

2024 |

**Nammo**

# Nammo executive remuneration report 2024

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The report has been prepared in accordance with the Norwegian Public Limited Liability Companies Act, the Accounting Act, and the Norwegian State's Guidelines for the Remuneration of Senior Executives in Companies with Direct State Ownership, and in line with the Norwegian Code of Practice. All aspects of compensation to the President & CEO and the Group Executive Management are presented in the report.

# Board of Directors annual remuneration report 2024

## INTRODUCTION

Nammo is owned by the Norwegian Ministry of Trade, Industry and Fisheries and the Finnish Aerospace & Defense company Patria Oyj, each owning 50 percent of the shares in the company.

Nammo strives to follow and meet expectations and guidelines from both of the owners.

The Norwegian Government's guidelines for Remuneration of Senior Executives, 12 December 2022, implied several changes:

- Differences in the remuneration of senior executives and other employees are taken into consideration when assessing moderation, and the company should provide specific justification for salary adjustments for senior executives that are higher than the average salary adjustments for the company's other employees. This assessment shall also take into account the wage growth (in terms of Norwegian kroner) for other employees.

- The maximum achievable bonus does not exceed 25 per cent of the fixed salary.
- The pension-qualifying income for the retirement pension does not exceed the maximum limit, including the rates, in the tax-favored joint pension schemes in Norway (currently 12 G).

Any deviations from these guidelines should be justified and explained in the executive remuneration report.

The Finnish owner is of a different opinion and believes performance-based incentive pay schemes drive better sustainable business performance and practices. Whenever possible, these elements should be emphasized compared to fixed pay components. Hence, Patria is of the opinion that a reduction of the performance-based salary is not in the best interest of the company and its shareholders. Patria also believes top management fixed salary compensation increases should not exceed the percentage of increase in the labor market.

The Board has over the last years had extensive discussions related to the principles of top management compensation. At the Annual General Meeting in 2024, the remuneration policy and the remuneration report were both unanimously approved. The Norwegian Ministry of Trade, Industry and Fisheries (NFD) added a comment to the meeting protocol stating that they take note of the difference in opinion on the areas where Nammo's report deviates from the guidelines and that they look forward to a continued constructive dialogue about the company's remuneration principles. Furthermore it was stated that they consider it important that the remuneration of leading employees is competitive so that the company can recruit and retain good managers. At the same time, NFD expects that the remuneration is not leading compared to similar companies, that there is due consideration for moderation and that the company shows transparency with regards to the design of variable remuneration for all leading employees.

The remuneration policy has been reviewed and updated for approval by the Annual General Meeting 2025 to meet certain requirements regarding transparency of structure and content of the performance based compensation, principles for remuneration of the board members and process for deviation from the policy. The principals for top management compensation remains the same. The main reasons for continuing with these principles in the policy, deviating from the Norwegian Government's guidelines, are as follows:

- The board is of the opinion that lowering existing earnings possibilities for top management is not in the best interest of the company.
- The company operates in a highly competitive and security critical environment in various international markets.
- Exceptional customer needs put Nammo executive management under severe pressure with increased workloads.
- Nammo needs to remain competitive (not market leading) in top management compensation in order to retain existing management.
- Nammo needs to be perceived as an attractive employer in order to recruit new talent and required competence.

## THE CEO AND EXECUTIVE MANAGEMENT

The Nammo executive management team is as follows:

- Morten Brandtzæg, CEO
- Lars Furuseth, SVP Finance/CFO
- Tomas Ramse Andersen, SVP Business Development
- Anne Haugen-Flermoe, SVP Legal & Regulatory Affairs
- Fredrik Tangeraas, SVP Communications
- Sissel Solum, SVP Sustainability & Compliance
- Kjell Kringsjå, President Nammo Inc.
- Reijo Bragberg, EVP Small & Medium caliber ammunition
- Vegard Sande, EVP Large caliber systems
- Stein Erik Nodeland, EVP Aerospace propulsion
- Raimo Helasmäki, EVP Commercial ammunition
- Hege Nyhus, SVP Human Resources
- Ole Ingarth Karlsen, VP Information Technology

SVP HR and VP IT was included in the management team from Q4 2024, but reports to Chief of Staff and CFO respectively. The executive remuneration report below specify the various compensation elements in 2024 for the CEO and his executive management direct reports.

## PERFORMANCE-BASED BONUS CLAW BACK

No claw backs were applied during 2024.

## DEVIATIONS FROM POLICY

There have been no deviations from remuneration policy during 2024.

## REMUNERATION TO THE CEO AND EXECUTIVE MANAGEMENT

### CEO

The CEO earned a fixed salary of NOK 5 100 635 in 2024, which included the annual salary increase of 5.0 percent (NOK 213 249) effective from 1st July. This was below the union negotiated salary settlement for employees in the Norwegian subsidiary Nammo Raufoss AS which was 5.9 percent in 2024.

The CEO bonus agreement had a maximum yield of 50 percent of salary (including the additional pension element), as referenced in the Nammo executive remuneration policy. The bonus agreement was based on defined KPI's from the company's strategic plan. The goal achievement in 2024 was 94.7 percent and equaled NOK 3 317 809. The details in the agreement are as follows:

### A. Nammo Group financial performance

(Net Income Before Tax = NIBT), 60 percent of total bonus.

- NIBT below 90 percent of budget yields zero bonus.
- NIBT above 110 percent of budget yields 100 percent bonus.

Through the bonus window, the calculation is linear.

The CEO achieved 100 percent outcome on the financial target.

**B. Operational performance, 40 percent of total bonus:**

- 20 percent related the Nammo 2030 plan outlining the Nammo Group long term strategy in support of growth. Key targets were to increase capacity and deliver on customer commitments in 2024, enhancements to the strategy towards 2030 and the development of a financial simulation model.

The CEO achieved 83.4 percent outcome on this KPI.

- 20 percent related to the Nammo Group Health, Environment, Safety and Security (HESS) work. The key targets were to develop and implement an improved Safety Management System, perform HESS site inspections on all sites handling energetic materials and complete a HESS Safety climate survey to evaluate employee perception to support continuous improvement efforts.

The CEO achieved 90 percent outcome on this KPI.

The CEO achieved an overall 86.7 percent outcome on the operational performance goals.

The compensation to the CEO follows the Nammo executive remuneration policy.

**EXECUTIVE MANAGEMENT**

The bonus agreements for executive management follows the same structure as the CEO and is referenced in the Nammo executive remuneration policy. Targets reflect the overall company goals set by the Board. The main targets for the executive management are improved financial and operational performance and other targets related to implementation of specific ambitions and strategies. Summarized the bonus scheme for 2024 were based on:

- Financial and operational performance improvements (i.e. Net Income Before Tax and Working Capital) both related to individual companies, business units and the Group (EVPs 80 percent, other top managers 50–90 percent)
- Implementation of specific ambitions and strategies (20–50 percent of total bonus), such as delivering on defined improvement programs and other specific objectives (e.g. HESS, customer, sustainability, people, continuous improvement, communication, compliance)

The bonus remuneration is linked to performance and shall motivate the executives to achieve performance targets linked to the long-term strategy. For 2024, the goals set for the executive management were in all material aspects focused on business unit and Group financial and operational performance and functional area targets in

support of securing a robust Nammo in the growth period towards 2030. The 2024 bonus achievement for the executive management team, including the CEO, were in average 84.2 percent. The primary factors contributing to the average bonus achievement were the Group's overall financial performance exceeding the budget, all business units except one performing above budget, and the successful implementation of most planned initiatives, including the Momentum 2030 program, as scheduled for the year.

Overall, the compensation to executive management team follows the Nammo executive remuneration policy.

**PENSION**

The CEO has a Pension Compensation agreement. The background is to compensate for lack of pension for income above 12G. The agreed Pension Compensation is designed to ensure that the total pre-tax payments from (i) Folketrygden, (ii) the Company's pension plan, and (iii) the Pension Compensation together equal 60 percent of the estimated pre-tax salary when the CEO turns 67 years.

The Pension Compensation is payable to the CEO on a monthly basis until the CEO reaches 65 years of age. Hence, the company has no pension obligation above 12G to the CEO after this point.

The annual amount is NOK 2 530 980.

## SEVERANCE PACKAGE ARRANGEMENTS

If the Board asks the CEO to resign from his position before his retirement age at 65, the CEO is entitled to an “employment-ending-compensation” corresponding to 12 months base salary.

No other management executives are entitled to pay after termination of employment beyond the regular dismissal period.

## STATEMENT FOR THE FISCAL YEAR 2024

This year’s salary adjustments reflect our commitment to fair compensation, with variations based on market conditions and role-specific factors, resulting in a higher adjustment for one management team member, while the base salary increases for the CEO and the other executive management team members were adjusted with 4.5 to 5.9 percent. The general salary adjustment in the Norwegian subsidiary Nammo Raufoss AS was 5.9 percent. The non-executive employees in Nammo AS followed the same salary adjustment as Nammo Raufoss AS.

In 2024, Nammo delivered both financial and operational results above expectations. This resulted in bonus achievement of 94.7 percent for the CEO and average 83.2 percent for the other executive management members.

Besides the policy and results described above, no agreements regarding remuneration were entered into or changed that would have any significant effects for Nammo or its shareholders in the previous financial year.

## DEVELOPMENT IN COMPENSATION AND COMPANY PERFORMANCE

In 2024 the Nammo Group increased its revenue by 18.3 percent to NOK 10.9 bn. and increased its net income before tax to NOK 1 229 mill. representing a 39.9 percent increase from last year. The performance was significantly above plan (budget), which is reflected in the average executives bonus achievement for the year at an average of 84.2 percent (2019: 40 percent, 2020: 83 percent, 2021: 80 percent, 2022: 83 percent, 2023: 83 percent). The difference between total executive remuneration and other employee's salary development is due to difference in composition of the remuneration elements between these two groups. All executives have bonus agreements, whereas only a few other employees have a bonus agreement.

**TABLE 1: Total compensation 2024**

(NOK)	Management team	Salary	Extra pension element	Earned bonus for 2024	Other comp	Pension cost	Total	Fixed	Variable	Contractual base salary 31 Dec 2024	
	Morten Brandtzæg	President and CEO	5 100 635	2 530 980	3 317 809	505 176	244 039	<b>11 698 638</b>	72 %	28 %	4 478 229
	Kjell Kringsjå	President Nammo Inc.	4 610 656	256 218	430 373	63 966	243 120	<b>5 604 333</b>	92 %	8 %	3 482 655
	Lars Furuseth	CFO	2 289 942	161 802	663 244	121 669	230 737	<b>3 467 393</b>	81 %	19 %	2 329 800
	Stein Erik Nodeland	EVP AP	2 235 683	127 158	860 317	162 060	85 224	<b>3 470 441</b>	75 %	25 %	2 091 681
	Vegard Sande	EVP LCS	2 692 373	220 786	617 960	337 425	182 364	<b>4 050 908</b>	85 %	15 %	2 579 812
	Reijo Bragberg	EVP SMCA	2 284 735	–	812 534	308 673	958 918	<b>4 364 860</b>	81 %	19 %	2 197 274
	Raimo Helasmäki	EVP CA	3 989 270	–	1 481 232	199 321	726 813	<b>6 396 636</b>	77 %	23 %	3 912 970
	Tomas Ramse Andersen	SVP Business Development	2 029 339	68 820	564 965	291 892	256 695	<b>3 211 711</b>	82 %	18 %	1 900 000
	Anne Haugen-Flermoe	SVP Legal & Regulatory Affairs	2 055 454	101 556	621 931	244 012	250 878	<b>3 273 831</b>	81 %	19 %	2 019 939
	Sissel Solum	SVP Sustainability & Compliance	1 957 951	72 624	534 647	135 656	242 014	<b>2 942 891</b>	82 %	18 %	1 871 150
	Fredrik Tangeraas	SVP Communications	2 104 222	84 426	592 522	270 372	280 705	<b>3 332 246</b>	82 %	18 %	1 931 835

**TABLE 2: Development base salary and pension costs, last 5 years**

Annual change (YoY %)	2020	2021	2022	2023	2024
<b>Morten Brandtzæg</b>	7 032 402	7 222 525	7 558 835	7 668 310	<b>7 875 653</b>
President and CEO	–	2,7 %	4,7 %	1,4 %	<b>2,7 %</b>
<b>Kjell Kringsjå*</b>	3 055 790	3 292 379	3 762 765	4 403 283	<b>5 109 994</b>
President Nammo Inc.	–	7,7 %	14,3 %	17,0 %	<b>16,0 %</b>
<b>Lars Furuseth</b>	–	–	–	1 695 021	<b>2 682 481</b>
CFO from July 2023	–	–	–	–	<b>58,3 %</b>
<b>Stein Erik Nodeland</b>	1 919 533	2 130 616	2 350 288	2 422 421	<b>2 448 065</b>
EVP AP	–	11,0 %	10,3 %	3,1 %	<b>1,1 %</b>
<b>Vegard Sande</b>	2 314 903	2 474 437	2 792 051	2 988 520	<b>3 095 523</b>
EVP LCS	–	6,9 %	12,8 %	7,0 %	<b>3,6 %</b>
<b>Reijo Bragberg*</b>	2 958 890	2 811 121	2 776 786	3 158 594	<b>3 243 653</b>
EVP SMCA	–	-5,0 %	-1,2 %	13,7 %	<b>2,7 %</b>
<b>Raimo Helasmäki*</b>	3 183 991	3 899 513	3 879 783	4 401 150	<b>4 716 083</b>
EVP CA	–	22,5 %	-0,5 %	13,4 %	<b>7,2 %</b>
<b>Tomas Ramse Andersen</b>	–	–	1 663 104	2 102 991	<b>2 354 853</b>
SVP Business Development	–	–	–	26,4 %	<b>12,0 %</b>
<b>Anne Haugen-Flermoe</b>	1 627 206	1 919 782	2 176 586	2 279 093	<b>2 407 888</b>
SVP Legal & Regulatory Affairs	–	18,0 %	13,4 %	4,7 %	<b>5,7 %</b>
<b>Sissel Solum</b>	–	–	2 064 749	2 141 946	<b>2 272 589</b>
SVP Sustainability & Compliance	–	–	–	3,7 %	<b>6,1 %</b>
<b>Fredrik Tangeråas</b>	–	–	2 140 138	2 329 650	<b>2 469 352</b>
SVP Communications	–	–	–	8,9 %	<b>6,0 %</b>

\*) Amounts influenced by fluctuations in currency exchange rates.

**TABLE 3A: Development total compensation, last 5 years**

Annual change (YoY %)	2020	2021	2022	2023	2024
<b>Morten Brandtzæg</b>	8 338 787	9 889 320	11 047 623	11 072 048	<b>11 698 638</b>
President and CEO	5,8 %	18,6 %	11,7 %	0,2 %	<b>5,7 %</b>
<b>Kjell Kringsjå*</b>	3 486 457	4 368 448	4 946 959	5 233 121	<b>5 604 333</b>
President Nammo Inc.	19,6 %	25,3 %	13,2 %	5,8 %	<b>7,1 %</b>
<b>Lars Furuseth</b>	–	–	–	2 514 134	<b>3 467 393</b>
CFO from July 2023	–	–	–	–	<b>37,9 %</b>
<b>Stein Erik Nodeland</b>	2 101 228	2 795 274	3 215 534	3 389 500	<b>3 470 441</b>
EVP AP	-4,6 %	33,0 %	15,0 %	5,4 %	<b>2,4 %</b>
<b>Vegard Sande</b>	2 730 702	3 509 569	3 554 397	4 393 626	<b>4 050 908</b>
EVP LCS	-2,1 %	28,5 %	1,3 %	23,6 %	<b>-7,8 %</b>
<b>Reijo Bragberg*</b>	3 131 202	3 536 659	3 396 553	3 897 521	<b>4 364 860</b>
EVP SMCA	11,2 %	12,9 %	-4,0 %	14,7 %	<b>12,0 %</b>
<b>Raimo Helasmäki*</b>	4 925 888	4 560 224	5 175 058	5 805 092	<b>6 396 636</b>
EVP CA	35,3 %	-7,4 %	13,5 %	12,2 %	<b>10,2 %</b>
<b>Tomas Ramse Andersen</b>	–	–	2 259 631	2 758 646	<b>3 211 711</b>
SVP Business Development	–	–	–	22,1 %	<b>16,4 %</b>
<b>Anne Haugen-Flermoe</b>	1 849 310	2 481 028	2 756 456	2 950 230	<b>3 273 831</b>
SVP Legal & Regulatory Affairs	6,2 %	34,2 %	11,1 %	7,0 %	<b>11,0 %</b>
<b>Sissel Solum</b>	–	–	2 658 019	2 815 899	<b>2 942 891</b>
SVP Sustainability & Compliance	–	–	–	5,9 %	<b>4,5 %</b>
<b>Fredrik Tangeråas</b>	–	–	2 757 259	2 937 341	<b>3 332 246</b>
SVP Communications	–	–	–	6,5 %	<b>13,4 %</b>

\*) Amounts influenced by fluctuations in currency exchange rates.

Table 3B on the next page



**TABLE 3B: Development last 5 years for Group KPI's and Nammo AS average non-executive compensation****Group performance**

Annual change (YoY %)	2020	2021	2022	2023	2024
Revenue growth	19,0 %	15,6 %	6,8 %	23,3 %	<b>18,3 %</b>
Operating profit growth	60,2 %	19,6 %	9,1 %	43,1 %	<b>24,5 %</b>
Return on equity	14,6 %	14,8 %	15,0 %	16,1 %	<b>20,4 %</b>

**Average total compensation of non-executive employees**

Annual change (YoY %)	2020	2021	2022	2023	2024
Employees of the company, Nammo AS	1 195 600	1 300 845	1 310 727	1 430 808	<b>1 399 344</b>
P&CEO/Employee ratio	7,0	7,6	8,4	7,7	<b>8,4</b>

**TABLE 4: Compensation Board of Directors, last 5 years**

Remuneration of the board members consist of Board remuneration fee and coverage of expenses related to meetings. The Board members do not receive variable remuneration. Pension contributions and vacation pay are not paid on the fees for board members.

Board of Directors		2020	2021	2022	2023	2024
Esa Rautalinko	Chair *)	435 500	439 000	476 000	470 233	<b>535 799</b>
Dag Schjerven	Vice Chair *)	410 625	468 000	459 000	501 433	<b>500 099</b>
Cathrine Bjaarstad	Board Member	248 000	259 000	267 000	277 366	<b>291 233</b>
Sirpa-Helena Sormunen	Board Member (to April 2024)	255 000	266 000	274 000	284 566	<b>96 200</b>
Ville Jaakonsalo	Board Member	255 000	275 000	289 000	289 000	<b>315 467</b>
Marianne Stensrud	Board Member	248 000	259 000	267 000	277 366	<b>291 233</b>
Petri Kontola	Board Member	255 000	266 000	274 000	284 566	<b>299 867</b>
Jan Steffen Skogseth	Board Member	–	179 000	274 000	284 566	<b>299 867</b>
Nora Steiner-Forsberg	Board Member (from May 2024)	–	–	–	–	<b>203 667</b>
Dag Opdal	Board Member (to 2020)	267 855	–	–	–	–

\*) Chair and Vice Chair changes in the AGM every year in April.

## BOARD OF DIRECTORS' STATEMENT

The Board of Directors has today reviewed and approved the Executive Remuneration Report of Nammo for the financial year 2024. The remuneration report will be presented to the Annual General Meeting in April 2025 for an advisory vote.

The Executive Remuneration Report is prepared in accordance with section 6-16b of the The Public Limited Companies Act.

Raufoss, 24 March 2025



Esa Rautalinko  
CHAIR

Dag Schjerven  
VICE CHAIR

Jan Skogseth  
BOARD MEMBER

Cathrine Bjaarstad  
BOARD MEMBER

Nora Steiner-Forsberg  
BOARD MEMBER



Marjut Prokka  
BOARD MEMBER

Marianne Stensrud  
BOARD MEMBER

Petri Kontola  
BOARD MEMBER

Morten Brandtzæg  
PRESIDENT & CEO

# Independent Auditor's Assurance Report



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Ernst & Young AS

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To the General Meeting in Nammo AS

## INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REMUNERATION REPORT

### Opinion

We have performed an assurance engagement to obtain reasonable assurance that Nammo AS'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.

Oslo, 25 March 2025  
ERNST & YOUNG AS

*The auditor's assurance report is signed electronically*

Anders Gøbel  
State Authorised Public Accountant (Norway)

# Independent Auditor's Assurance Report

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*"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."*

**Gøbel, Anders**

Statsautorisert revisor

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# Nammo

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