneration of employees	-429	-49 %	-162	-13,5 %	-6	-0,5 %	-231	-16,1 %

1) Håvard Lindstrøm was appointed as chief executive officer in July 2021.

3.4 Share-based remuneration

On 24 August 2023, the general meeting resolved to issue warrants to certain employees, including to CEO Håvard Lindstrøm, replacing former granted share options in the Company. Each warrant gives the holder a right to acquire issuance of one new shares at a subscription price of NOK 5 per share.

As of 31 December, the CEO held warrants in the Company as set out below:

Name	Position	Warrants
Håvard Lindstrøm	Chief Executive Officer	1,000,000

As of 31 December 2023, the CEO held shares in the Company as set out below:

Name	Total shareholding
Håvard Lindstrøm ⁽¹⁾	604,680

1) Through his wholly owned subsidiary Ice Capital AS

4 DEROGATIONS AND DEVIATIONS FROM THE REMUNERATION POLICY AND THE PROCEDURE FOR IMPLEMENTATION OF THE REMUNERATION POLICY

The Company has not deviated from the guidelines set out in the Remuneration Policy in connection with remuneration granted in 2023.

5 CONSIDERATION AT THE ANNUAL GENERAL MEETING

This Report will be presented to the Company's annual general meeting, to be held on 28 June 2024, and will be subject to an advisory vote at such general meeting.

Til generalforsamlingen i Aqua Bio Techonology ASA

RSM Norge AS

Frolandsveien 6, 4847 Arendal
Org.nr: 982 316 588 MVA

T +47 38 07 07 00
F +47 23 11 42 01

www.rsmnorge.no

Uavhengig revisors attestasjonsuttalelse om rapport om lønn og annen godtgjørelse til ledende personer

Konklusjon

Vi har utført et attestasjonsoppdrag for å oppnå betryggende sikkerhet for at Aqua Bio Techonology ASAs rapport om lønn og annen godtgjørelse til ledende personer (lønnsrapporten) for regnskapsåret som ble avsluttet 31. desember 2023, er i samsvar med allmennaksjeloven § 6-16b og tilhørende forskrift.

Etter vår mening er lønnsrapporten i det alt vesentlige utarbeidet i samsvar med allmennaksjeloven § 6-16b og tilhørende forskrift.

Styrets ansvar

Styret er ansvarlig for utarbeidelsen av lønnsrapporten og for at den inneholder de opplysninger som kreves etter allmennaksjeloven § 6-16b og tilhørende forskrift. Styret har også ansvar for slik intern kontroll som det finner nødvendig for å utarbeide en lønnsrapport som ikke inneholder vesentlig feilinformasjon, hverken som følge av misligheter eller feil.

Vår uavhengighet og kvalitetsstyring

Vi er uavhengige av selskapet slik det kreves i lov, forskrift og International Code of Ethics for Professional Accountants (inkludert internasjonale uavhengighetsstandarder) utstedt av the International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Vi anvender internasjonal standard for kvalitetsstyring (ISQM) 1 Kvalitetsstyring for revisjonsforetak som utfører revisjon og forenklet revisorkontroll av regnskaper samt andre attestasjonsoppdrag og beslektede tjenester, og opprettholder et omfattende system for kvalitetskontroll inkludert dokumenterte retningslinjer og prosedyrer vedrørende etterlevelse av etiske krav, faglige standarder og gjeldende lovmessige og regulatoriske krav.

Revisors oppgaver og plikter

Vår oppgave er å gi uttrykk for en mening om lønnsrapporten inneholder de opplysninger som kreves etter allmennaksjeloven § 6-16b og tilhørende forskrift, og at opplysningene i lønnsrapporten ikke inneholder vesentlig feilinformasjon. Vi har utført vårt arbeid i samsvar med internasjonal attestasjonsstandard (ISAE) 3000 – «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon».

Vi har gjort oss kjent med retningslinjene om fastsettelse av lønn og godtgjørelse til ledende personer som er godkjent av generalforsamlingen. Våre handlinger omfattet opparbeidelse av en forståelse av den interne kontrollen som er relevant for utarbeidelse av lønnsrapporten for å utforme kontrollhandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll. Videre utførte vi kontroller av fullstendigheten og nøyaktigheten av opplysningene i lønnsrapporten, herunder om den inneholder de opplysningene som kreves etter lov og tilhørende forskrift. Vi mener at innhentet bevis er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Kristiansand, 28. juni 2024
RSM Norge AS

Nils Eivind Holst
Statsautorisert revisor
(elektronisk signert)

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Norge AS is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Norge AS er medlem av/is a member of Den norske Revisorforening.

PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Holst, Nils Eivind

Statsautorisert revisor

På vegne av: RSM Norge AS

Serienummer: no_bankid:9578-5999-4-1446158

IP: 188.95.xxx.xxx

2024-06-28 10:38:33 UTC



Dokumentet er signert digitalt, med **Penneo.com**. Alle digitale signatur-data i dokumentet er sikret og validert av den datamaskin-utregnede hash-verdien av det opprinnelige dokument. Dokumentet er låst og tids-stemplet med et sertifikat fra en betrodd tredjepart. All kryptografisk bevis er integrert i denne PDF, for fremtidig validering (hvis nødvendig).

Hvordan bekrefter at dette dokumentet er originalen?

Dokumentet er beskyttet av ett Adobe CDS sertifikat. Når du åpner dokumentet i

Adobe Reader, skal du kunne se at dokumentet er sertifisert av **Penneo e-signature service** <penneo@penneo.com>. Dette garanterer at innholdet i dokumentet ikke har blitt endret.

Det er lett å kontrollere de kryptografiske beviser som er lokalisert inne i dokumentet, med Penneo validator - <https://penneo.com/validator>