



Remuneration report

**2023**



# Remuneration to the Chief Executive Officer (CEO) and other senior executives report

The Board of Directors are required to, in accordance to the Public Limited Liability Companies Act § 6-16 a and b and regulation 11.12.2020 no. 2730, prepare principles and report on remuneration to the Chief Executive Officer (CEO) and other senior executives.

## StrongPoint Remuneration Policy

The guidelines for remuneration of StrongPoint's executive management team (EMT), as proposed by the Board of Directors, were approved by the 2021 annual general meeting, pursuant to the Norwegian Public Limited Liability Companies Act, section 6-16 a, and supplementing regulations.

The policy is subject to approval by the annual general meeting at every material change and, in any case, at least every fourth year. The Board of Directors has not proposed any changes to the existing policy in 2023 (the policy can be found on [StrongPoint.com/investor](https://www.strongpoint.com/investor)).

StrongPoint's remuneration policy and terms are aligned with the company's overall strategy, values, performance-oriented framework, long-term interests, and sustainability of the company. The Board is committed to ensuring that executive compensation is fair and in line with shareholders' best interests.

Our compensation and benefits programmes for executives are designed to attract and retain the right people: people who are committed to deliver on our business strategy and able to adapt to a changing business environment. The

remuneration policy is an integrated part of our values-based performance framework. The reward should reflect the company's overall performance and financial results, and recognise "what" we deliver and "how" we deliver it.

## The decision-making process

The decision-making process for implementing or changing our remuneration policy, and the determination of salaries and other remuneration for the executive management, are in accordance with the provisions of the Norwegian public limited liability companies act sections 5-6 and 6-16 a, and the Board's rules of procedure.

The Board of Directors has appointed a designated Compensation Committee to support in the development of policies. The committee prepares a proposal for new guidelines at every material change and, in any case, every fourth year and submit it to the general meeting for resolution. The guidelines shall be in force until new guidelines have been adopted by the general meeting. The Committee also proposes changes in remuneration for executive management to the Board of Directors that concludes on such matters.

## The financial year 2023

In 2023, our profitability has weakened. As a result of high inflation and rising interest rates, the market conditions have hardened. StrongPoint has kept on investing in our product portfolio and new developments.

During the year, several new and important contracts have been awarded within all our business segments. Looking ahead, with a foundation of a highly skilled workforce and solid client base, StrongPoint is well positioned for long-term profitable growth based on sustainable solutions.

There has been no deviation or derogation from the remuneration policy.

## Shareholder feedback in 2023

The report on remuneration for senior management was approved by the general meeting in 2023. The general meeting also approved prolongation of the Long Term Incentive Program, and approved the employee share purchase programme for the StrongPoint group.

## Remuneration of the Board of Directors

The annual general meeting of StrongPoint ASA, held on 27th April 2023, re-elected Morthen Johannessen as chairperson of the Board. Peter Wirén, Ingeborg Molden Hegstad, and Cathrine Laksfoss were re-elected as directors. Klaus De Vibe was replaced by Audun Nordtveit as elected director. The total number of board members was maintained at five shareholder-elected members throughout the financial year.

The annual general meeting in 2023 resolved the remuneration for the board members for the period between the annual general meeting in 2023 and the annual general meeting in 2024. There was an increase in the fixed base from NOK 290,000 to NOK 305,000 for board members, and from NOK 580,000 to NOK 610,000 for the chair of the board. Remuneration for committee meetings was set to a fixed amount per year:

- Chair of the audit committee: NOK 70,000 per year
- Members of the audit committee: NOK 60,000 per year
- Chair of the remuneration committee: NOK 50,000 per year
- Members of the remuneration committee: NOK 40,000 per year

Total board remuneration has increased from KNOK 1,834 in 2022 to KNOK 2,082 in 2023.

All shareholder elected directors shall purchase shares in StrongPoint for a minimum of 20 per cent of the total gross directors' fixed base fees. The shares are purchased at market terms without any discount.

No board members have loans from the company. The directors have not been awarded share options or any other form of incentive-based remuneration for the fiscal year 2023. The directors do not receive performance-based remuneration. None of the directors have undertaken any special assignments for the group other than their Board work.

All remuneration in 2023 to the Board has been in line with the resolution from the general meeting.

Board fee (NOK)	2023	2022	Change
Chairman of the Board (fixed)	610 000	580 000	5,2%
Board Director (fixed)	305 000	290 000	5,2%

Table: Board fee level 2022 and 2023.

Director's total fee incl committee remuneration (KNOK)	2023	2022
Morthen Johannessen, Chairman	659	592
Camilla Tepfers, former Director	-	90
Klaus de Vibe, Director	135	334
Cathrine Laksfoss, Director	300	193
Ingeborg Hegstad, Director	346	303
Peter Wirén, Director	372	322
Audun Nordtveit, Director	269	-
Total Board of Directors	2 082	1 834

Table: Remuneration to board members in 2022 and 2023.

## Remuneration of the Executive Management

StrongPoint's executive remuneration schemes are designed to align with the company's ambitions, strategic priorities and purpose as defined in the Remuneration Policy. Executive remuneration consists of the following elements: A) Fixed remuneration (salary, car and pension) B) Variable pay (STI and LTI) C) Other benefits.

The below table details the remuneration for the Executive Management Team in 2023.

KNOK			2023					2022				
Executive Management Team	Title	Joined EMT during the period	Salary	Bonus	Company car	Other remuneration	Pension expenses	Salary	Bonus	Company Car	Other remuneration	Pension expenses
Jacob Tveraabak	CEO	04/2018	3 070	609	217	19	417	2 928	862	180	14	157
Hilde Gilen – to 31.05.2023	CFO	02/2019	1 298	-	71	10	80	2 083	612	170	18	157
Marius Drefvelin	CFO	09/2023	933	138	57	792	56					
Knut Olav Nyhus Olsen	SVP People and Org/Marketing	05/2020	1 689	301	157	23	202	1 661	415	132	16	157
Gisle Elvebakken	SVP Norway	05/2020	1 618	240	170	21	86	1 507	538	142	44	82
Julius Stulpinas	SVP Technology & supply chain	01/2016	1 606	335	-	-	-	1 304	433	-	-	-
Rimantas Mažulis	SVP Baltics	01/2019	1 363	441	-	-	-	1 059	460	-	-	-
Lorena Gómez	SVP Spain	02/2021	1 379	342	47	32	114	1 165	313	42	18	26
Chris Mackie	SVP E-commerce	01/2022	2 680	-	131	5	268	2 272	522	114	992	142
Magnus Rosén	SVP Sweden	02/2022	1 961	365	102	-	626	1 743	411	71	-	494
Steve Smith – to 13.11.2023	SVP UK & Ireland	06/2022	1 602	-	68	-	16	829	336	41	-	9
Total Group management			19 200	2 771	1 022	902	1 866	16 552	4 902	891	1 102	1 223

Bonus to Executive Management in 2023 is based on the achieved revenue and EBITDA compared to budget in 2023, growth ambitions and individual performance, and will be paid in 2024. The bonus is not related to the development in the stock-price. As at 31 December 2023, no loans or loan collateral have been given on behalf of members of the management team or board of directors.

Not included exercised options. See page 6 in this report and note 9 in the Annual report.

## Pay Mix for the Executive Management

The diagram below shows the composition of the 2023 remuneration of members of the Executive Management Team by category, i.e. fixed remuneration, variable pay\* and other benefits.

Pay Mix for the Executive Management	CEO	CFO	CHRO	SVP Norway	SVP Sweden	SVP Baltics	SVP Spain	SVP UK & Ireland	SVP E-commerce	SVP Technology & supply Chain
Fixed	71%	47%	71%	76%	64%	76%	72%	77%	87%	83%
Variable	14%	7%	13%	11%	12%	24%	18%	23%	0%	17%
Other benefits	15%	46%	16%	13%	24%	0%	10%	0%	13%	0%

\* The possible outcome of the Long Term Incentive Option Program is not included under the variable remuneration.

## Fixed remuneration in 2023

Fixed remuneration for the Executive Management Team members consists of their base salary and any fixed allowance paid during the period they serve on the executive team. The Board of Directors and the Compensation Committee reviews fixed salaries for the executive directors annually, taking into account a number of relevant factors, including market data, the individual's performance, role and responsibilities.

## Variable pay in 2023

Short term incentive program (STI)

The Executive Management Team had an annual variable pay scheme during 2023 with a maximum potential of 50 percent of the fixed remuneration. The annual variable pay is established to incentivize the executive directors to deliver on the annual short term performance objectives. The bonus award is tied to a clause that the executives are required to invest 30% of the gross bonus in StrongPoint ASA shares, with 20% discount and a 3 years lock-in period

All members of the Executive Management Team are measured on the same set of key performance indicators (KPI's). In order to ensure collaboration and joint deliveries the earning for the executives is based 45% on the corporate performance objectives, 15% on performance objectives of their specific business unit, and 40% on individual performance.

Bonus is rewarded linearly from 90% to 120% of budget performance, and with 50% payout when on budget. StrongPoint has in 2023 no bonus KPI's directly linked to ESG or environmental sustainability, but it is assessed as part of the individual KPI.

The bonus payments are calculated based on the actual performance on these objectives. Minor discretionary adjustments have been made where the KPIs were not seen to reflect the performance due to unforeseen circumstances. Payments to the Executive Management Team have been endorsed by the Compensation Committee and approved by the Board of Directors. The executives' compensation from the annual scheme for 2023 had a total value of MNOK 2.771 (MNOK 4.902 in 2022). On average, the executives had a performance of 29% vs the targets for the performance objectives.

Bonus KPI's	Weight	CEO	CFO	CHRO	SVP Norway	SVP Sweden	SVP Baltics	SVP Spain	SVP UK & Ireland	SVP E-commerce	SVP Technology & supply chain
Group Revenue	15%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Group EBITDA	15%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Business Unit EBITDA*	15%	0%	0%	0%	47%	0%	100%	17%	0%	0%	32%
Group Annual Recurring Revenue	15%	56%	56%	56%	56%	56%	56%	56%	0%	0%	56%
Qualitative Individual performance/CSI	40%	77%	67%	65%	35%	70%	90%	80%	0%	0%	60%

\* For CEO, CFO, and SVP People & Organization the business unit is equal to StrongPoint Group.

## Long term incentive program (LTI)

StrongPoint ASA had a Long Term Incentive Stock Option Program in 2023. The program has the ambition to both motivate and retain executive management and key personnel, and to achieve the overall long-term strategic ambitions of the company.

The limits for the allocation of share options to the participants is determined by the Board, within the board authorisation approved at the Annual General Meeting. The total number of options shall never exceed 10% of outstanding shares.

The option scheme was granted with a strike price equal to the average market price at time of the grant. The options vest over three years, with 1/4 vesting after one year, 1/4 after two years, and the remaining 2/4 after three years. The split in vesting underpins the retention ambition of the program.

Any non-exercised options expire five years after grant.

In 2023 management was granted 800,000 options under the LTI program.

The table below shows the awarded options under the 2020, 2021, 2022, and 2023 LTI programs.

	LTI granted options 01.11.2020	LTI year1 vesting date 01.11.2021	LTI year 2 vesting date 01.11.2022	LTI year 3 vesting date 01.11.2023	Exercise price	LTI granted options 05.05.2021	LTI year 1 vesting date 05.05.2022	LTI year 2 vesting date 05.05.2023	LTI year 3 vesting date 05.05.2024	Exercise price	LTI granted options 11.05.2022	LTI year 1 vesting date 11.05.2023	LTI year 2 Vesting date 11.05.2024	LTI year 3 Vesting date 11.05.2025	Exercise price	LTI granted options 09.05.2023*	LTI year 1 vesting date 09.05.2024	LTI year 2 vesting date 09.05.2025	LTI year 3 vesting date 09.05.2026	Exercise price	Sum granted LTI options	Sum Exercised LTI Options
Jacob Tveraabak	300 000	75 000	75 000	150 000	17.31	150 000	37 500	37 500	75 000	31.13	150 000	37 500	37 500	75 000	22.81	300 000	75 000	75 000	150 000	21.77	900 000	150 000
Marius Drefvelin	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	150 000*	37 500	37 500	75 000	18.00	150 000	
Knut Olav Nyhus Olsen	100 000	25 000	25 000	50 000	17.31	50 000	12 500	12 500	25 000	31.13	75 000	18 750	18 750	37 500	22.81	50 000	12 500	12 500	25 000	21.77	275 000	
Chris Mackie	-	-	-	-	-	-	-	-	-	-	75 000	18 750	18 750	37 500	22.81	50 000	12 500	12 500	25 000	21.77	125 000	
Gisle Elvebakken	100 000	25 000	25 000	50 000	17.31	50 000	12 500	12 500	25 000	31.13	100 000	25 000	25 000	50 000	22.81	150 000	37 500	37 500	75 000	21.77	400 000	50 000
Lorena Gómez	-	-	-	-	-	50 000	12 500	12 500	25 000	31.13	75 000	18 750	18 750	37 500	22.81	75 000	18 750	18 750	37 500	21.77	200 000	
Julius Stulpinas	100 000	25 000	25 000	50 000	17.31	50 000	12 500	12 500	25 000	31.13	75 000	18 750	18 750	37 500	22.81	25 000	6 250	6 250	12 500	21.77	250 000	
Rimantas Mažulis	100 000	25 000	25 000	50 000	17.31	50 000	12 500	12 500	25 000	31.13	75 000	18 750	18 750	37 500	22.81	100 000	25 000	25 000	50 000	21.77	325 000	
Magnus Rosén	-	-	-	-	-	-	-	-	-	-	75 000	18 750	18 750	37 500	22.81	100 000	43 750	43 750	87 500	21.77	175 000	
Steve Smith to 13.11.23	-	-	-	-	-	-	-	-	-	-	75 000	18 750	18 750	37 500	22.81	75 000	18 750	18 750	37 500	21.77	150 000	
<b>Total</b>	<b>700 000</b>	<b>175 000</b>	<b>175 000</b>	<b>350 000</b>	<b>17.31</b>	<b>400 000</b>	<b>100 000</b>	<b>100 000</b>	<b>200 000</b>	<b>31.13</b>	<b>775 000</b>	<b>193 750</b>	<b>193 750</b>	<b>387 500</b>	<b>22.81</b>	<b>1 075 000</b>	<b>287 500</b>	<b>287 500</b>	<b>575 000</b>		<b>2 950 000</b>	<b>200 000</b>

\*\* Vesting date of 150 000 options granted in 2023 is 08.09.2023.

## Other Benefits in 2023

StrongPoint provides a limited number of benefits to the executive management, including pension contribution, insurance schemes and participation in the company's share purchase scheme.

### Pension

The executive directors participate in locally defined contribution pension schemes on standard terms. Selected executives in Norway have in addition a cotribution of 15% of pensionable income above 12G (G = index based amount set by the Norwegian government). No additional pension contributions are provided.

### Insurance and health benefits

The executive directors participate in the company's insurance and health benefit schemes on standard terms. The executives are affiliated with the company's board liability insurance.

### Other benefits

Executive employees are provided with a company car/car allowance, free phone, internet and newspapers. All benefits are granted on general local market terms in the specific countries.

## Share Purchase

The Executive Management Team is eligible to participate in the company's share purchase scheme. The executive management has an option to buy shares for up to NOK 500,000 per year with 20% discount with a 3 years lock-in period. The CEO has an option to buy shares for up to NOK 1,000,000 with 20% discount with a 3 years lock-in period. The share purchase program comes in addition to the LTI stock option program.

The below table shows the Executive Management Team's shareholding per December 31, 2023, and changes in the shareholding during the year.

<b>Executive Management Team</b>	<b>Shares per 31.12.23</b>	<b>Shares per 31.12.22</b>	<b>Options per 31.12.23</b>	<b>Options per 31.12.22</b>
Jacob Tveraabak, CEO <sup>1)</sup>	230 843	212 246	750 000	600 000
Hilde Gilen, CFO to 31.05.2023		53 827		93 750
Marius Drefvelin, CFO from 01.09.2023	-		150 000	
Knut Olav Nyhus Olsen, SVP People and Organization, Marketing and Communication	31 227	13 814	275 000	225 000
Gisle Elvebakken, SVP Norway	47 645	39 329	350 000	250 000
Julius Stulpinas, SVP Technology & supply chain	38 365	31 094	250 000	225 000
Rimantas Mažulis, SVP Baltics	30 523	22 806	325 000	225 000
Lorena Gómez, SVP Spain	19 846	5 350	200 000	125 000
Chris Mackie, SVP E-commerce	25 104	15 936	125 000	75 000
Magnus Rosén, SVP Sweden	15 886	9 000	175 000	75 000
Steve Smith, SVP UK & Ireland to 13.11.2023	-	-		75 000
<b>Total</b>	<b>439 439</b>	<b>403 402</b>	<b>2 600 000</b>	<b>1 968 750</b>

1) Jacob Tveraabak owns the shares privately and through the company Celo Industries AS.

## Executive Remuneration – Comparisons

StrongPoint applies the same basic principles to the executive remuneration as for all the company's employees, benchmarking salaries against the relevant external market for the roles and assessing role complexity and individual performance. The below table shows changes in remuneration from previous years, financial performance and number of employees for the past five years.

Executive Management Team	Joined EMT during the period		2023	2022	2021	2020	2019
Jacob Tveraabak, CEO	04/2018	Remuneration FY (KNOK)	4 332 *	4 141	3 597	4 087	3 953
		Change in percentage	4,6%	13%	-12%	3%	5%
Marius Drefvelin, CFO from 01.09.2023	09/2023	Remuneration FY (KNOK)	1 976				
		Change in percentage	-				
Knut Olav Nyhus Olsen, SVP People and Organization, Marketing and Communication	05/2020	Remuneration FY (KNOK)	2 372	2 381	2 011	2 031	-
		Change in percentage	0%	16%	-1%	-	-
Gisle Elvebakken, SVP Norway	05/2020	Remuneration FY (KNOK)	2 321 *	2 312	2 020	1 908	-
		Change in percentage	0%	13%	6%	-	-
Julius Stulpinas, SVP Technology & supply chain	01/2016	Remuneration FY (KNOK)	1 941	1 737	1 610	1 575	1 725
		Change in percentage	12%	7%	2%	-9%	46%
Rimantas Mažulis, SVP Baltics	01/2019	Remuneration FY (KNOK)	1 804	1 519	1 184	1 260	1 127
		Change in percentage	19%	22%	-6%	12%	-
Lorena Gómez, SVP Spain	02/2021	Remuneration FY (KNOK)	1 914	1 563	1 201	-	-
		Change in percentage	23%	23%	-	-	-
Chris Mackie, SVP E-commerce	01/2022	Remuneration FY (KNOK)	3 085	4 042	-	-	-
		Change in percentage	-24%	-	-	-	-
Magnus Rosén, SVP Sweden	02/2022	Remuneration FY (KNOK)	3 054	2 720	-	-	-
		Change in percentage	12%	-	-	-	-
Steve Smith, SVP UK & Ireland to 13.11.2023	06/2022	Remuneration FY (KNOK)	1 686	1 216	-	-	-
		Change in percentage	39%	-	-	-	-
<b>StrongPoint Performance</b>			<b>2023*</b>	<b>2022*</b>	<b>2021*</b>	<b>2020*</b>	<b>2019*</b>
Revenue (*from continued operations)	(KNOK)		1 342 398	1 372 392	981 339	941 706	824 434
EBITDA	(KNOK)		-1 288	75 540	53 625	68 650	62 914
Number of employees	FTE		524	511	400	390	390
Average salary	(KNOK)		569.521	439.050	467.702	446.615	427.923

\* Not included exercised options. See page 6 in this report and note 9 in the Annual report.

Note: Respective remuneration has been annualised. Fixed exchange rates of SEK=0,996, Euro=11,424, GBP=13,136 and BGN=5,841



## Employment contracts and terminations

In line with other StrongPoint personnel, the executives are offered standard employment contracts with terms and conditions consistent with local industry standards.

In accordance with statutory law, the company may request the resignation of the CEO at its own discretion but will be obliged to pay severance payment of 6 months' salary after the notice period of 6 months.

Other executives do not have pre-arranged severance agreements, and has notice periods according to local law, with a minimum of 3 months' notice.

In the event of dismissal by the company, or agreed resignation at the company's request, an executive may receive severance pay/termination pay as decided by the CEO, after his/her consultation with the chairman of the Board of Directors.

Remuneration may be paid for restrictions imposed with regard to competing businesses. Such remuneration is intended to compensate the executive for loss of earnings. StrongPoint and the executives have not agreed on an optional reclaim of variable pay or 'clawback' clause. None of the executives has early retirement clause as part of their employment contract.

## UAVHENGIG REVISORS ATTESTASJONSUTTAELSE OM LØNNSRAPPORT

Til generalforsamlingen i Strongpoint ASA

### Konklusjon

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

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

### Styrets ansvar

Styret er ansvarlig for utarbeidelsen av lønnsrapporten og for at den inneholder de opplysninger som kreves etter allmennaksjeloven § 6-16 b 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, verken som følge av misligheter eller feil.

### Vår uavhengighet og kvalitetskontroll

Vi er uavhengige av selskapet i samsvar med kravene i relevante lover og forskrifter i Norge og International Code of Ethics for Professional Accountants (inkludert internasjonale uavhengighetsstandarder) utstedt av *International Ethics Standards Board for Accountants* (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Revisjonsforetaket anvender internasjonal standard for kvalitetsstyring, som krever at revisjonsforetaket utformer, implementerer og gjennomfører et system for kvalitetsstyring som inkluderer retningslinjer eller rutiner som samsvarer med etiske krav, profesjonsstandarder og gjeldene lover, forskrifter 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 § 6-16 b 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 omfatter 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.

Oslo, 3. april 2024  
ERNST & YOUNG AS

*Attestasjonsuttalelsen er signert elektronisk*

Finn Espen Sellæg  
statsautorisert revisor



StrongPoint ASA | Brynsengveien 10, 0667 Oslo | Tel: +47 934 03 254 | [strongpoint.com](https://strongpoint.com)