

2023

Our results

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1 Key developments in remuneration 2023

1.1 Overall Group performance in 2023

At the end of the first quarter of 2022, Itera discontinued its data centre operations. Following this, the company reports on its continuing operations similar to what was identified as the “core digital business” reporting segment in 2021. References to Itera’s financial performance in this document is related to the continuing operations unless otherwise noted.

Itera grew by 18% to NOK 872 million in 2023. The operating margin (EBIT margin) decreased from 10.5% to 9.0%. The decline in margin can largely be attributed to the continued war in Ukraine, impacting our operations there, and a slower market in general in the second half of the year.

1.2 Key developments in Board remuneration in 2023

At the Annual General Meeting in May 2023 three of the external members of the Board were re-elected, while the last was replaced by two new members, i.e. extending the Board to consist of 5 shareholder-elected members in addition to the 2 employee-elected members who were not subject to election this year. The tenure of employee-elected board members and observers is for two years. The gender balance was changed from 50% women to 43% following the extension of the Board.

The Annual General Meeting approved an adjustment to the Board remuneration level for 2022/2023 for the shareholder-elected member by approximately 5% as a CPI adjustment rounded to the nearest thousand NOK. The employee-elected members were granted a doubling of their fee upon the recommendation from the Nomination Committee. Remuneration for participation in sub-committees were changed by approximately 4-7%. Remuneration levels are approved in arrears by the Annual General Meeting for the past twelve months.

The changes totalled an increase in base fees, Board committee fees and Nomination committee fees from

NOK 1,272,000 to NOK 1,378,000, which represents an increase of 8.3%, before the addition of one more board member. The members of the Board receive 50% of the expected base fee as an advance in the current year, with the residual base fee and committee fees are paid in arrears the subsequent year after the approval in the Annual General Meeting.

All remuneration in 2023 to the Board has been in line with the approved Remuneration Policy. Paid compensation to the Board and Nomination committee for 2023 was NOK 1,559,000 compared to NOK 1,545,500 in 2022. This includes consulting fees to the Chair of the Board in 2023 of NOK 34,000 vs NOK 255,000 in 2022. A total of NOK 14,000 of Board fees from 2023 were outstanding at year end due to a payout error. Reimbursement of travel expenses for international Board member has not been included as it’s purely coverage of out-of-pocket costs.

1.3 Key developments in executive remuneration in 2023

All remuneration in 2023 to Executive Management was in line with the approved Remuneration Policy adopted by the AGM in 2021. Total remuneration to Executive Management amounted to NOK 11.7 million as compared to NOK 11.9 million in 2022. This included gains from long-term incentive plans of NOK 0.3 million (NOK 0.2 million), Short-term incentives of NOK 1.9 million (NOK 2.4 million) were paid out on the basis of performance in 2022. This represented between 89% and 99% of the targets for the various Executives. The CEO received 89% of his targeted short-term incentives. Accruals have been made for short-term incentives based on the performance in 2023 ranging from 44% to 55% of the targets. The CEO reached 44% of his targets for the year. Payments of the short-term incentives for 2022 were made in March of 2023. Details of the programme is found in section 3.5.

2 Remuneration of the Board of Directors

2.1 Remuneration policy

The Group's Remuneration Policy adopted at the Annual General Meeting in May 2021 provides the framework for the remuneration of the Board of Directors (the Board) in 2023. The policy is available on itera.com, under the General Assembly section of the Investor Relations pages: [Executive Remuneration Policy 2021 \(English\)](#)

There has been no deviation from the Remuneration Policy in the 2023 remuneration of the Board.

2.2 Remuneration composition

The remuneration of Itera's Board comprises fixed fees for the Chairman, shareholder-elected members and employee-elected members and fixed fees for chairs and members of sub-committees to the Board. In addition, the Board members are compensated for any documented international travel expenses.

The remuneration of the Board and its sub-committees is approved annually in arrears by the Annual General Meeting (AGM) held in May for the 12-month period since the last AGM. The Board members receive an advance of 50 percent of last year's fees at the beginning of the period and the remaining fees along with the sub-committee fees after the AGM approval the following year.

Board members are authorised to enter into limited consulting agreements with the Group in the event the Group requests services that clearly go beyond the scope of normal Board work. In such cases, the Board member will sign a separate agreement with the Group for the scope of work and remuneration for this. The entire Board will be notified if any such agreements are entered into and the rationale behind this. In 2023, such agreement was entered into with the Chairman Morten Thorkildsen. The scope and remuneration for this are described in section 2.5.

2.4 Board and committee fee levels 2022/2023

The following fee structure was approved by the Annual General Meeting on 25 May 2023 for the term May 2022–May 2023:

<i>NOK thousand</i>	Board	Audit Committee	Remuneration Committee	Nomination Committee
Chair	380	32	21	42
Member	239	26	16	26
Member (employee elected)	46			

2.5 Board remuneration 2023

The table below includes the actual total remuneration of each Board member in 2023. It's the Nomination Committee that proposes the fees to the Annual General Meeting for approval.

<i>NOK thousand</i>	Role*	Fixed base fee	Fee for committee work	Ad hoc consulting	Total
Morten Thorkildsen	BC, RM	383	16	34	433
Jan-Erik Karlsson	BM, RC	241	21		262
Gyrid Skalleberg Ingerø	BM, AM/AC	241	26		267
Helge Leiro Baastad (H2)	BM, AM	120			120
Åshild Hanne Larsen (H2)	BM	120			120
Marianne Killengreen (H1)	BM, AC	121	30		152
Siren Tønnesen	BM-E	57			57
Joachim Trøbråten	BM-E	57			57
Total Board		1,338	93	34	1,465

Nomination Committee:

Eli Giske	NC		42		40
Bjørn Wicklund	NM		26		25
Olav Gamst-Pedersen	NM		26		25
Grand total		1,338	187	34	1,559

*) BC = Board chair, BM = Board member, BM-E = Board member – employee elected, AC = Audit Committee chair, AM = Audit Committee member, NC = Nomination Committee chair, NM = Nomination Committee member, RC = Remuneration Committee chair, RM = Remuneration Committee member

Annual fixed base fees were increased at the Annual General Meeting in May 2023 by 5.0% for the Board chair and 4.8% for the shareholder-elected Board members, whereas employee-elected Board members received an increase of 100%. As fees are approved retroactively for the term since the last Annual General Meeting, the fees paid in 2023 include a true-up for the second half of 2022.

2.6 Shareholdings by the Board

As of 31 December 2023, the Board held shares in Itera as follows:

	At the beginning of the year	Additions during the year	Sold/ transferred during the year	At the end of the year	Market value NOK thousand
Morten Thorkildsen	66,998	0	0	66,998	842
Jan-Erik Karlsson	320,376	0	0	320,376	4,029
Gyrid Skalleberg Ingerø	38,000	0	0	38,000	478
Helge Leiro Baastad	0	0	0	0	0
Åshild Hanne Larsen	0	0	0	0	0
Siren Tønnesen	0	0	0	0	0
Joachim Trøbråten	40,492	16,667	54,842	2,317	29
Total	465,866	16,667	54,842	427,691	5378

The market value is based on the tax value per share price of NOK 12.575 per 31 December 2023. The holdings include any shares held through own investment companies.

3 Remuneration of Executive Management

3.1 Remuneration principles

The Remuneration Policy adopted by the Annual General Meeting in May 2021 provides the framework for the remuneration of Executive Management in 2023. The Remuneration Principles are available on itera.com, in the Investor Relations section (under General Assembly):

[Executive Remuneration Policy \(English\)](#)

The 2023 remuneration of executives did not deviate from the Remuneration Principles and was therefore in line with the Remuneration Policy.

3.2 Remuneration composition

Remuneration packages for executives comprise a base salary, a short-term cash-based incentive, a long-term share-based incentive, a pension contribution (standard scheme for all Norwegian

Group entities) and other benefits. The fixed remuneration enables the executives to take decisions with a long-term perspective in mind without undue considerations for short-term incentives. The variable remuneration is designed to promote performance in line with the Group's strategy and to further align the interests of executives and shareholders.

3.2.1 Base salary

The Norwegian parent and subsidiary companies in which every one of the Executive Management are employed have annual salary adjustments per 1 July.

For the CEO and one other executive the value of a company car is included as in base salary.

3.2.2 Short-term incentives

Itera has short-term incentive programmes in the form of cash bonuses linked to the achievement of performance targets set by the Board at the beginning of the year. For executives the target short-term incentives are 17-28% of the base salary.

3.2.3 Pension

All employees in Norway, including the executives, have a defined contribution pension plan. The contribution is defined on the basis of the National Insurance basic amount, which is index adjusted every May. The basic amount was increased from NOK 111,477 to NOK 118,620 on 1 May 2023. Itera contributes 4% of the base salary up to 7.1 basic amounts (currently up to NOK 842,202) and 9.5% of the base salary in the range of 7.1 to 12 basic amounts (currently NOK 842,202 to NOK 1,423,440).

3.2.4 Benefits

Benefits include low-value taxable benefits received by all Norwegian employees, such as coverage of broadband expenses, life and travel insurance, canteen contribution, etc.

3.2.5 Long-term incentives

Itera uses long-term incentives (LTI) in terms of share option and/or share purchase programmes to attract and retain executives and key employees and align their incentives with those of the shareholders. In 2023, one executive was awarded 20,000 share options. 1/3 of the options may be exercised after 3 years and the remaining after 4 years, both during a two-week window. Options are retired if the executive leaves the Group before having exercised the eligible options. The strike price was set to the weighted average stock price in the two weeks prior to being awarded. The strike price is not adjusted for any dividends paid in the period.

Four executives accepted an offer to purchase 10,000-53,000 restricted shares each. The restrictions include a prohibition to sell the shares for 3 years after the acquisition date and the Itera's option to buy back the shares should the executive resign from the Group in this 3-year period. The offer price of the shares was set to the weighted average stock price in the two weeks prior to the transaction, less a market valuation discount calculated at 23.5% as a result of the restrictions on the shares. In the event, Itera makes use of its option to buy back the shares from participants who resign, the price will be set at the then-current weighted average share price the two weeks prior to calling the option, less the original discount. If the participant resigns from the Group after 2 years but before 3 years after the transaction, Itera's buy-back option is only applicable to 1/3 of the shares. Given that the discount is an objectively calculated valuation discount, this doesn't trigger any taxable gain on the part of the participant, nor any social security charges for the Group. As such, the participation is not visible in the remuneration overview of the executives.

One employee-elected Board member opted to participate in the general Employee Share Purchase Programme with the similar three-year restriction on sales and resulting valuation discount but without the buy-back option. Under this programme, employees could purchase up to 2,383 shares.

3.3 Executive remuneration benchmark

Executive remuneration will be evaluated annually against other listed IT Consulting and other relevant companies in the Nordic. For 2023, the Board decided on an adjustment which was somewhat below the Consumer Price Index and noted that the CEO is no longer be able to participate in Itera's long-term incentive programmes due to his share of ownership in Itera is approaching 33.3%. The Board will continue to monitor the development in peer compensation as well as consider the performance of the company.

3.4 Executive remuneration in 2023

<i>NOK thousand</i>	Base salary	Short-term incentive	Pension	Benefits	Total	Long-term incentive	Total	Fixed	Variable
Arne Mjøs (CEO)	2,900	350	104	19	3,373	0	3,373	90%	10%
Bent Hammer (CFO)	1,935	153	104	19	2,211	119	2,330	88%	12%
Mette Mowinckel (CHRO)	1,474	109	107	19	1,709	52	1,761	91%	9%
Jon Erik Høgberg (COO)	1,957	221	97	16	2,291	0	2,291	90%	10%
Anine Ragnif (COO Norway)	1,647	138	99	20	1,904	105	2,009	88%	12%
Total	9,913	971	511	93	11,488	276	11,764	89%	11%

CEO=Chief Executive Officer, CFO=Chief Financial Officer, COO=Chief Operating Officer, CHRO=Chief Human Resource Officer

The short-term incentive is the accrued amount based on the current year's (2023) performance. Long-term incentives represent the vested share option costs.

3.5 Short-term incentive programme 2023

Itera has short-term incentive programmes in the form of cash bonuses. Such incentive programmes are in place for both executives and non-executives. The Group is following up on a wide range of financial and non-financial targets. Each year Itera decides on 2-5 specific financial and/or operational targets (Key Performance Indicators – KPIs) which are regarded as particularly important for the Group's performance and future development. These form the basis of the short-term incentive pay-out structure. The selected KPIs may vary somewhat for different positions and levels in the organisation.

For 2023, the short-term incentive programme and performance was as follows for the executive management:

Executive	KPI	Weight	Performance index	Pending payout (NOK thousand)
Arne Mjøs (CEO)	Group revenue growth	50%	64%	256
	Group EBIT margin	50%	23%	93
	Total	100%	44%	350
Bent Hammer (CFO)	Group revenue growth	50%	64%	112
	Group EBIT margin	50%	23%	41
	Total	100%	44%	153
Mette Mowinckel (CHRO)	Group revenue growth	50%	64%	80
	Group EBIT margin	50%	23%	29
	Total	100%	44%	109
Jon Erik Høgberg (COO)	Group revenue growth	40%	64%	103
	Group EBIT margin	40%	23%	37
	Nearshore EBIT margin	20%	101%	81
Total	100%	55%	221	
Anine Ragnif (COO Norway)	Group revenue growth	40%	64%	77
	Group EBIT margin	40%	23%	28
	Utilization Norway	20%	55%	33
Total	100%	46%	138	

3.6 Long-term incentive programmes 2023

The executives had the following long-term incentive programmes in terms of share options:

Name and position of executive	The main conditions of share option programmes						Information regarding the reported financial year				
	Plan	Award date	Share options awarded	Vesting period	Exercise period	Strike price ¹	Opening balance	During the year			Closing balance
							Share options	Share options awarded	Share options exercised	Gains on share options exercised	Share options
Bent Hammer (CFO)	2021	22 Jun 21	100,000	4 years	1-15 Jun 25	13.50	100,000				100,000
	2022	22 Jun 22	100,000	4 years	1-14 Jun 26	12.95	100,000				100,000
Mette Mowinckel (CHRO)	2020	30 Jun 20	100,000	4 years	1-15 Jun 24	11.46	100,000				100,000
Anine Ragnif (COO Norway)	2020	30 Jun 20	150,000	4 years	1-15 Jun 24	11.,46	150,000				150,000
	2022	22 Jun 22	30,000	4 years	1-15 Jun 26	12.95	30,000				30,000
	2023	30 Mar 23	20,000	4 years	16-30 Mar 27	12.59		20,000			20,000

1) Strike price in NOK per share.

3.7 Shareholdings by Executive Management

	At the beginning of the year	Additions during the year	Sold/ transferred during the year	At the end of the year	Market value NOK thousand
Arne Mjøs*	27,363,031	0	0	27,363,031	344,090
Bent Hammer	513,695	53,000	0	566,695	7,126
Mette Mowinckel	76,911	15,000	0	91,911	1,156
Jon Erik Høgberg	1,144,356	53,000	0	1,197,356	15,057
Anine Ragnif	50,887	10,000	0	60,887	766
Total	29,148,880	131,000	0	29,279,880	368,194

*) Includes 2,300,000 and 0 shares held on future contract at beginning and end of year, respectively.

4 Remuneration and Group Performance 2019–2023

4.1 Board remuneration 2019–2023

A summary of the development of the Board base remuneration, including remuneration for any committee, in the five-year period 2019–2023 is provided in the table below.

<i>NOK thousand</i>	Term	2019	2020	2021	2022	2023
Morten Thorkildsen	2014–	335	335	373	383	399
% annualised change		0%	0%	7%	5%	5%
Jan-Erik Karlsson	2011–	215	215	245	252	262
% annualised change		0%	0%	9%	6%	5%
Gyrid Skalleberg Ingerø	2017–	220	220	250	257	267
% annualised change		0%	0%	9%	5%	5%
Helge Leiro Baastad	2023-					120
% annualised change		N/A	N/A	N/A	N/A	0%
Åshild Hanne Larsen	2023-					120
% annualised change		N/A	N/A	N/A	N/A	0%
Marianne Killengreen	2021–23		113	255	262	151
% annualised change		N/A	0%	9%	5%	5%
Siren Tønnesen *	2022–				12	57
% annualised change		N/A	N/A	N/A	N/A	100%
Joachim Trøbråten *	2022–				12	57
% annualised change		N/A	N/A	N/A	N/A	100%
Andreas Almquist **	2021–22		10	23	12	0
% annualised change		N/A	N/A	10%	5%	N/A
Anne Perez **	2021–22		10	23	12	0
% annualised change		N/A	N/A	N/A	10%	5%
Mimi K. Berdal	2003–20	225	125			
% annualised change		0%	0%			
Charlotte Bech Blindheim **	2019–20	20	10			
% annualised change		0%	0%			
Erik Berg Solheim **	2019–20	20	10			
% annualised change		0%	0%			
Total		1,035	1,048	1,168	1,201	1,431
Change		0%	0%	9%	5%	9%

*) Current employee-elected board members. **) Previous employee-elected board members.

Board elections are ordinarily performed at Annual General Meetings in May, with annual fees split in two semesters. Final annual fees are approved retroactively at the Annual General Meeting, whereas half of the fee is paid in advance and the second half together with any true-up as a result of fee changes is paid in arrears.

Chairperson of the Board:

<i>NOK thousand</i>	2019	2020	2021	2022	2023
Base fee	325	325	363	368	383
Committee work	10	10	10	15	16
Fee for ad hoc tasks and			293	255	34
Total	335	335	666	638	433

The chairperson has during 2023 provided consulting work for Itera related to business and partner development.

4.2 Executive remuneration, employee remuneration and Group performance 2019–22

A summary of the development of the executive remuneration, of employee remuneration and of Group performance in the five-year period 2019–2023 is provided in the tables below.

<i>% change (annualised)</i>	2019	2020	2021	2022	2023
Arne Mjøs (CEO)	14%	-3%	9%	1%	-3%
Bent Hammer (CFO)	25%	-10%	12%	0%	-2%
Mette Mowinckel (CHRO) ¹	N/A	N/A	5%	1%	-2%
Jon Erik Høgberg (Group COO)	12%	-1%	10%	-2%	1%
Anine Ragnif (COO Norway) ²	N/A	N/A	27%	4%	-1%

1) Mette Mowinckel started 1 March 2021, replacing a non-executive HR Manager. 2) Anine Ragnif started 1 February 2021 in new executive role as COO of the Norwegian business.

Employee remuneration:

	2019	2020	2021	2022	2023
Average remuneration growth	4.1%	3.5%	1.0%	2.1%	14.3%
CEO/Employee ratio	5	7	5	5	4

A large number of Itera's employees are located in Central and Eastern Europe. Many of these are legally organised as Private Entrepreneurs, which is a common form of company affiliation instead of regular employment. The average remuneration is impacted by the distribution of employees across countries with varying salary levels, exchange rate fluctuations and impact of short-term and long-term incentive programmes among others. In 2023, the impact of a depreciated NOK was particularly prevalent.

Group performance:

	2019	2020	2021*	2022*	2023*
Sales growth	5.5%	10.0%	19.2%	24.1%	18.4%
Operating profit growth	31.3%	9.8%	30.3%	0.2%	1.5%

*) Restated to continuing operations, i.e. without the data centre operations that was discontinued on 1 April 2022.

The Board of Directors' statement on the Remuneration Report

The Board of Directors has today considered and adopted the Remuneration Report of Itera ASA for the financial year 2023. The Remuneration Report is prepared in accordance with section 6-16 of the Norwegian Company Act.

The Remuneration Report will be presented to the Annual General Meeting 2024 for an advisory vote.

Oslo, 24 April 2024



Morten Thorkildsen
Chairman

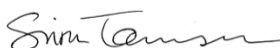


Gyrid Skalleberg Ingerø
Board Member

Helge Leiro Baastad
Board Member



Jan-Erik Karlsson
Board Member



Åshild Hanne Larsen
Board Member

Siren Tønnesen
Board Member



Joachim Trøbråten
Board Member

Independent auditor's statement on the Remuneration Report

To the shareholders of Itera ASA:



To the General Meeting of Itera 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 Itera 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.

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Oslo, 24 April 2024
PricewaterhouseCoopers AS

A handwritten signature in blue ink, appearing to read 'JB'.

Jone Bauge
State Authorised Public Accountant

ITERA

Make a
difference

Arne Mjøs

CEO

Mobile +47 905 23 172

arne.mjøs@itera.com

Bent Hammer

CFO

Mobile +47 982 15 497

bent.hammer@itera.com

Itera ASA

Telephone +47 23 00 76 50

Stortingsgata 6

P. O. Box 1384 Vika

0114 Oslo, Norway

www.itera.com