

Remuneration Report 2020

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 2020 . 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 2020 available on the Company’s website, cadeler.com. All amounts are included in EUR, gross.



1 Introduction

The remuneration of the Board for 2020 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 for 2020 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 2020**

| Name and position | Annual fee | Committee fees | Travel allowance | Benefits | Extraordinary items | Total remuneration |
|--|-------------------|-----------------------|-------------------------|-----------------|----------------------------|---------------------------|
| Richard Lawrence Sell, Chairman Member of the Remuneration Committee | - | - | - | - | - | - |
| Andreas Beroutsos, Board member ¹ | 6,667 | - | - | - | - | 6,667 |
| Connie Hedegaard Koksbang, Board member ² Chairman of the Nomination Committee | 6,667 | 3,333 | - | - | - | 10,000 |
| Jesper Lok, Board member ² Chairman of the Remuneration Committee | 6,667 | 3,333 | - | - | - | 10,000 |
| Roy George Shearer, Board member Member of the Audit Committee | - | - | - | - | - | - |
| Ditlev Gustav Wedell-Wedellsborg, Board member ² (Chairman of the Audit Committee) | 6,667 | 3,333 | - | - | - | 10,000 |
| Total | 26,667 | 10,000 | - | - | - | 36,667 |

¹ was appointed to the board on 26 November 2020

² was appointed to the board on 22 October 2020

Prior to the listing of the Company Mikkel Glerup was a member of the Board until 22 October 2020. During the financial year ending 31 December 2020 Mikkel Glerup received EUR 0 in total remuneration as member of the Board.

Prior to the listing of the Company Martin Møller Olesen was a member of the Board until 22 October 2020. During the financial year ending 31 December 2020 Martin Møller Olesen received EUR 0 in total remuneration as member of the Board.

Prior to the listing of the Company Brian Townsley was a member of the Board until 22 October 2020. During the financial year ending 31 December 2020 Brian Townsley received EUR 0 in total remuneration as member of the Board.

Richard Lawrence Sell and Roy George Shearer are employed by the Swire Group and have not received remuneration as Cadeler board members in 2020.



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 2020

| Name and position | Fixed remuneration | | | Variable remuneration | | | Total remuneration | Proportion of fixed and variable remuneration |
|-------------------------------|--------------------|---------------|----------------------|-----------------------|---|---|--------------------|---|
| | Base salary | Benefits | Pension contribution | Cash bonus | Share-based incentive scheme (theoretical value at grant) | Extraordinary items (payable in shares) | | |
| Mikkel Gleerup, CEO | 312,464 | 20,585 | - | 200,818 | - | 209,325 | 743,191 | 45 % / 55% |
| Mark Konrad, CFO ¹ | 24,398 | 3,857 | 2,733 | - | - | - | 30,988 | 100% / 0% |
| Jacob Gregersen, CCO | 148,542 | 15,190 | - | - | 48,221 | 48,221 | 260,173 | 63% /37% |
| Jacob Jensen, COO | 139,396 | 14,506 | 13,827 | - | 48,200 | 48,200 | 264,130 | 64% /36% |
| Total | 624,799 | 54,138 | 16,560 | 200,818 | 96,421 | 305,745 | 1,298,482 | |

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

Prior to listing of the Company Martin Møller Olesen was CFO until 13 November 2020. During the financial year ending 31 December 2020 Martin Møller Olesen received EUR 135 thousand in total remuneration as member of the Executive Management.

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, a bonus of EUR 200,818 was paid in cash to Mikkel Gleerup, corresponding to 100% of the maximum pay-out due from a performance-based incentive program agreed during the financial year 2019.

Share Based Incentive Scheme

An incentive up to 4 months of gross monthly salary of the key management paid in shares for the continuous employment of the employee for each full calendar year of 2020 and 2021. The incentive will be paid with the employee's salary in June in the following year, i.e. in June 2021 and June 2022. The gross monthly salary and share price for the basis of calculation of the shares to be issued is based on the gross monthly salary of the employee and share price on the date the incentive will be paid in June 2021 and June 2022.

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.

Management have 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 the 27 November 2020.

Termination and Severance Payments

Accordingly 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 2020, no incentive remuneration was reclaimed.



4 Overview

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

The result for the group was a loss of EUR 27,032 thousand in 2020 compared to a loss of EUR 23,763 thousand in 2019.

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

Table 3 | Comparison of remuneration over the past two financial years

| Name and position | 2020 | 2019 | 2020 vs. 2019 |
|---|-------------|-------------|----------------------|
| Mikkel Gleerup, CEO | 743,191 | 288,342 | 454,849 |
| Mark Konrad, CFO | 30,988 | - | 30,988 |
| Jacob Gregersen, CCO | 260,173 | 130,919 | 129,254 |
| Jacob Jensen, COO ¹ | 264,130 | 81,203 | 182,927 |
| Richard Lawrence Sell, Chairman | - | - | - |
| Andreas Beroutsos, Board member | 6,667 | - | 6,667 |
| Roy George Shearer, Board member | - | - | - |
| Jesper Lok, Board member | 10,000 | - | 10,000 |
| Connie Hedegaard Koksang, Board member | 10,000 | - | 10,000 |
| Ditlev Wedell-Wedellsborg, Board member | 10,000 | - | 10,000 |

¹ Jacob Jensen joined the Company in July 2019



5 Compliance with the Remuneration Policy

The remuneration of the Board and Executive Management for the financial year ending 31 December 2020 complies with the framework provided by the Remuneration Policy. There has been no deviation or derogation from the framework provided by the Remuneration Policy.

Cadeler
Fairway House
Arne Jacobsens Allé 7
DK-2300 Copenhagen S
Denmark

+45 3246 3100

