



Remuneration report 2023

For Aker Carbon Capture ASA



Remuneration of Executives of Aker Carbon Capture ASA

In accordance with the Norwegian Public Limited Liability Companies Act section 6-16 b, the Board of Directors of Aker Carbon Capture ASA has prepared a report on the salary and other remuneration of the Chief Executive Officer and senior executives of the company awarded or due in 2023.

This report regards remuneration of the following executive management of 2023:

- Chief Executive Officer (CEO) – position currently held by Egil Fagerland
- Chief Financial Officer (CFO) – position currently held by Julie Berg
- Chief Operating Officer (COO) – position currently held by Erik Langholm
- Chief Commercial Officer (CCO) – position currently held by Jon Christopher Knudsen
- General Counsel – position currently held by Pernille Brente
- Chief of Staff – position currently held by Nina Westgaard

In addition, historical data are maintained for the following senior executives that had executive management positions part of the year:

- Chief Technology Officer - position held by Jim Stian Olsen
- Chief Operations & Aftermarket Officer - position held by Tove Ormevik

- Chief Executive Officer - position formerly held by Valborg Lundegaard
- Interim Chief Financial Officer - position formerly held by Petter Natås

At the Annual General Meeting in April 2023, the Remuneration report 2023 was subject to an advisory vote. The remuneration report was supported by 86% of cast votes.

1. Introduction, scope, and purpose

This Remuneration report 2023 provides an overview of remuneration of the executive management of the company in 2023 in relation to the company's Executive Remuneration Guidelines as approved by the annual general meeting on 19 April 2022 pursuant to the Norwegian Public Limited Liability Companies Act section 6-16a. This report has been prepared in accordance with the Norwegian Public Limited Liability Companies Act section 6-16 b.

No deviations from the guidelines have been applied for 2023.

The company's Executive Remuneration Guidelines are designed to align with the company's overall business strategy, and long-term interests. The main purpose of the company's remuneration of executive management is to attract and retain executives, to align interests between executives and the company's shareholders and to encourage a strong and sustainable performance-based culture which supports the company's overall strategic ambitions and goals over time. The total remuneration of the executive management is therefore constructed as a combination of fixed salary and variable compensation. A competitive fixed salary shall be paid to attract and retain high-quality and experienced executives and to provide appropriate remuneration for their important role in the company. This is required to support the recruitment and retention of executives of the caliber required to implement the company's strategy. The variable compensation is designed to ensure alignment between performance and remuneration and increase shareholder value while retaining key employees.

In addition to remuneration to the executive management, section 2 of this report contains information on compensation to the Board of Directors of Aker Carbon Capture for 2023.





2. Remuneration to executive management

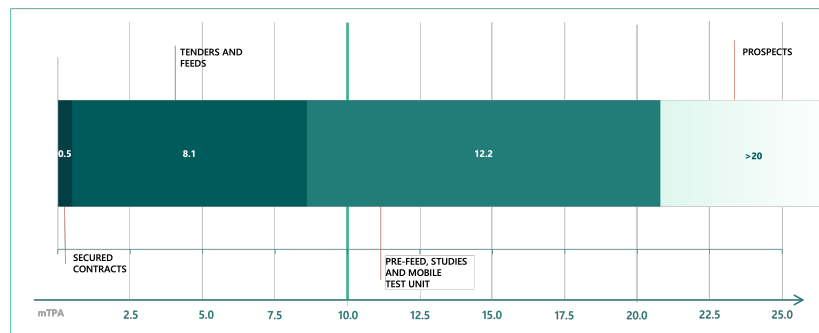
2.1 Overview of financial year 2023

Aker Carbon Capture was established as a standalone company in the summer of 2020, following more than 15 years of developing carbon capture technology and solutions in the Aker group. The design has been continuously improved, such as developing the advanced emission control systems including the patented AntiMist™ technology, solutions to minimize net energy use, as well as the development of a health, safety and environmentally friendly solvent portfolio, with the aim of no harm to workers on site, surrounding communities or the environment.

The company's revenues increased from NOK 781 million in 2022 to NOK 1,605 million in 2023, primarily driven by increased activity on the Heidelberg Materials Brevik CCS, Twence CCU and Ørsted CCS projects. Operating loss ended at negative NOK 211 million, compared to negative NOK 223 million in 2022. The operating loss was primarily caused by salary and personnel costs as well as other operating expenses in line with increasing activity levels and growth ambitions of the company. Loss for the period was negative by NOK 171 million, compared to NOK 204 million in 2022.

Information about key events for the financial year 2023 and Aker Carbon Capture's overall performance is found in the [Annual and sustainability report 2023](#).

2.2 Company and individual targets



As the Annual and sustainability report states, Aker Carbon Capture has a long term “10 in 25” strategic target. This means securing contracts to capture 10 million tonnes per annum CO₂ by 2025. The company objectives are all important success factors toward this journey and are closely linked to the overarching long term strategic target. Given its high strategic importance, order intake is weighted the highest.

The main company performance objectives used in 2023 for the executive management's achievement of variable remuneration, which is described in further detail under section 2.3 below, are related to the following:

- Order intake and delivery of key milestones on carbon capture projects
 - Securing new contracts
 - Heidelberg Materials Brevik CCS
 - Twence CCU
- Partnering and geomarkets
 - Establish market presence in North America and develop execution partnerships
- Technology and product development
 - Qualify/verify technology for smelting industry
 - Invest in technology development/new technology to enable cost reduction and new cost-efficient products
- People
 - Achieve an average higher employee well-being factor than in 2022
- Share price
 - Positive share price development relative to the “ S&P Global Clean Energy index”
- ESG
 - Improved MSCI rating compared to 2022

In addition to the company objectives stated above all executive managers have personal objectives. These objectives are linked to the company objectives consistent with their area of responsibility as well as individual development criteria.



2.3 Remuneration awarded or due in 2023

In 2023, the remuneration to executives consisted of a combination of fixed salary and variable pay. The executive management received between 8-49% (20%-35% in 2022) of their total remuneration as variable pay. The ratio of the CEO's compensation to median compensation for all employees was 2.7 for 2023 and 3.6 for 2022.

For variable pay, the amounts in the table represent what has been recognized in the income statement rather than actual payments made in the year. Amounts include holiday pay earned and recognized in the income statement in the year, where applicable.

Name of executive, position ⁴	Period	Fixed remuneration		Variable remuneration		Extra ordinary items ²	Pension expense ³	Total remuneration	Proportion fixed vs variable remuneration	
		Base salary	Fringe benefits ¹	One-year variable	Multi-year variable				Fixed	Variable
Egil Fagerland, Chief Executive Officer	Jul - Dec 2023	1,652	3	1,042	87	—	68	2,851	60%	40%
Egil Fagerland, Chief Financial Officer	Jan - Jun 2023	999	2	1,042	—	—	62	2,105	51%	49%
Julie Berg, Chief Financial Officer	Dec 2023	224	1	122	—	100	13	459	52%	48%
Pernille Brente, General Counsel	2023	1,915	21	1,046	58	—	134	3,175	65%	35%
Erik Langholm, Chief Operating Officer	2023	2,323	19	1,519	58	—	138	4,058	61%	39%
Jon Christopher Knudsen, Chief Commercial Officer	2023	2,325	9	1,519	58	—	134	4,045	61%	39%
Nina Westgaard, Chief of Staff	2023	2,052	9	1,306	58	—	134	3,559	62%	38%
Valborg Lundegaard, Chief Executive Officer	Jan - Jul 2023	2,017	21	—	198	—	122	2,358	92%	8%
Jim Stian Olsen, Chief Technology Officer	Jan - Jul 2023	900	5	709	—	—	72	1,686	58%	42%
Tove Ormevik, Chief Operation & Aftermarket Officer	Feb - Jul 2023	877	4	575	—	—	68	1,524	62%	38%
Petter Natås, Chief Financial Officer (Deputy)	Jul - Nov 2023	642	3	246	—	—	56	946	74%	26%

1. Fringe benefits include membership in the standard employee benefit scheme and an additional executive group life and disability insurance.

2. Non-recurring compensation including sign-on bonus.

3. Main characteristics of the retirement pension plan: The Executive Management Team participates in the standard pension and insurance schemes applicable to all employees. The company does not have any defined benefit plans. The former CEO and the COO were employed by Aker Solutions in 2008 when the company changed to defined contribution plan and is part of a compensation plan which has been transferred to Aker Carbon Capture. The compensation amount is adjusted annually in accordance with the adjustment of the pensionable income, and accrued interest according to market interest. The compensation plan is an unfunded plan and is calculated using an earned balance method.

4. Egil Fagerland was CFO of the company until he was appointed CEO in July 2023. The one-year variable component is split based on the number of months in the respective positions.



2.4 Variable remuneration / annual variable pay scheme

The annual variable pay program for executive management is assessed against annual performance targets that signal and reward the strategic and operational results and behaviors expected for the year that contribute to the long-term, sustainable value creation for Aker Carbon Capture.

All employees of Aker Carbon Capture participate in this variable pay program, with the same company objectives as the executive management.

Payment under the variable pay program is recommended by the CEO and approved by the board on an annual basis. The payments are subject to a discretionary assessment based on the two components:

- 50% is related to delivery of the company objectives
- 50% is related to delivery of personal performance objectives during the year

The variable remuneration is earned over a period of one year and the maximum achievable payment is 80% of annual base salary for the CEO and 70% for the other members of the Executive Management Team.

The definition of the company objectives and fulfillment assessment is subject to the chair and Board of Directors' approval and subsequent discretionary assessment. For the CEO, individual objectives are approved and assessed by the chair. For executives the individual objectives are set and assessed by the CEO.

In 2023, the executives received variable remuneration of 70-80% (50% in 2022) of the individual bonus potential, due to the combination of achieved company objectives and individual performance objectives. The fulfillment of company measures is mainly connected to the achievements described in section 2.2.

A competitive remuneration contributes to attract and retain high-quality and experienced executives of the caliber required to implement the company's strategy. The variable compensation is designed to ensure alignment between performance and remuneration and increase shareholder value while retaining key employees.

2.5 Fixed remuneration

The fixed remuneration to the CEO is recommended by the chair of the board and approved by the Board of Directors on an annual basis. The remuneration to the remaining executive management shall be approved by the CEO, in consultation with the chair of the board, and informed to the Board of Directors of Aker Carbon Capture on an annual basis.

The fixed base salaries are based on the following objective criteria:

- Scope and responsibility of the position
- Skills, experience, and performance
- Salary level relative to the market

2.6 Long term incentive and retention scheme

In addition to the annual variable pay scheme, the company put in place a long-term incentive and retention program for the CEO and selected senior executives of Aker Carbon Capture in 2023. The program aims to ensure long-term focus, consistent shareholder value creation and retention of executives. The incentive period stretches from October 2023 to the end of 2025. The objectives of the scheme are linked to the long-term strategy, share price development and achievement of certain key targets, as well as long term employment in the company.

2.7 Share based remuneration

The company has not granted remuneration to the executive management in the form of shares, subscription rights, or options in the company or in other companies within the group.

The share price development is included as one of the corporate objectives, and all employees including executive management are invited to join share purchase programs from time to time.



2.8 Comparative information on the change of remuneration and company performance

The below tables show comparative information on the change of remuneration for each executive since the company was established in August 2020 in comparison with the average remuneration for all employees (excluding executives). Total remuneration includes fixed and variable salary (including calculated holiday pay and annualized where applicable) in each year for the relevant individuals and all employees. However, with some of the variable salary being based upon individual achievement, and a variation of number of employees over time, the information below is not directly comparable.

Amounts in NOK thousand	2020		2021		2022		2023	
	Fixed	Total	Fixed	Total	Fixed	Total	Fixed	Total
Egil Fagerland, Chief Executive Officer			1,777	3,151	2,237	3,135	2,785	4,956
Change					26 %	(1)%	24 %	58 %
Julie Berg, Chief Financial Officer							2,618	4,407
Change								
Pernille Brente, General Counsel			1,747	2,318	1,795	2,230	2,070	3,175
Change					3 %	(4)%	15 %	42 %
Erik Langholm, Chief Operating Officer			2,093	3,399	2,202	3,002	2,481	4,058
Change					5 %	(12)%	13 %	35 %
Jon Christopher Knudsen, Chief Commercial Officer			2,084	3,393	2,154	2,956	2,468	4,045
Change					3 %	(13)%	15 %	37 %
Nina Westgaard, Chief of Staff			1,810	2,668	1,984	2,509	2,194	3,559
Change					10 %	(6)%	11 %	42 %
Valborg Lundegaard, Chief Executive Officer	3,260	6,754	3,792	7,522	3,985	6,140	3,702	4,042
Change			16 %	11 %	5 %	(18)%	(7)%	(34)%
Tove Ormevik, Chief Operation & Aftermarket Officer							1,898	3,048
Change								
Jim Stian Olsen, Chief Technology Officer			1,611	2,552	1,723	2,370	1,676	2,891
Change					7 %	(7)%	(3)%	22 %

The average base salary for non-executive employees:

Amounts in NOK thousand	2023	2022	2021	2020
Average base salary	1,128	1,021	1,008	1,012
Annualized change amount	107	13	(4)	—
Annualized change %	10 %	1 %	— %	—

2.9 Use of the right to reclaim remuneration

No remuneration has been reclaimed in 2023.



3. Remuneration to the Board of Directors

The General Assembly determines the compensation to the Board of Directors based on a proposal from the Nomination Committee. At the 2024 annual general meeting the Nomination Committee proposes the compensation payable for the period between the 2023 annual general meeting and the 2024 annual general meeting.

The Board of Directors did not receive any other fees than those listed in the table below. The members of the Board of Directors have no agreements that entitle them to any extraordinary remuneration.

The fees in the table below represent expenses recognized in the income statement based on assumptions about fees to be approved at the annual general meeting rather than actual payments made.

Amounts in NOK thousand	2023 ²				2022			
	Period	Audit committee	Board fees	Of which paid to individual ¹	Period	Audit committee	Board fees	Of which paid to individual ¹
Henrik Overgaard Madsen	n.a.	—	—	—	Jan-Apr	—	200	200
Kristian Røkke	Jan-Dec	—	651	—	Jan-Dec	55	523	—
Øyvind Eriksen	n.a.	—	—	—	Jan-Apr	—	103	—
Oscar Fredrik Graff	Jan-Dec	—	336	336	Jan-Dec	—	320	320
Nina Jensen	Jan-Dec	—	336	168	Jan-Dec	—	320	160
Liv Monica Stubholt	Jan-Dec	196	336	532	Jan-Dec	220	320	540
Linda Litlekalsøy Aase	Jan-Dec	114	336	450	Jan-Dec	—	320	217
Bent Christensen	Jan-Dec	—	336	336	May-Dec	—	217	217
Åse Marit Hansen	Jan-Dec	—	336	168	May-Dec	—	217	108

1. Employees of Aker companies do not receive the remuneration personally, and payment is made to their respective employer company. Therefore, the fees for Øyvind Eriksen, Kristian Røkke, and Linda Litlekalsøy Aase (Jan-Apr 2022) are paid to employer company. For Nina Jensen, 50 percent of the fee is paid to REV Ocean AS. NOK 168 thousand of the fee to the employee elected representative is paid to a dedicated competence fund, in agreement with the union.
2. The indicated fees for 2023 include an increase of 5% compared to 2022, based on a preliminary proposal from the board.

4. Directors' and executive management's shareholding

Shares in Aker Carbon Capture owned by directors and members of the executive management and their related parties as of 31 December:

	Job title	Number of shares
Linda Litlekalsøy Aase	Director	19,551
Oscar Fredrik Graff	Director	10,000
Egil Andre Fagerland	Chief Executive Officer	32,825
Erik Langholm	Chief Operating Officer	18,169
Jon Christopher Knudsen	Chief Commercial Officer	70,362
Nina Westgaard	Chief of Staff	33,260
Pernille Brente	General Counsel	9,380

The overview includes only direct ownership of shares in Aker Carbon Capture ASA.



The Board of Directors has today adopted the report on remuneration of executives of Aker Carbon Capture for the financial year 2023. The report has been prepared in accordance with the Norwegian Public Limited Liability Companies Act section 6-16 b and will be presented to the General Assembly on 16 April 2024 for an advisory vote.

Fornebu, 17 March 2024

Board of Directors and Chief Executive Officer of Aker Carbon Capture ASA

Kristian Røkke

Chair

Nina Jensen

Director

Oscar Fredrik Graff

Director

Liv Monica Stubholt

Director

Linda Litlekalsøy Aase

Director

Bent Christensen

Director

Åse Marit Hansen

Director

Egil Fagerland

Chief Executive Officer



Auditor's report

Independent auditor's assurance report on salary and other remuneration to directors



To the General Meeting of Aker Carbon Capture ASA

Independent auditor's assurance report on salary and other remuneration to directors

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Aker Carbon Capture ASA report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2023 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our Independence and Quality Management

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We apply the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 17 March 2024
PricewaterhouseCoopers AS

Thomas Frarud
State Authorised Public Accountant

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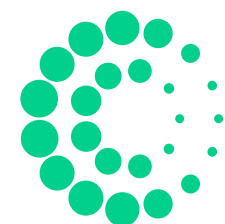
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Publication

18 March 2024



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CAPTURE**

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