

ATLANTIC SAPPHIRE 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 Atlantic Sapphire ASA ("Atlantic Sapphire" 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 fiscal year ended 31 December 2021.

The purpose of the Report is to give an overview of paid and retained salary and other remuneration from the Company and the Group to the members of the Board and the Executive Management Team for 2021, pursuant to the Company's remuneration policy as approved by the Company's general meeting on 12 May 2021 (the "Remuneration Policy"). The Remuneration Policy is available at <https://atlanticsapphire.com/investor-relations/corporate-governance/#policies>.

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").

1.2 About Atlantic Sapphire

Atlantic Sapphire ASA ("ASA") is a Norwegian company headquartered in Vikebukt, Norway and listed on the Oslo Stock Exchange with the ticker symbol ASA. ASA owns the following subsidiaries (collectively, "Atlantic Sapphire" or the "Group"):

- Atlantic Sapphire Denmark A/S ("ASDK", registered in Hvide Sande, Denmark)
- Atlantic Sapphire USA LLC ("ASUS", registered in Miami, Florida, US)
- AS Purchasing, LLC ("ASP", registered in Miami, Florida, US)
- S.F. Development, L.L.C. ("ASSF", registered in Miami, Florida, US)
- Atlantic Sapphire IP, LLC ("ASIP", registered in Miami, Florida, US)

The Group owns and operates land-based Atlantic salmon farms in Hvide Sande, Denmark (the "Denmark Bluehouse" facility) and Homestead, Florida, US (the "Miami Bluehouse" facility). A Bluehouse® facility (the "Bluehouse") is proprietary production technology developed by the Group in collaboration with a wide range of supply chain partners to optimize growing conditions for Atlantic salmon. Each Bluehouse contains the facilities needed for a salmon's full growth cycle, from egg hatchery to grow-out tanks to harvest processing. Consolidated operations enable the Group to control the entire production cycle without having to transport salmon to and from ocean-based net pens. The Denmark Bluehouse (prior to the September 2021 fire) and the Miami Bluehouse (Phase 1) have annual production capacities of approximately 2,400 tons HOG1 and 9,500 tons HOG, respectively.

By the end of 2021, the Group employed 166 full time employees, and we expect to continue increasing our workforce as the Group scales up in the US.

1.3 Overall Company Performance in 2021

US Biomass Gain

2021 saw mixed performance. We achieved 3,000 tons of biomass gain for the year. Batches of fish that had been introduced into the Miami Bluehouse prior to mid-2020 (the "Initial Batches") experienced imperfect conditions throughout their life cycle. These batches had been farmed in the middle of construction activity in 2020 and H1 2021, which resulted in (1) unstable conditions due to water quality and temperature fluctuations, (2) reduced feeding to limit the biomass gain as new tank capacity was delayed, and (3) introduction into unfinished systems that were missing some of the water quality tools that are needed to bring conditions from acceptable to good (i.e., protein skimmers, ozone, and pH dosing systems).

These sub-optimal conditions led the Initial Batches to experience a high degree of maturation, which resulted in poor appetite and growth, and therefore low harvest yields and reduced product quality. Despite the overall below-budget performance, there were a lot of well-performing, high-quality tanks within these Initial Batches, resulting in approximately 60% of the total fish in 2021 harvested, graded, and sold at premium prices.

Positively, the fish introduced into the farm after mid-2020 (the “New Batches”) have had a stable environment to thrive and grow in. As demonstrated by the growth curves, the New Batches have grown considerably faster than the Initial Batches. B I, for instance, had an average weight of approximately 1kg as of 31 December 2021 and is projected to be harvested at the end of Q2 2022.

US standing biomass overview¹ as of December 31, 2021

Dec 31, 2021	Number	Average Weight (grams)	Standing Biomass (kg)	Quarter introduced in start-feed	Comment
Initial batches ²	485k	3,500	1,698,000		Groups exposed to uneven and suboptimal conditions early in the cycle (chiller plant breakdown, key water treatment tools missing)
B I	415k	950	394,000	Q4 '20	Stable conditions in line with plan
B II	500k	567	284,000	Q1 '21	Stable conditions in line with plan
B III	365k	282	103,000	Q2 '21	Stable conditions in line with plan
B IV	180k	150	27,000	Q2 '21	Fungus in hatchery stage, stable conditions thereafter
Freshwater ³	2,100k	30	63,000		Stable conditions in line with plan
Total	4,045k		2,569,000		

As the New Batches continue to grow and the Initial Batches are fully harvested, monthly biomass gain is expected to increase gradually throughout H1 2022 until the Group reaches approximately 4,200t RLW of standing biomass and approximately 950t RLW of biomass gain per month (“steady state”). The Group is expected to reach US Phase 1 steady state standing biomass during Q3 2022.

Denmark Operations

Danish operations in 2021 consisted of continued biomass ramp-up following the 29 February 2020 incident. On 9 July 2021, ASDK experienced an incident in one of its grow-out systems in the Denmark Bluehouse that resulted in a loss of approximately 500 tons (HOG). On 15 September 2021, a fire broke out in the Denmark Bluehouse. All employees were reported safe without injuries but substantially all property, plant, and equipment related to its saltwater ongrowing systems and standing biomass in the ongrowing systems were lost in the fire. While the insurance claim process remains ongoing, the Group expects to recover approximately USD 33m, the full book value of the Danish facility insured against the fire, less the value of the assets that were unaffected.

Group Results

Below are the Group’s consolidated statements of operations for the years ended 31 December 2021 and 2020:

(USD 1,000)	31 December 2021	31 December 2020	Change in USD	As a % of 2021 revenue	As a % of 2020 revenue
Revenue	16,851	6,270	10,581	100%	100%
Cost of materials	(65,607)	(18,169)	(47,438)	-389%	-290%
Fair value adjustment on biological assets	1,429	(9,478)	10,907	8%	-151%
Salary and personnel costs	(10,584)	(7,448)	(3,136)	-63%	-119%
Other operating expenses	(24,572)	(11,025)	(13,547)	-146%	-176%
Impairment of non-current assets	(34,754)	-	(34,754)	-206%	0%
Depreciation and amortization	(15,056)	(6,745)	(8,311)	-89%	-108%
Operating loss (EBIT)	(132,293)	(46,595)	(85,698)	-785%	-743%
Finance income	3,362	889	2,473	20%	14%
Finance expense	(3,847)	(9,487)	5,640	-23%	-151%
Loss before income tax benefit	(132,778)	(55,193)	(77,585)	-788%	-880%
Income tax benefit	-	-	-	0%	0%
Net loss	(132,778)	(55,193)	(77,585)	-788%	-880%
Non-IFRS measures					
Operating loss (EBIT)	(132,293)	(46,595)	(85,698)	-785%	-743%
Add back: depreciation and amortization	15,056	6,745	8,311	89%	108%
EBITDA	(117,237)	(39,850)	(77,387)	-696%	-636%
Add back: fair value adjustment on biological assets	(1,429)	9,478	(10,907)	-8%	151%
Add back: impairment of non-current assets	34,754	-	34,754	206%	0%
EBITDA, adjusted	(83,912)	(30,372)	(53,540)	-498%	-484%

The Group net loss for the years ended 31 December 2021 and 2020 was USD 132.8m and USD 55.2m, respectively, which represents a USD 77.6m increase in net losses over the prior year. Overall, the Group increased revenues from the continuation of its US harvests

and experienced increased costs from its ramp-up of operations, write-down of production costs from biomass incidents and underutilized plant capacity, and recognition of an impairment allowance for non-current assets following the September 2021 Denmark Bluehouse fire.

1.4 Composition of the Board and the Executive Management Team in 2021

1.4.1 The Board of Directors

During 2021, the Board consisted of the following members:

- Johan E. Andreassen, Chairman;
- Runar Vatne, Director;
- Alexander Reus, Director;
- André Skarbø, Director;
- Patrice Flanagan, Director;
- Tone Bjørnov, Director; and
- Ellen Marie Sætre, Director

Except for Johan Andreassen, all of the Board members are independent of the Group's management and material business associates and the Company's major shareholders.

The Company has also established a Nomination Committee, a Compensation Committee, and an Audit Committee. Certain Board members are also members of the Compensation Committee and the Audit Committee, being Alexander Reus (Compensation Committee and Audit Committee), Ellen Runar Vatne (Compensation Committee), Ellen Marie Sætre (Audit Committee), and Tone Bjørnov (Audit Committee). No Board members are members of the Nomination Committee.

1.4.2 The Executive Management Team

As of 31 December 2021, the Executive Management Team consisted of:

- Johan E. Andreassen, CEO of Atlantic Sapphire USA LLC;
- Alejandro Castro, Chief Business Officer;
- Danielle Villoch, Chief Legal Officer;
- Karl Øystein Øyehaug, Chief Financing Officer and Managing Director of the Company; and
- Svein Taklo, Chief Development and Infrastructure Officer.

All members of the Executive Management Team are employed by Atlantic Sapphire USA LLC and received their remuneration solely from that company.

2 REMUNERATION OF THE BOARD OF DIRECTORS

2.1 Key Principles for Remuneration of the Board of Directors

Any independent Chairman or member of the Board receives a fixed annual fee. In addition, each member of any committee may receive an additional fee based on the number of meetings held by each such committee. Members of the Board are reimbursed for reasonable and documented business expenses related to the performance of required functions. Such expenses include, but are not limited to, accommodation, transportation, and meals when traveling for Board meetings, if applicable.

As part of each Board member's remuneration package, the Company may also grant stock options based on recommendations provided by an external consultant.

Remuneration to the Board members is approved by the Board of Directors by the general meeting, typically in the annual general meeting, as a separate item on the agenda, which is in accordance with the Remuneration Policy. The proposals for remuneration of the Board members are prepared by the Compensation Committee.

2.2 Remuneration to the Board Members in 2021

During 2021, the members of the Board received remuneration as set out below (in USD thousands):

Name	Board fees	Audit committee fees	Compensation Committee fees	Extraordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration
Johan E. Andreassen	-	-	-	-	-	-	N/A fixed N/A variable
Runar Vatne	68	-	4	-	-	72	69% fixed 31% variable
Alexander Reus	68	-	14	-	-	82	73% fixed 27% variable
André Skarbø	68	-	-	-	-	68	74% fixed 26% variable
Patrice Flanagan	68	-	-	-	-	68	74% fixed 26% variable
Tone Bjørnov	68	-	-	-	-	68	74% fixed 26% variable
Ellen Marie Sætre	68	-	-	-	-	68	74% fixed 26% variable

The table below shows the change of the Board members' total Board fees for the years 2018 until 2021. The Board does not consider it relevant to show changes for years earlier than 2018, as the Company did not become listed until May 2018.

Name	Change in total remuneration from previous years					
	2021 vs. 2020		2020 vs. 2019		2019 vs. 2018	
	USD	%	USD	%	USD	%
Johan E. Andreassen	-	0%	-	0%	-	
Runar Vatne (1)	(5)	-6%	77	N/A	N/A	N/A
Alexander Reus	(25)	-23%	98	1089%	9	N/A
André Skarbø	(30)	-31%	89	989%	3	50%
Patrice Flanagan (2)	(11)	-14%	75	1875%	N/A	N/A
Tone Bjørnov (3)	14	26%	N/A	N/A	N/A	N/A
Ellen Marie Sætre (4)	14	26%	N/A	N/A	N/A	N/A
1) Runar Vatne was appointed to the Board in 2019						
2) Patrice Flanagan was appointed to the Board in 2019						
3) Tone Bjørnov was appointed to the Board in 2020						
4) Ellen Marie Sætre was appointed to the Board in 2020						

2.3 Share-Based Remuneration

Apart from share options granted to Johan E. Andreassen (which is described in Section 3.5.2 below), the Company did not provide share-based remuneration to the Board members during 2021.

As of 31 December 2021, the Board members held shares in the Company as set out below:

Name	Total shareholding
Johan E. Andreassen ¹⁾	11,013,310
Runar Vatne ²⁾	5,400,000
Alexander Reus	1,635,051
André Skarbø ³⁾	1,062,915
Patrice Flanagan	4,900
Tone Bjørnø	7,650
Ellen Marie Sætre	-

- 1) Held through JEA Invest AS, which is wholly owned by Johan E Andreassen, and through AlSCO AS, which is jointly owned by Johan E. Andreassen and Bjørn-Vegard Løvik. The number of Shares held by AlSCO AS has not been weighted according to ownership by Johan E. Andreassen and Bjørn-Vegard Løvik, but includes all shares held by AlSCO AS.
- 2) Held through Vatne Equity AS, a company wholly owned by Runar Vatne (through Vatne Capital AS), and through Lioness AS, a company controlled by Runar Vatne
- 3) Held through AS Invest AS, a company wholly owned by André Skarbø

As of 31 December 2021, the Board members held share options in the Company as set out below:

Name	Grant Date	Vesting Date	Expiration Date	Quantity Granted	Exercise Price (NOK)	Grant Date Fair Value (NOK)	Grant Date Fair Value (NOK)
Johan E. Andreassen	1/21/2020	1/20/2021	1/20/2025	27,797	176	28.15	782,486
	1/21/2020	1/20/2022	1/20/2025	27,797	176	28.15	782,486
	1/21/2020	1/20/2023	1/20/2025	27,797	176	28.15	782,486
	1/21/2020	1/20/2024	1/20/2025	27,797	176	28.15	782,486
	5/12/2021	5/12/2021	5/12/2027	200,000	160	6.78	1,356,000
	5/12/2021	5/12/2022	5/12/2028	200,000	200	5.65	1,130,000
	5/12/2021	5/12/2023	5/12/2029	200,000	250	4.76	952,000
	5/12/2021	5/12/2024	5/12/2030	200,000	312	4.06	812,000
	5/12/2021	5/12/2025	5/12/2031	200,000	400	3.3	660,000
Runar Vatne	-	-	-	-	-	-	-
Alexander Reus	-	-	-	-	-	-	-
André Skarbø	-	-	-	-	-	-	-
Patrice Flanagan	8/21/2019	8/21/2020	8/21/2024	5,000	99	28.47	142,350
Tone Bjørnø	-	-	-	-	-	-	-
Ellen Marie Sætre	-	-	-	-	-	-	-

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 can be summarized as follows:

- Support the Company's strategic performance and sustainability (ESG) targets;
- Drive the Company culture and values;
- Align remuneration with shareholder and stakeholder interests; and
- Provide guidelines for establishing the Executive Management Team's remuneration to attract, retain, and motivate employees with the skills, qualifications, and experience needed to maximize value creation for the Company and its shareholders.

The Group offers its Executive Management Team remuneration consisting of a base salary, participation in a defined contribution pension plan, customary benefits such as healthcare, life insurance, long and short-term disability, lunch program and mobile expense coverage, financial counselling, and tax preparation benefits. In addition, the Group offers variable compensation consisting of both short-term and long-term incentives to the members of the Executive Management Team, excluding Johan E. Andreassen (CEO of ASUS and the Chairman of the Board), and has granted share options pursuant to a specific share option program for Johan E. Andreassen.

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

3.2 Further Information on Variable Remuneration

3.2.1 Short-Term Incentives

The Group provides the Executive Management Team, excluding Johan E. Andreassen (CEO of ASUS and the Chairman of the Board), with a profit share bonus plan. Compensation under such plan is based on the Group achieving certain delineated financial and biological performance targets. Such targets are objective, measurable and linked to the achievement of the Group's strategic goals.

In addition, each member of the Executive Management Team is eligible for annual individual performance bonuses, which are reviewed and assessed by the Compensation Committee and benchmarked against similarly situated companies. When determining such bonuses, the Compensation Committee considers each individual's performance in light of the target goals set at the beginning of the year.

3.2.2 Long-Term Incentives

The Group's long-term incentive program takes into account financial and non-financial measurable criteria aligned with our sustainability (ESG) strategy, including criteria related to financial performance, fish welfare, and the Group's environmental and social impact.

The targets are measurable and set up in advance and reviewed against achievement throughout the year.

Johan E. Andreassen does not participate in these long-term incentives.

3.3 Remuneration to the Executive Management Team in 2021

During 2021, the members of the Executive Management Team (as of 31 December 2021) received remuneration as set out below (in USD thousands):

Name, Position	Fixed Remuneration			Variable Remuneration				Total Remuneration	Proportion of fixed and variable remuneration	
	Base salary	Fees	Fringe benefits	One-year variable	Multi-year variable	Extraordinary items	Pension Expense			
Johan Andreassen, Chairman of the Board & CEO	502	-	-	-	-	-	-	11	513	98% fixed 2% variable
Alejandro Castro, CBO	238	-	-	-	-	-	-	9	247	96% fixed 4% variable
Danielle Villoch, CLO	251	-	-	-	-	-	-	10	261	96% fixed 4% variable
Karl Øystein Øyehaug, CFO and Managing Director	238	-	-	-	-	-	-	8	246	97% fixed 3% variable
Svein Taklo, CDIO	286	-	-	-	-	-	-	11	297	96% fixed 4% variable

As noted in Section 1.3.2 of this Report, all members of the Executive Management Team are employed by ASUS and has only received remuneration from this company and not from any other Group companies.

3.4 Comparison of Remuneration, Group Performance, and Average Remuneration of Other Employees

The table below shows the change in total remuneration paid to the members of the Executive Management for the years 2018 until 2021, compared with the performance of the Group and the average remuneration of employees outside the Executive Management Team (on a full-time equivalent basis). The Board does not consider it relevant to show changes for years earlier than 2018, as the Company did not become listed until May 2018.

Name	Change in fees from previous years					
	2021 vs. 2020		2020 vs. 2019		2019 vs. 2018	
	USD	%	USD	%	USD	%
Johan Andreassen, Chairman of the Board & CEO	2	0%	(2)	0%	59	13%
Alejandro Castro, CBO (1)	37	18%	35	20%	122	0%
Danielle Villoch, CLO (2)	44	20%	N/A	N/A	N/A	N/A
Karl Øystein Øyehaug, CFO and Managing Director (3)	39	19%	52	34%	110	N/A
Svein Taklo, CDIO (4)	(6)	-2%	234	N/A	N/A	N/A
1) Hired August 2018						
2) Hired January 2020						
3) Hired October 2018						
4) Hired October 2019						

	Other					
	2021 vs. 2020		2020 vs. 2019		2019 vs. 2018	
	USD	%	USD	%	USD	%
Net loss for the period	(77,585)	141%	(42,041)	320%	(1,753)	N/A
Average remuneration per employee ASUS	4	5%	(6)	-8%	7	10%

The Board does not consider it relevant to show the average remuneration per employee in Atlantic Sapphire since all members of the Executive Management team are employed by ASUS. Therefore, based on materiality and practical considerations, only the average remuneration per employee for ASUS employees is depicted in the table above.

3.5 Share-Based Remuneration

3.5.1 General Information

Apart from share options granted to Johan E. Andreassen (which is described in Section 3.5.2 below), the Company did not provide share-based remuneration to the members of the Executive Management Team during 2021.

As of 31 December 2021, the members of the Executive Management Team held shares in the Company as set out below:

Name	Total shareholding
Johan E. Andreassen ¹⁾	11,013,310
Alejandro Castro	920
Danielle Villoch	487
Karl Øystein Øyehaug	17,665
Svein Taklo	35,058

- 1) Held through JEA Invest AS, which is wholly owned by Johan E Andreassen, and through Alsco AS, which is jointly owned by Johan E. Andreassen and Bjørn-Vegard Løvik. The number of Shares held by Alsco AS has not been weighted according to ownership by Johan E. Andreassen and Bjørn-Vegard Løvik, but includes all shares held by Alsco AS.

As of 31 December 2021, the members of the Executive Management Team held share options in the Company as set out below:

Name	Grant Date	Vesting Date	Expiration Date	Quantity Granted	Exercise Price (NOK)	Grant Date Fair Value (NOK)	Grant Date Fair Value (NOK)
Johan E. Andreassen	1/21/2020	1/20/2021	1/20/2025	27,797	176	28.15	782,486
	1/21/2020	1/20/2022	1/20/2025	27,797	176	28.15	782,486
	1/21/2020	1/20/2023	1/20/2025	27,797	176	28.15	782,486
	1/21/2020	1/20/2024	1/20/2025	27,797	176	28.15	782,486
	5/12/2021	5/12/2021	5/12/2027	200,000	160	6.78	1,356,000
	5/12/2021	5/12/2022	5/12/2028	200,000	200	5.65	1,130,000
	5/12/2021	5/12/2023	5/12/2029	200,000	250	4.76	952,000
	5/12/2021	5/12/2024	5/12/2030	200,000	312	4.06	812,000
	5/12/2021	5/12/2025	5/12/2031	200,000	400	3.3	660,000
Alejandro Castro	10/11/2018	8/27/2019	8/27/2023	5,000	45	22.29	111,450
	10/11/2018	8/27/2020	8/27/2023	5,000	45	22.29	111,450
	10/11/2018	8/27/2021	8/27/2023	5,000	45	22.29	111,450
	10/11/2018	8/27/2022	8/27/2023	5,000	45	22.29	111,450
	1/21/2020	1/20/2021	1/20/2025	820	136	40.45	33,169
	1/21/2020	1/20/2022	1/20/2025	819	136	40.45	33,129
	1/21/2020	1/20/2023	1/20/2025	820	136	40.45	33,169
	1/21/2020	1/20/2024	1/20/2025	819	136	40.45	33,129
Danielle Villoch	1/21/2020	1/12/2021	1/12/2025	5,000	126	44.31	221,550
	1/21/2020	1/12/2022	1/12/2025	5,000	126	44.31	221,550
	1/21/2020	1/12/2023	1/12/2025	5,000	126	44.31	221,550
	1/21/2020	1/12/2024	1/12/2025	5,000	126	44.31	221,550
Karl Øystein Øyehaug	10/11/2018	10/1/2019	10/1/2023	6,250	55	17.76	111,000
	10/11/2018	10/1/2020	10/1/2023	6,250	55	17.76	111,000
	10/11/2018	10/1/2021	10/1/2023	6,250	55	17.76	111,000
	10/11/2018	10/1/2022	10/1/2023	6,250	55	17.76	111,000
	1/21/2020	1/20/2021	1/20/2025	965	176	28.15	27,165
	1/21/2020	1/20/2022	1/20/2025	966	176	28.15	27,193
	1/21/2020	1/20/2023	1/20/2025	965	176	28.15	27,165
	1/21/2020	1/20/2024	1/20/2025	965	176	28.15	27,165
Svein Taklo	12/3/2019	9/30/2020	9/30/2024	8,750	104	44.9	392,875
	12/3/2019	9/30/2021	9/30/2024	8,750	104	44.9	392,875
	12/3/2019	9/30/2022	9/30/2024	8,750	104	44.9	392,875
	12/3/2019	9/30/2023	9/30/2024	8,750	104	44.9	392,875
	1/21/2020	1/20/2021	1/20/2025	4,343	136	40.45	175,674
	1/21/2020	1/20/2021	1/20/2025	5,116	176	28.15	144,015
	1/21/2020	1/20/2022	1/20/2025	4,344	136	40.45	175,715
	1/21/2020	1/20/2022	1/20/2025	5,115	176	28.15	143,987
	1/21/2020	1/20/2023	1/20/2025	4,343	136	40.45	175,674
	1/21/2020	1/20/2023	1/20/2025	5,116	176	28.15	144,015
	1/21/2020	1/20/2024	1/20/2025	4,343	136	40.45	175,674
	1/21/2020	1/20/2024	1/20/2025	5,115	176	28.15	143,987

3.5.2 Long-Term Option Program for Johan E. Andreassen

Johan E. Andreassen, as Chairman of the Board and CEO of ASUS, is part of a long-term retention option program. As a founder of the Company, the long-term retention of Mr. Andreassen in these positions is critical for the Group's performance and delivering on shareholder value. The long-term option program is structured as granting 200,000 options (1,000,000 options in total) per year upon achievement of a set share price at a given date. Such grant was approved by Company's annual general meeting in 2021.

The terms of the long-term retention option program include that Johan E. Andreassen must remain with the Company (either as full-time employee of ASUS or as Chairman of the Board), that the share options will be cancelled if Andreassen terminates his employment or Board position with the Company as well as other restrictive covenants. Further, the Company may terminate Mr. Andreassen's position with the Company upon violation of certain contractual obligations such as misconduct, financial misstatements, fraud, etc.

Each grant has a four year "pro rata" vesting, whereby 25% of the options vest and become exercisable each year. Further, there is a 10-year term to exercise each vested tranche, which contribute to the goal of long-term retention. Additional terms and conditions apply in accordance with local US practice.

This remuneration is not transferrable to other positions or people in the Group.

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 2021.

5 CONSIDERATION AT THE ANNUAL GENERAL MEETING

This Report will be presented to the Company's annual general meeting, to be held on 19 May 2022, and will be subject to an advisory vote at such general meeting.