

Remuneration Report 2021

CADELER



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Remuneration Report

This remuneration report (the “**Report**”) provides an overview of the total remuneration received by each member of the Board of Directors (“**Board**”), the Executive Management (“**Executive Management**”) and Key Management (“**Key Management**”) of Cadeler A/S, CVR no. 31180503, (the “**Company**”) during the financial year ending 31 December 2021. The Executive Management means the members of the executive management of the Company registered as such with the Danish Business Authority. Currently the Executive Management consists of Mikkel Gleerup and Mark Konrad. The Key Management means the members of the management of the Company who, in addition to executive management, have the authority and responsibility for the planning, directing and controlling activities of the Company as defined by IAS24. Currently the Key Management consists of Jacob Gregersen and Jacob Jensen.

The remuneration of the Board and Executive Management during the past financial year has been provided in accordance with the remuneration policy of the Company adopted by the Extraordinary General Meeting on 26 October 2020 and available on the Company’s website, cadeler.com, (the “**Remuneration Policy**”). The overall objective of the remuneration is to attract, motivate and retain qualified members of the Board and the Executive Management as the Company’s future

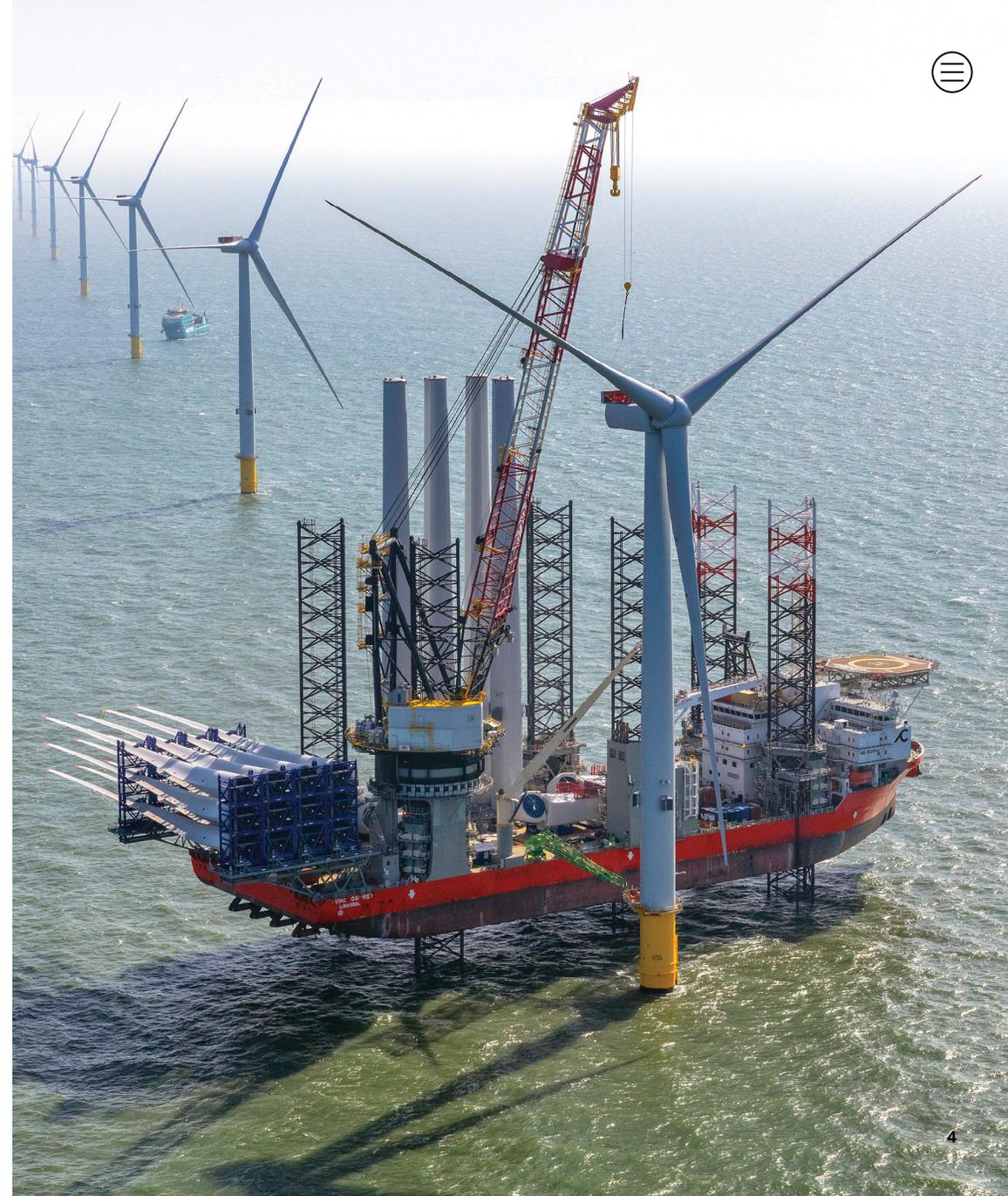
development and success is dependent on management performance. The remuneration of the Board and the Executive Management is designed to support the strategic goals of the Company and to promote value creation for the benefit of the shareholders of the Company.

This Report has been prepared in accordance with section 139b of the Danish Companies Act (the “**DCA**”), section 4.2.3 in Recommendations on Corporate Governance (“**Recommendations**”) issued by the Danish Corporate Governance Committee and the draft European Commission Guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement (the “**Guidelines**”).

The information included in this Report has been derived from the audited annual report of the Company for the financial year ending 31 December 2021 available on the Company’s website, cadeler.com. All amounts are included in EUR, gross.

1 Introduction

The remuneration of the Board for 2021 is in compliance with the Remuneration Policy, which stipulates that the Board may receive a fixed annual fee with the fee being pro-rated according to the date of the board member's election to the Board, and that the Board does not receive any incentive or share-based remuneration. The remuneration of the Executive Management is in compliance with the Remuneration Policy, and receipt of cash bonus and share based incentives have been based on performance criteria. The remuneration of the Board and the Executive Management is designed to support the Company's development by ensuring that members of the Executive Management are incentivised to achieve both financial and operational goals while supporting the long-term sustainability and development of the Company.



2 Board of Directors

According to the Company's Remuneration Policy, members of the Board receive a fixed annual base fee approved by the Annual General Meeting. This annual base fee which shall be in line with market practice of comparable listed companies taking into account the required competencies, effort and scope of work of the members of the Board. The Chairman may receive an additional fixed fee of up to three times the fixed annual base fee for his/her extended duties. Ordinary members of the Audit Committee, Remuneration Committee and Nomination Committee may receive a supplementary fee of up to 50% of the fixed annual base fee, and the Chairman of the Audit Committee, Remuneration Committee and Nomination Committee may receive a supplementary fee of up to 100% of the fixed annual base fee.

No member of the Board is entitled to receive any share-based incentive, other variable remuneration or pension contribution.

The following fees were approved at the Extraordinary General Meeting on 26 October 2020 in advance of the Company's admission to trading and official listing on Oslo Børs:

The above fees are to be pro-rated according to the date of the board member's election to the Board.

According to the Remuneration Policy members of the Board may be entitled to additional fees as set out in the Remuneration Policy, including reasonable expenses incurred in connection with participation in board meetings, e.g. travel and accommodation expenses. In addition, the Company may cover social duties and other taxes imposed on board members by foreign authorities in relation to the board fee received.

| | Board | Audit Committee | Nomination Committee | Remuneration Committee |
|----------|--------------------------------------|------------------------|-----------------------------|-------------------------------|
| Member | EUR 40,000 (base fee) | EUR 10,000 | EUR 10,000 | EUR 10,000 |
| Chairman | EUR 160,000 (base fee & 3x base fee) | EUR 20,000 | EUR 20,000 | EUR 20,000 |

**Table 1 – Remuneration of Board for 2021**

| Name and position | Annual fee | Committee fees | Travel allowance | Benefits | Extraordinary items | Total remuneration |
|---|-------------------|-----------------------|-------------------------|-----------------|----------------------------|---------------------------|
| Andreas Sohmen-Pao, Chairman of the Board of Directors ¹ Member of the Remuneration Committee | - | - | - | - | - | - |
| Richard Lawrence Sell, Chairman ² Member of the Remuneration Committee | - | - | - | - | - | - |
| Andreas Beroutsos, Board member | - | - | - | - | - | - |
| David Cogman, Board member ³ Member of the Nomination Committee and the Audit Committee | - | - | - | - | - | - |
| Connie Hedegaard Koksang, Board member Chairman of the Nomination Committee | 40,000 | 20,000 | - | - | - | 60,000 |
| Jesper Lok, Board member Chairman of the Remuneration Committee | 40,000 | 20,000 | - | - | - | 60,000 |
| Roy George Shearer, Board member ⁴ Member of the Audit Committee | - | - | - | - | - | - |
| Ditlev Gustav Wedell-Wedellsborg, Board member Chairman of the Audit Committee | 40,000 | 20,000 | - | - | - | 60,000 |
| Total | 120,000 | 60,000 | - | - | - | 180,000 |

Richard Lawrence Sell and Roy George Shearer are employed by the Swire Group and have not received remuneration as Cadeler board members in 2021.

Andreas Sohmen-Pao and Andreas Beroutsos are employed by the BW Group and have not received remuneration as Cadeler board members in 2021.

- 1 Andreas Sohmen-Pao was elected as new member and Chairman of the Board of Directors at the Annual General Meeting on 29 April 2021
- 2 Richard Lawrence Sell stepped down as Chairman of the Board of Directors at the Annual General Meeting on 29 April 2021
- 3 David Cogman was elected as a new member of the Board of Directors at an extraordinary general meeting on 26 November 2021
- 4 Roy Shearer resigned as a member of the Board of Directors following the extraordinary general meeting on 26 November 2021



3 Executive Management and Key Management

Members of the Executive Management and Key Management are entitled to an annual remuneration in accordance with the Remuneration Policy, which may consist of the following fixed and variable remuneration components:

- (a) Annual fixed salary
- (b) Employment Benefits
- (c) Pension contribution
- (d) Short-term and/or long-term incentive remuneration consisting of an annual performance based bonus in cash, shares, other share-based incentives, such as stock options, restricted share units, warrants and phantom shares,
- (e) Employee retention incentives in the form of cash or share-based incentives, and
- (f) Termination and severance payments

The choice of these components create a well-balanced remuneration package reflecting (i) individual performance and responsibility of the members of the Management in relation to established goals and targets, both in the short and the longer term, and (ii) the Company's overall performance.

The Management's performance based bonus shall according to the Remuneration Policy be subject to performance criteria determined by the Board. The performance criteria may include both financial and non-financial targets related to the Company's strategy and key performance indicators, which may include, but are not limited to, the Company's health and safety record, EBITDA and the successful completion of projects, whether individually or collectively.

The composition of the remuneration of each individual manager is determined with a view to contribute to the Company's ability to attract and retain competent key employees while, at the same time, ensuring that the Executive Management has an incentive to create added value for the benefit of the Company's shareholders through variable remuneration.



Table 2 - Remuneration for the Executive Management and Key Management for 2021

| Name and position | Fixed remuneration | | | Variable remuneration | | Proportion of fixed and variable remuneration |
|-------------------------------|--------------------|---------------|----------------------|-----------------------|--------------------|---|
| | Base salary | Benefits | Pension contribution | Cash bonus | Total remuneration | |
| Mikkel Gleerup, CEO | 372,498 | 22,215 | - | 313,770 | 708,484 | 56 % / 44% |
| Mark Konrad, CFO ¹ | 241,452 | 494 | 35,816 | - | 277,762 | 100% / 0% |
| Jacob Gregersen, CCO | 160,694 | 16,778 | - | 79,600 | 257,072 | 69% /31% |
| Jacob Jensen, COO | 160,745 | 17,126 | 15,920 | 79,566 | 273,357 | 71% /29% |
| Total | 935,390 | 56,614 | 51,736 | 472,935 | 1,516,675 | |

¹ Mark Konrad was employed as member of the Executive Management on 13 November 2020 having been seconded to Cadeler from John Swire & Sons (H.K.) Ltd

Fixed Remuneration

The annual fixed base salary and benefits are intended to attract and retain competent key employees with a view to contribute to the Company's ability to obtain its short- and long-term targets. Members of the Management are entitled to receive a pension contribution of up to 11% of the fixed base salary.

Variable Remuneration

Members of the Executive Management may in accordance with the Remuneration Policy be eligible to receive an annual performance based bonus in cash, shares as well as other share-based incentives, such as stock options, restricted share units, warrants and phantom shares. The performance criteria shall be determined by the Board and may include both financial and non-financial targets related to the

Company's strategy and key performance indicators, which may include, but are not limited to, the Company's health and safety record, EBITDA and the successful completion of projects, whether individually or collectively. The performance bonus shall be subject to the level of achievement of performance targets to be defined and set annually by the board of directors and comprising one or more financial years in the reference period.

The maximum annual value of a cash bonus and a share based incentive grant, respectively, may not exceed 200% of the fixed annual salary at the time of grant. Where a performance bonus is to be paid in shares or other share-based incentives, the entitlement to shares shall be subject to a vesting period of at least 12 months and requirement of continuous service during the vesting period.



Vesting may be subject to fulfilment of certain pre-defined criteria if determined by the Board of Directors. The exercise price, if any, shall be determined by the Board at the time of grant and may, if so decided, take place at par value or more.

Prior Year Incentive Scheme

For the Financial Year 2020, Management had been granted the right to an IPO success bonus upon the successful offering and listing of the Company on Oslo Børs. The bonus comprised a share based instrument corresponding of up to eight months of gross monthly salary to be paid in shares. The gross monthly salary and share price for the basis of calculation of shares was based on the gross monthly salary of management and share price on the first day of trading of the Company's shares on the Oslo Stock Exchange. The extraordinary award will accrue and be paid after 12 months from the first day of trading of the Company's shares on the Oslo Stock Exchange, which occurred on 27 November 2020. The award was paid in cash in December 2021 at the equivalent share value, resulting in a payment of EUR 307,443, EUR 77,873 and EUR 77,906 for Mikkel Gleerup, Jacob Jensen and Jacob Gregersen respectively.

Incentive Schemes

In December 2021, a new remuneration scheme was agreed starting in January 2022 and replacing the existing share-based incentive schemes for Executive Management and Key Management.

The key terms of this policy were:

(i) with effect from 2021, an annual bonus up to 6 to 12 gross monthly salary for Executive Management and Key Management. This bonus is at the discretion of the board and paid in cash the following January.

(ii) in January 2022, Executive Management and Key Management were granted from 17,322 to 55,430 Restricted Share Units which will vest July 2024.

(iii) in January 2022, Executive Management and Key Management were granted from 17,322 to 55,430 Options in Cadeler shares which will vest May 2024 and expire in April 2027. The strike price will range from NOK 36,02 to NOK 38.42 depending on the exercise period.

Extraordinary awards

Members of the Board and Executive Management or employees may under the remuneration policy be offered extraordinary awards being a one-off bonus or other extraordinary variable remuneration. The value of such extraordinary award may not exceed 100% of the fixed annual salary.

Termination and Severance Payments

According to the Company's Remuneration Policy, the members of the executive management and key management are employed on individual contracts, which are generally entered into on an indefinite term with a mutual right of termination. The notice period may be up to 6 months for the member of the executive management and up to 12 months for the Company. In case of termination, members of executive management may be entitled to a severance payment of up to 12 months' total remuneration.

Non-Monetary Benefits

Members of the Executive Management and Key Management are offered customary employee benefits such as telephone, computer and internet, as well as other benefits, including company car as approved by the Board. The value of such benefits may not exceed 50% of the fixed annual salary.

Claw-Back

The Company has the option of reclaiming, in full or in part, granted incentive remuneration in certain situations, including where incentive remuneration was awarded or paid out on the basis of information which subsequently proved to be incorrect. During the financial year ending 31 December 2021, no incentive remuneration was reclaimed.

4 Overview

The development in the remuneration of the Board and Management over the past three financial years is summarized in the table below.

The result for the Group was a profit of EUR 7,451 thousand in 2021 compared to a loss of EUR 27,032 thousand in 2020 and a loss of EUR 23,763 thousand in 2019.

Average wages and salaries per full time equivalents for onshore employees for the Group were EUR 131 thousand compared to EUR 117 thousand in 2020 and EUR 112 thousand in 2019.

Table 3 - Comparison of remuneration over the past three financial years

| Name and position | 2021 | 2020 | 2019 | 2021 vs. 2020 | 2020 vs. 2019 |
|---|---------|---------|---------|---------------|---------------|
| Mikkel Gleerup, CEO | 708,484 | 743,191 | 288,342 | -34,787 | 454,849 |
| Mark Konrad, CFO | 277,762 | 30,988 | - | 246,774 | 30,988 |
| Jacob Gregersen, CCO | 257,072 | 260,173 | 130,919 | -3,101 | 129,254 |
| Jacob Jensen, COO | 273,357 | 264,130 | 81,203 | 9,227 | 182,927 |
| Richard Lawrence Sell, Chairman | - | - | - | - | - |
| Andreas Sohmen-Pao, Chairman | - | - | - | - | - |
| Andreas Beroutsos, Board member | - | 6,667 | - | -6,667 | 6,667 |
| Roy George Shearer, Board member | - | - | - | - | - |
| Jesper Lok, Board member | 60,000 | 10,000 | - | 50,000 | 10,000 |
| Connie Hedegaard Koksang, Board member | 60,000 | 10,000 | - | 50,000 | 10,000 |
| Ditlev Wedell-Wedellsborg, Board member | 60,000 | 10,000 | - | 50,000 | 10,000 |
| David Cogman, Board member | - | - | - | - | - |

5 Compliance with the Remuneration Policy

The remuneration of the Board and Executive Management for the financial year ending 31 December 2021 complies with the framework provided by the Remuneration Policy. There has been no deviation or derogation from the framework provided by the Remuneration Policy.



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