

# DLT ASA – Remuneration Report 2021

This Report describes the principles for the remuneration of the CEO and members of the Executive Management Team in DLT ASA (DLTx) for the financial year 2021, and how these principles have resulted in actual remuneration. The main principle of DLTx's executive remuneration policy is that the remuneration should be competitive and motivate to attract and retain the CEO and the rest of the Management Team with the required competence to strengthen and ensure the business strategy and long-term interests DLTx. The remuneration is designed to align the interests of the executives with those of the shareholders.

During 2021, there has been changes in the Management Team. A new CEO (Thomas Christensen) from March and new CFO (Magnus Nøkleby) from April.

The Remuneration Report complies with the requirements defined in the Norwegian Public Limited Companies Act § 6-16a and 6-16b.

As DLTx does not have a remuneration committee, the Board of Directors (Board) is responsible for the remuneration policy of the company.

## Remuneration of the Management Team

The executive remuneration consists of a base salary and a variable part linked to the company's and the individual's achievement, and pension schemes. In addition, DLTx offers an employee share option program for executive management and certain other employees.

### Base salary

The base salary levels reflect the individual manager's responsibilities and performance and is chosen to attract and retain the executives with required competence to contribute to and ensure the business strategy. The base salary is reviewed annually to ensure the right level and potential annual percentage increases are aligned with those of employees in general, except in special circumstances. The CEO base salary is determined by the Board. Adjustment of base salaries for other executive management is decided by the CEO, in consultation with the Chairman of the Board.

### Variable remuneration

The company's bonus scheme is designed to promote performance in line with the company's strategy. The bonus system is assessed on pre-defined financial, non-financial and operational criteria. The objectives are set by the Board and determined for and agreed with the CEO. The bonus for the CEO is determined by the company's performance, while bonus for employees, including the Management Team, is determined by the CEO on an individual basis based on his/her performance within his/her field.

### Employee Share Option Program (ESOP)

DLTx has a share option program (ESOP) for the Management Team and certain other employees, linked to value creation over time. A similar ESOP has been in place for several years but was put on hold in 2021 after the DLT acquisition in March 2021.

In 2021 the company granted a total of 4 900 000 share options, 4 000 000 of these was granted as part of the DLT acquisition in March, while the remaining 900 000 was granted to certain key-hires.

### Other benefits

The CEO has three months' notice period. For other senior executives, the notice period varies from one to three months. The CEO is entitled to severance payment equivalent to twelve months' salary in addition to pay during the

notice period. Executives receive non-monetary benefits such as phones, insurance and health care, on customary terms.

### [Review of the remuneration report](#)

The Board has the overall responsibility for reviewing the remuneration report and proposing changes to the report. The remuneration report will be presented for an advisory vote at the Annual General Meeting in 2022.

### [Authorizations to the Board](#)

In accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act, the Board is authorized to approve temporary deviations from the remuneration policy. Deviations shall be considered and presented to the Board for approval. Deviations may only be made in specific cases if there are special reasons outside of normal business that makes it necessary to increase reward in order to secure the company's long-term interests, financial viability and/or sustainability by recognizing exceptional contributions.

In 2021, the company's remuneration guidelines were adjusted in connection with the Annual General Meeting.

The below table shows the remuneration for the management team in DLTx for 2021.



**Table 3 – Awarded Share Options**

Name, position	Main criteria						
	1	2	3	4	5	6	
	Name of plan and subplan	Grant date	Vesting date*	Quantity	Expiry date	Strike price	
Thomas Christensen, CEO	GF 2018	January grant	27.01.2019	27.09.2019	50 000	27.01.2023	15
		June grant	28.06.2019	28.06.2019	50 000	28.06.2023	2,626
	EGF 2021	February grant	24.02.2021	24.02.2021	1 000 000	24.02.2024	6
James Haft, Chariman	GF 2018	January grant					
		June grant	28.06.2019	28.06.2019	50 000	28.06.2024	2,626
	EGF 2021	February grant	24.02.2021	24.02.2021	1 000 000	24.02.2024	12
Kari Mette Toverud, Board member	GF 2018	January grant	27.01.2019	27.01.2019	18 000	27.01.2023	15
		June grant	28.06.2019	28.06.2019	25 000	28.06.2023	2,626
	EGF 2021	February grant	24.02.2021	24.02.2021	500 000	24.02.2024	8
Viggo Leisner, Board member	GF 2018	January grant					
		June grant					
	EGF 2021	February grant	24.02.2021	24.02.2021	500 000	24.02.2024	8
Geir Johansen, former CEO	GF 2018	January grant	27.01.2019	28.06.2019	50 000	28.06.2023	2,626
		June grant					
	EGF 2021	February grant					
Magnus Nøkleby, CFO	GF 2018	January grant					
		June grant					
	EGF 2021	April grant	09.04.2021	09.04.2023	200 000	09.04.2026	9,23
	Share Incentive Scheme	August grant	30.08.2021	30.08.2021	250 000	30.08.2026	6,12

\* Employees who leave the company will forfeit any unvested share options.

<b>Tabell 4 – Shares held by management as of reporting period</b>		
Name, position	Shares	
	2021	2020
Thomas Christensen, CEO	1 373 334	1 400 000
Magnus Nøkleby, CFO	145 000	
<b>Total</b>	<b>1 518 334</b>	<b>1 400 000</b>

<b>Table 5 – Shares held by Board as of reporting period</b>		
Name, position	Shares	
	2021	2020
James Haft, Chariman	11 173 593	1 650 000
Kari Mette Toverud, Board member	128 412	28 412
Viggo Leisner, Board member	630 000	
<b>Total</b>	<b>11 932 005</b>	<b>1 678 412</b>

<b>Table 6 – Variability/development in base salary</b>				
	2021	2020	2019	2018
Geir Johansen, Former CEO	1 180	2 500	1 427	
Thomas Christensen, CEO	2 129			
Magnus Nøkleby, CFO	876			
Board	1 354	1 235	1 961	1 307

**Table 7 – Variability/development in total remuneration**

	2021	2020	2019	2018
Geir Johansen, Former CEO	5 110	3 521	1 427	
Thomas Christensen, CEO	5 673			
Magnus Nøkleby, CFO	1 355			
Board	1 354	1 235	1 961	1 307

To the General Meeting of Dlt 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 Dlt ASA's report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31. December 2021 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 control**

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. Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains 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".

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### **Plus Revisjon AS**

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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, June 1, 2022  
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Bent Wessel Eide  
State Authorised Public Accountant  
(This document is signed electronically)