

HOFSETH BIOCARE 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 Hofseth BioCare ASA ("**Hofseth BioCare**", "**HBC**" 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 financial year ended 31 December 2024.

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 2024, pursuant to the Company's remuneration policy as approved by the Company's general meeting on 23 April 2021 (the "**Remuneration Policy**"). The Remuneration Policy is available at <https://hofsethbiocare.com/investors/corporate-governance/remuneration-policy-guidelines>

The 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 2022 no. 2730 (the "**Regulation**").

1.2 Overall Company performance in 2024

1.2.1 Financial performance

During 2024, the Group's main financial performance was as set out below:

<i>(NOK thousands)</i>	2024	2023
Operating revenues	265,539	218,511
Operating loss	-105,081	-102,529
Net loss	-125,300	-106,684
Total assets	339,442	390,119
Total equity	59,356	41,140
Total liabilities	280,067	348,979
Cash and cash equivalents at 31 December	25,577	23,890

1.2.2 Important events in 2024

The year 2024 represented sustained growth, and significant scientific advancements across consumer health, pet care, and marine-derived bioactive compound markets. HBC demonstrated exceptional resilience and strategic positioning throughout the year, achieving remarkable milestones in financial performance, research and development, and market expansion.

HBC's financials in 2024 was marked by revenue growth and with a successful financial restructuring that converted accounts payables into preference B-shares, improving HBC's equity ratio to 40%. This strategic move set the foundation for future growth and stability.

HBC's operational efficiency saw substantial improvements throughout the year. Production volumes increased significantly, rising 9% quarter-over-quarter and 31% year-over-year. By the fourth quarter, capacity utilization reached an impressive 89%, reflecting enhanced production efficiency and optimized supply chain management. A critical operational enhancement was the accreditation of the Midsund laboratory to ISO 17025 standards, enabling in-house microbiological analyses and reducing dependence on third-party laboratories.

The consumer health segment experienced exceptional growth, particularly in Asian and European markets. Core ingredients like ProGo[®], OmeGo[®] Full Spectrum Omegas, and CalGo[®] drove substantial market interest. E-commerce performance was particularly noteworthy, with the Amazon U.S. business increasing revenue by over 100%. HBC strategically expanded its distributor network, participating in key markets including China, Japan, Indonesia, Thailand, and Taiwan.

The Brilliant Petcare portfolio demonstrated robust growth, securing new retail listings across Scandinavia, Italy, and Singapore. A significant achievement was the successful launch on Chewy.com and securing a pivotal agreement with Fressnapf, Europe's largest pet retailer. The Brilliant Salmon Oil brand continued to gain market traction, supported by expanded distribution channels and strong product performance.

HBC's commitment to scientific innovation distinguished its market position in 2024. The ProGo[®] product line saw remarkable research breakthroughs, including a peer-reviewed publication in Marine Drugs detailing its glucoregulatory properties. Researchers identified groundbreaking GLP-1 bioactivity in the smallest peptide fraction, demonstrating a clinically significant 6-7% weight loss effect over six to eight weeks and revealing potential applications in diabetes management and metabolic health.

OmeGo[®] research advanced significantly, with a publication in the International Journal of Molecular Science exploring its immune-modulating properties. A dedicated clinical study investigating immune support in urban environments with high pollution exposure showed promising improvements in respiratory function and sleep quality.

The CalGo[®] portfolio continued to yield encouraging findings, with ongoing studies indicating potential benefits in preventing bone thinning among osteopenic women. Bioavailability analysis provided promising insights into marine collagen's effectiveness for joint health.

HBC made substantial progress in drug discovery across multiple therapeutic areas. Preclinical xenograft studies on FT-002a, a ProGo[®]-derived peptide for prostate cancer, demonstrated enhanced anti-tumor effects when combined with enzalutamide. The pharmaceutical lead candidate MA-022a showed promising results in reducing asthma-related symptoms, positioning it as a potential breakthrough treatment for allergic asthma.

Collaborative research with Stanford University progressed on SPHi peptides for gastrointestinal health, with preparations for a proof-of-concept clinical trial in inflammatory bowel disease. These

efforts underscore HBC's commitment to leveraging marine-based bioactive compounds for advanced nutritional and therapeutic applications.

Strategic collaborations played a crucial role in 2024. Partnerships with the University of Manchester and Stanford University expanded research capabilities in assessing bioactive peptides' potential. The joint venture with HBC Immunology for advanced pharmaceutical research demonstrated HBC's commitment to innovative healthcare solutions.

The year concluded with a strategic focus on U.S. market expansion, International trade show participation, and targeted market activities to further strengthen HBC's global positioning in the nutritional and health ingredients market.

For further information, please refer to Hofseth BioCare's Annual Report for 2024, available at <https://hofsethbiocare.com/investors/reports>

1.3 Composition of the Board and the Executive Management Team in 2024

1.3.1 The Board of Directors

During 2024, the Board consisted of the following members:

- Linda Christin Hoff, Chair from May 2024;
- Christoph Baldegger, Director;
- Crawford Currie, Director;
- Roger Hofseth, Director;
- Amy Novogratz, Director;
- Maria Bech, Director from May 2024;
- Kristin Fjellby Grung, Chair up until May 2024; and
- Torill Standal Eliassen, Director up until May 2024

Linda Christin Hoff, Christoph Baldegger, Amy Novogratz, Maria Bech, Kristin Fjellby Grung and Torill Standal Eliassen are independent of the Group's management and material business associates. Further, Linda Christin Hoff, Maria Bech, Torill Standal Eliassen, Kristin Fjellby Grung and Amy Novogratz are all independent of the Company's major shareholders.

The Company has a Remuneration Committee, a Nomination Committee, and an Audit Committee. Chair Linda Christin Hoff and board member Roger Hofseth are members of the Audit Committee. Christoph Baldegger is member of the Remuneration Committee.

1.3.2 The Executive Management Team

During 2024, the Executive Management Team has consisted of:

- Jon Olav Ødegård, Chief Executive Officer;
- Dr. Bomi Framroze, Chief Scientific Officer;
- James Berger, Chief Commercial Officer;
- Angelika Florvaag, Chief Quality Officer; and

- Christel Elise Kanli, Chief Financial Officer; up until October 2024.

2 REMUNERATION OF THE BOARD OF DIRECTORS

2.1 Key principles for remuneration of the Board of Directors

Pursuant to the Company's Articles of Association, the Remuneration Committee shall propose remuneration to members of the Board of Directors and the Nomination Committee. In accordance with this, the Remuneration Committee reviews Board fees at least annually, in connection with the annual general meeting.

The Remuneration Committee shall, *inter alia*, prepare recommendations for remuneration of the Board of Directors, and present such recommendations to the general meeting for approval before they come into effect. The remuneration of the Board members is approved as a separate item on the agenda of the annual general meetings of the Company.

The Chair and each member of the Board of Directors receives a fixed monthly fee, which will be reduced pro rata if a member of the Board of Directors is absent from a Board meeting. In addition, the members of the Board's sub-committees may receive an additional fee of up to 1/6 of the annual fee that would otherwise be payable to the relevant Board member.

The Board members are not eligible to receive any further benefits for their seat in the Board of Hofseth BioCare. Board members are not eligible to participate in any incentive arrangements operated by Hofseth BioCare, but are eligible for reimbursement of out-of-pocket expenses related to participation in Board meetings.

2.2 Remuneration to the Board members in 2024

During 2024, the members of the Board received remuneration as set out below (in NOK thousands):

Name	Board fees	Audit committee fees	Remuneration Committee fees	Total remuneration	Proportion of fixed and variable remuneration
Linda Christin Hoff ¹⁾	80	11	n/a	91	100 % fixed
Christoph Baldegger	96	10	n/a	106	100 % fixed
Crawford Currie	96	n/a	n/a	96	100 % fixed
Roger Hofseth	93	11	n/a	104	100 % fixed
Amy Novogratz	0	n/a	n/a	0	100 % fixed
Maria Bech ¹⁾	55	n/a	n/a	55	100 % fixed
Kristin Fjellby Grung ²⁾	46	n/a	n/a	46	100 % fixed
Torill Standal Eliassen ²⁾	43	9	n/a	51	100 % fixed

1) From May 2024

2) Up until May 2024

No extraordinary or pension expenses have been paid by the Company to the Board members during 2024.

The table below shows the change of the Board members' total Board fees for the years 2019 until 2024.

Name	Change in fees from previous years									
	2024 vs. 2023		2023 vs. 2022		2022 vs. 2021		2021 vs. 2020		2020 vs. 2019	
	NOK	%	NOK	%	NOK	%	NOK	%	NOK	%
Linda Christin Hoff ¹⁾	91	n/a								
Christoph Baldegger	-10	-9%	0	0%	0	0%	20	21%	0	0%
Crawford Currie ²⁾	0	0%	48	100%	48	n/a				
Roger Hofseth ³⁾	8	8%	64	200%	32	n/a				
Maria Bech ⁴⁾	55	n/a								
Amy Novogratz ⁵⁾	0	0%	0	0%	0	0%				
Kristin Fjellby Grung ⁶⁾	-92	n/a	18	15%	25	26%	0	0%		
Torill Standal Eliassen ⁷⁾	-65	n/a	0	0%	0	0%	0	0%	0	0%
Ola Holen ⁸⁾					-81	n/a	0	0%	0	0%
Henriette G. Heggdal ⁹⁾					-56	n/a	0	0%	0	0%
1) Linda Christin Hoff was appointed Chair on May 10 th 2024.										
2) Crawford Currie was appointed to the Board on April 29 th 2022.										
3) Roger Hofseth was appointed to the Board on August 30 th 2022.										
4) Maria Bech was appointed to the Board on May 10 th 2024.										
5) Amy Novogratz was appointed to the Board in 2022.										
6) Kristin Fjellby Grung was appointed to the Board in 2020 and was appointed Chair on April 29 th 2022. Stepped out on March 31 st 2024.										
7) Torill Standal Eliassen stepped down from the Board on May 10 th 2024.										
8) Ola Holen stepped down from the Board on April 29 th 2022.										
9) Henriette Godø Heggdal stepped down from the Board on April 29 th 2022.										

The ordinary Board fees payable are subject to reduction in case of absence from Board meetings. This has not affected the total remuneration payable to Board members in the periods compared above.

2.3 Share-based remuneration

The Company has not offered any share-based remuneration to the Board members during 2024. None of the Board members hold any share options.

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 for the Executive Management Team is to offer senior executives competitive terms and conditions of employment related to salaries, fringe benefits, bonus and pension scheme. The Company shall offer salary levels that are comparable with similar companies and activities and considering the Company's need for qualified staff at all levels.

The Group offers its Executive Management Team remuneration consisting of a fixed salary, participation in a defined contribution pension plan and customary benefits, as further detailed in the Remuneration Policy. In addition, members of the Executive Management Team can be granted a discretionary bonus payment in cash, decided by the Board and the CEO, in consultation with the Remuneration Committee.

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

3.2 Remuneration to the Executive Management Team in 2024

During 2024, the members of the Executive Management Team received remuneration as set out below (in NOK thousands):

Name	Fixed remuneration			Variable remuneration	Extraordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration
	Base salary	Fees	Fringe benefits					
Jon Olav Ødegård	1 944	0	24	0	0	97	2 064	100 % fixed
Dr. Bomi Framroze	3 959	0	0	0	5 126 ¹⁾	0	9 084	100 % fixed
James Berger	2 027	0	0	0	0	0	2 027	100 % fixed
Angelika Florvaag	1 305	0	24	0	0	65	1 395	100 % fixed
Christel Elise Kanli ²⁾	1 458	0	24	0	0	73	1 555	100 % fixed

1) 5,126 is for running R&D projects.

2) Christel Elise Kanli resigned as CFO in October 2024

The fixed remuneration, the pension plan and the benefits offered allow Hofseth BioCare to offer its senior executives a competitive salary and remuneration package compared to similar companies.

No members of the Executive Management have received remuneration from any Group company besides the Company.

3.3 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 Team for the years 2019 until 2024, compared with the performance of the Group and the average remuneration of employees outside the Executive Management Team (on a full-time equivalent basis).

Change in total remuneration from previous years										
Name	2024 vs. 2023		2023 vs. 2022		2022 vs. 2021		2021 vs. 2020		2020 vs. 2019	
	NOK	%	NOK	%	NOK	%	NOK	%	NOK	%
	Jon Olav Ødegård	-776	-27	-268	-9	1,399	82	9	1	229
Christel Elise Kanli ¹⁾	312	25	1,243	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dr. Bomi Framroze	-355	-4	2,136	29	10,679	-59	-3,734	-17	15,526	250
James Berger ²⁾	1 526	305	-675	-57	-457	-28	-6,178	-79	6,090	354
Angelika Florvaag	135	11	80	7	109	10	259	32	6	1
Change in Group performance										
Net loss for the period	-18,616	-17	30,706	22	10,926	-9	-24,373	-24	-12,873	-14
Average remuneration of employees										
Average remuneration of employees	760	-2.3	778	8.9	715	5.0	681	1.0	674	-0.3
<p>1) Christel Elise Kanli was appointed CFO/COO in March 2023, and resigned in October 2024.</p> <p>2) James Berger was engaged by the Company in October 2023.</p>										

3.4 Share-based remuneration

The Company has provided share-based remuneration to the CEO during 2022 in Hofseth Bicoare ASA. Other members of the Executive Management Team have no share-based remuneration in the Company, see table below for options granted to other Group companies.

As of 31 December 2024, the members of the Executive Management Team held share options in Hofseth Biocare ASA as set out below:

Name	Total share options	Vested share options	Strike prices	Grant date	Remaining vesting dates	Expiry date
				30 August 2022		31 October 2025
Jon Olav Ødegård	1,000,000	1,000,000	3.63		0	
Christel Elise Kanli	-	-	-	-	-	-
Dr. Bomi Framroze	-	-	-	-	-	-
James Berger	-	-	-	-	-	-
Angelika Florvaag	-	-	-	-	-	-

As of 31 December 2024, the members of the Executive Management Team held share options in HBC Immunology Inc. as set out below:

Name	Total share options	Vested share options	Strike prices	Grant date	Structure	Expiry date
Jon Olav Ødegård	75,000	25,000	2.00 usd	July 16 th 2023	48 months	July 15 th 2027
Christel Elise Kanli	-	-	-	-	-	-
Dr. Bomi Framroze	-	-	-	-	-	-
James Berger	125,000	41,666	2.00 usd	July 16 th 2023	48 months	July 15 th 2027
Angelika Florvaag	25,000	8,333	2.00 usd	July 16 th 2023	48 months	July 15 th 2027

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 2024.

5 CONSIDERATION AT THE ANNUAL GENERAL MEETING

This Report will be presented to the Company's annual general meeting, to be held on 23 May 2025, and will be subject to an advisory vote at such general meeting.

To the General Meeting in Hofseth Biocare ASA

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REMUNERATION REPORT

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Hofseth Biocare ASA's report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2024 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 in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. The firm applies International Standard on Quality Management, which requires the firm to design, implement and operate a system of quality management including policies or 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.

Bergen, 1th May 2025
ERNST & YOUNG AS

The auditor's assurance report is signed electronically

Jørn Knutsen
State Authorised Public Accountant (Norway)

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Knutsen, Jørn

Statsautorisert revisor

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