



ESTABLISHED 1968

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# INTEGRATED ANNUAL REPORT

2025

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# Letter to our Shareholders

## Dear Shareholders,

2025 was characterised by strong biological performance and disciplined strategic execution in a challenging market environment. Elevated global supply growth placed sustained pressure on salmon prices and materially reduced earnings compared to 2024. At the same time, Bakkafrost strengthened its operational platform across both the Faroe Islands and Scotland, reinforcing the foundation for long-term value creation.

Our integrated value chain focuses on large high-quality smolt, and disciplined cost management continue to differentiate Bakkafrost through market cycles.

## OUR VALUES

Our shared values form the foundation of Bakkafrost. They are rooted in our heritage and guide how we operate across the entire value chain. Every employee carries a collective responsibility to ensure that these values are reflected in our daily actions. Our name and logo serve as constant reminders of our origin and long-term commitment.

Every day, we strive to supply the world with healthy food and contribute positively to the communities in which we operate.

## STRATEGIC POSITIONING

Bakkafrost's competitive strength lies in its fully integrated value chain — from feed production to sales — combined with a structural shift towards large, high-quality smolt production.

This model enhances biological control and fish welfare, reduces production risk, shortens marine cycles, and improves cost efficiency. As biological and regulatory complexity increases across the industry, Bakkafrost's model with improved operational control and scale become increasingly valuable. We are not pursuing volume growth alone — we are strengthening resilience, quality, and long-term profitability.

In 2025, this strategy translated into record biological performance in the Faroe Islands and continued structural progress in Scotland.



## MARKET AND INDUSTRY DYNAMICS

Global salmon supply increased more than anticipated in 2025, driven by improved biological conditions and strong production growth in Norway and Chile. The elevated supply resulted in significant price pressure, particularly in the first half of the year. Towards year-end, market conditions stabilised as supply growth moderated and demand across key regions remained firm.

Demand for salmon remained resilient throughout the year. China recorded solid growth, supported by expanding modern retail, e-commerce and food service recovery. Bakkafrost strengthened its position in the Chinese market, benefitting from its reputation for large, superior-quality salmon and reliable supply.

The US market remained robust, particularly within premium retail and food service segments where demand for large fish was strong. In Europe, consumption was broadly stable despite increased price sensitivity in some segments. Although prices were lower for much of the year, demand for high-quality salmon remained firm. Bakkafrost's consistent delivery of large, superior-quality fish supported a differentiated market position. Our diversified sales model and disciplined contract strategy helped mitigate volatility and maintain stable market access. We prioritised value over volume, focusing on customers who reward consistency, quality and freshness. Supported by our FarCargo logistics capabilities, this approach helped preserve premiums in key markets despite broader industry pressure.

The developments in 2025 reinforced the importance of biological control and cost discipline. Companies with strong operational foundations navigated the downturn more effectively. Bakkafrost's continued investments in large-smolt production, integrated feed capacity and advanced sea lice management are strengthening our resilience and competitive position.

Looking ahead, global supply growth is expected to moderate to low single-digit levels from 2026 onwards. Combined with steady structural demand growth, particularly in Asia and China, this supports a constructive long-term outlook for high-quality salmon.

## FINANCIAL PERFORMANCE

For the full year 2025, Bakkafrost generated revenues of DKK 7.0 billion, compared to DKK 7.3 billion in 2024. The revenue decline reflects lower average salmon prices, partially offset by higher harvest volumes. Operational EBIT amounted to DKK 888 million (DKK 1,550 million in 2024), corresponding to an operational EBIT per kg of DKK 8.3 (DKK 17.1 in 2024).

While the financial results reflect the challenging market environment, they also demonstrate the resilience of our business model. Despite a 43% decline in operational EBIT, we maintained profitability and positive cash flow throughout the year. This performance was supported by:

- Strong biological performance: Lower mortality and improved feed conversion ratios reduced production costs per kg
- Operational efficiency: Farming costs in the Faroe Islands declined materially year-over-year
- Disciplined capital allocation: We adjusted investment timing in response to market conditions while maintaining strategic priorities

The Group maintained a solid balance sheet and strong liquidity position throughout the year. Our equity ratio remained robust at 58% (63%), and our financial flexibility enables us to execute our long-term investment programme while maintaining an attractive dividend policy.

## OPERATIONAL PERFORMANCE

### Fishmeal, oil and feed (FOF)

The FOF segment delivered solid operational performance in 2025. Marine raw material sourcing reached the second-highest level in the Group's history, only surpassed by the exceptional year in 2023. This reflected strong activity levels in the North Atlantic fisheries and continued high operational reliability at Havsbrún.

Feed volumes increased in line with the increasing biomass in Bakkafrost's farming operations, supporting biological performance and cost efficiency. Feed quality remains a key competitive advantage for Bakkafrost. The continued integration of feed production strengthens biological control, feed conversion efficiency and cost discipline across the value chain.

### Freshwater (Faroe Islands)

The freshwater operation in the Faroe Islands delivered record-high production of large, high-quality smolt in 2025. A total of 18.7 million smolt were released during the year (17.1 million in 2024), with an average transfer weight of 453g. Smolt robustness and post-transfer survival rates reached historically strong levels, providing a solid biological platform for marine growth.

The continued optimisation of hatchery operations, combined with high-capacity utilisation, contributed to improved cost efficiency. Construction of the new hatchery in Skálavík progressed according to plan, increasing the total smolt production capacity to more than 24 million smolt of 500g in 2027 and onwards.

### Freshwater (Scotland)

In Scotland, 2025 marked continued progress in the ramp-up of the Applecross hatchery. A total of 7.3 million smolt were released during the year (6.0 million in 2024). For the full year, the average weight of smolt transferred from Applecross was 216g, reflecting the ongoing transition towards consistent production of large, high-quality smolt as the foundation for improved marine performance.

Operational stability at Applecross improved during the year following organisational adjustments and strengthened site management. Production processes became more predictable, supporting a steadier ramp-up of volumes and improved biological control. While the freshwater segment faced operational

challenges, including disease-related mortality in parts of the year, the structural direction remains clear.

The strategic objective is to secure a stable and predictable ramp-up of large-smolt production, which is a cornerstone for long-term improvement of the Scottish marine operations.

### Farming (Faroe Islands)

The Faroese farming operations delivered strong biological performance in 2025. Growth rates were high, mortality reached some of the lowest levels recorded in a decade, and sea lice remained effectively controlled through a robust treatment and farming strategy.

The increased deployment of large, high-quality smolt shortened production cycles and contributed to improved cost efficiency. Farming costs declined materially during the year, reflecting the direct link between strong biology and financial performance. The 2025 full-year average harvest weight in the Faroe Islands was 5.2 kg (HOG) as in 2024, reflecting continued robust fish health and favourable growing conditions. At year-end 2025, biomass at sea in the Faroe Islands was 34% higher year-on-year, underlining the strong biological development and providing a solid foundation for future harvest volumes.

Harvest volumes increased 33% compared to 2024, supported by high biomass levels and strong fish health entering the year.

### Farming (Scotland)

The Scottish farming operations continued the de-risking process initiated in prior years. Biological control improved during 2025, supported by stronger operational discipline. The full-year average harvest weight in Scotland materially increased to 5.3 kg (HOG) in 2025 (4.3 kg in 2024). This improvement was primarily driven by better biological control and more stable farming conditions rather than the impact of large-smolt release.

A central element of the long-term transformation remains the transition to farming based on large, high-quality smolt from Applecross. During 2026, the biomass at sea in Scotland will gradually shift towards fish released as large, high-quality smolt. However, the operational benefits from this transition are expected to materialise gradually during the latter part of 2026 and to unfold more meaningfully from 2027 onwards as legacy fish are fully replaced.

In 2025, the Scottish farming operation was impacted by disease-related events during the year, including at the Portree site, which negatively affected results. Despite this, the structural transformation of the Scottish operations remains on track, with biological stability and cost efficiency expected to strengthen progressively as the large-smolt strategy is fully implemented.

### Services

The Services segment continued to support operational efficiency across the Group. The capabilities of our vessels remain instrumental in maintaining low sea lice levels and high fish welfare standards. The segment delivered stable financial performance and plays a critical role in mitigating biological risk.

### Sales & Other

The Sales & Other segment operated in a year characterised by significant changes in market dynamics. Elevated global supply growth increased the availability of superior-quality fish in the spot market, which reduced price differentiation between large and standard-sized salmon and placed pressure on premium levels.

The narrowing of size premiums and increased short-term volatility required greater commercial flexibility. Bakkafrost's diversified sales model, disciplined contract strategy and broad geographic footprint were important in managing these dynamics and securing stable market access across Europe, the US and Asia.

Logistics capabilities have become increasingly important in this environment. The continued optimisation of FarCargo and other dedicated logistics solutions has strengthened delivery precision, reduced lead times and enables Bakkafrost to deliver unmatched product freshness in key growth markets, such as China and the US. Improved logistics enhance Bakkafrost's ability to capture value for large, high-quality salmon and support premium positioning despite more competitive market conditions.

The Group continues to focus on optimising product mix, market allocation and value-added processing volumes to maximise value creation under changing market conditions.

## SUSTAINABILITY AND ESG COMMITMENT

Bakkafrost remains firmly committed to the United Nations Global Compact principles and continues to support the UN Sustainable

Development Goals (SDGs). As one of the largest contributors to the Faroese economy and a significant employer in rural Scotland, we recognise our responsibility to lead responsibly and transparently. In 2025, we further strengthened our engagement with local stakeholders, particularly regarding environmental stewardship in the fjords and coastal communities where we operate.

Our climate ambitions remain unchanged. We are committed to reducing absolute Scope 1 and 2 emissions by 50% and Scope 3 emissions by 52% per tonne of product sold by 2030, from a 2020 baseline. These science-based targets are aligned with a 1.5°C pathway and form the backbone of our climate transition planning.

In 2025, our total Scope 1 and 2 emissions increased compared to the base year, primarily driven by higher operational activity and increased biomass in production. Scope 3 emissions also increased due to higher sourcing volumes of feed raw materials and greater use of air freight in certain markets. While this development is not aligned with our reduction trajectory, it reflects growth in production and the structural dependency on fossil fuels in key parts of our value chain.

At the same time, we continued to implement important decarbonisation initiatives. The planned Eysturlund wind farm remains a key enabler for reducing emissions from our feed production facility, although the project is still pending final approvals. In Scotland, renewable electricity sourcing through Power Purchase Agreements and Guarantees of Origin ensured that all contracted electricity was backed by renewable generation. At Applecross, progress continued on hydro and photovoltaic installations, which are expected to materially reduce future Scope 2 emissions once fully operational.

We also advanced our participation in the DecarbFaroe carbon capture pilot project at our FÖRKA biogas plant. While still in the pilot phase, this initiative demonstrates our ambition to explore long-term solutions that address biogenic CO<sub>2</sub> emissions and support innovation in regional carbon management.

Looking ahead, the successful execution of our transition plan will depend on technological development, regulatory frameworks, particularly regarding renewable energy access in the Faroe Islands, and continued collaboration across our value

chain. While the pathway to 2030 remains challenging, we are committed to aligning growth with decarbonisation and strengthening the resilience of our business in a low-carbon economy.

### OUTLOOK AND STRATEGIC PRIORITIES

Global supply growth is expected to moderate to around 2% in 2026, following elevated growth in 2025. Low single-digit growth is anticipated for 2027–2030. Together with steady underlying demand, this supports a more balanced market outlook over the medium term.

For 2026, Bakkafrøst expects to harvest approximately 92,000 tonnes gutted weight in the Faroe Islands and around 20,000 tonnes in Scotland, corresponding to a total of approximately 112,000 tonnes. The continued transition to large, high-quality smolt in Scotland is expected to strengthen biological stability and operational performance.

In freshwater, smolt release in 2026 is expected to increase to around 20.0 million smolt in the Faroe Islands with an average weight of approximately 440g. In Scotland, smolt release is expected to be around 10.0 million smolt with an average weight of approximately 179g, including internally produced and externally sourced smolt. Smolt numbers and size remain key drivers of future harvest volumes and biological robustness.

Within the FOF segment, production volumes of fishmeal, fish oil and feed will depend on marine raw material availability and ICES recommendations. In 2026, sourcing and production of fishmeal and oil are expected to decline compared to 2025 due to lower blue whiting quotas. Feed production is expected to be approximately 165,000 tonnes.

### Strategic Priorities for 2026

As we enter 2026, our strategic priorities remain clear:

1. Execute the large-smolt strategy in Scotland: The gradual shift towards large-smolt farming in Scotland represents our most significant value creation opportunity. We expect to see meaningful biological improvements emerge in the latter part of 2026 as the first large cohorts of large smolt from Applecross reach harvest.
2. Maintain biological excellence in the Faroe Islands: Our Faroese operations set the standard for biological

performance. Maintaining this excellence while scaling production to 92,000 tonnes is a key priority.

3. Advance strategic investments: The DKK 5.0 billion investment programme announced at our Capital Markets Day in June 2025 remains on track, with key milestones planned for 2026.
4. Optimise commercial strategy: We will continue to adapt our sales and contract strategy to market conditions, leveraging our FarCargo logistics advantage and reputation for superior quality.

It's important to note that biological, environmental, and market conditions may influence the anticipated harvest and smolt release outcomes.

### INVESTMENTS

At the Capital Markets Day in June 2025, Bakkafrøst announced a DKK 5.0 billion investment programme for 2026–2030. The objective is to improve efficiency, reduce biological risk and support sustainable growth.

In the Faroe Islands, annual smolt capacity will increase to 24.4 million smolt of 500g. Feed production capacity and flexibility will also be expanded to support growing harvest volumes and strengthen R&D capabilities. The programme further includes investments in new farming sites, new farming technology, and enhanced harvest flexibility.

In Scotland, investments focus on site optimisation and expansion, alongside the construction of a new harvest and processing facility to accommodate higher volumes and improve efficiency.

At Group level, two new dual-freshwater treatment vessels will be built to strengthen biological control across regions. The programme is expected to support sustainable growth in annual harvest volumes to around 162,000 tonnes by 2030.

Since the announcement in June 2025, the timing of certain investments has been adjusted to reflect market conditions. This disciplined capital allocation approach preserves financial flexibility while maintaining strategic priorities. The overall programme remains unchanged at DKK 5.0 billion, and key milestones remain on track.

### FINANCIAL STRENGTH AND CAPITAL ALLOCATION

The global salmon product market's long-term balance is likely to favour Bakkafrøst. Bakkafrøst has a long value chain and a cost-efficient production of high-quality salmon products, and it will likely maintain financial flexibility going forward.

In March 2022, Bakkafrøst secured a 700 mEUR sustainability-linked credit facility (expandable by 150 mEUR) with a 5-year term and 2-year extension options, which have been exercised. This facility, along with Bakkafrøst's strong equity ratio, bolsters the Group's financial strength for organic growth. It also facilitates M&A and future organic growth opportunities and upholds an unchanged dividend policy.

### RETURN TO SHAREHOLDERS

The Board of Directors will propose a dividend of DKK 3.45 per share at the Annual General Meeting convened on 30 April 2026. This dividend reflects our commitment to returning capital to shareholders while maintaining financial flexibility to execute our strategic investment programme. Our dividend policy remains unchanged: we are committed to delivering attractive returns to our shareholders through a combination of dividends and long-term value creation from our strategic investments.

### THANK YOU TO OUR EMPLOYEES

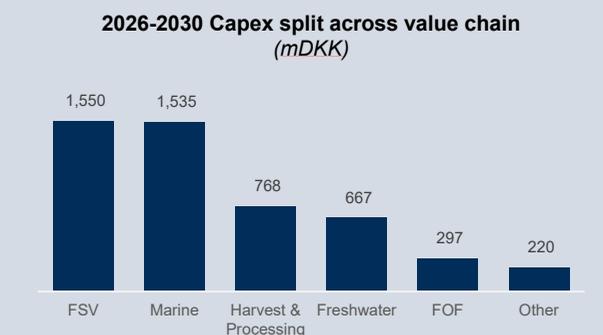
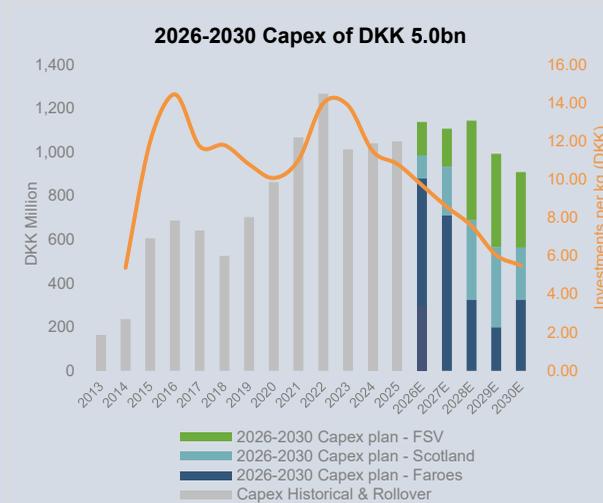
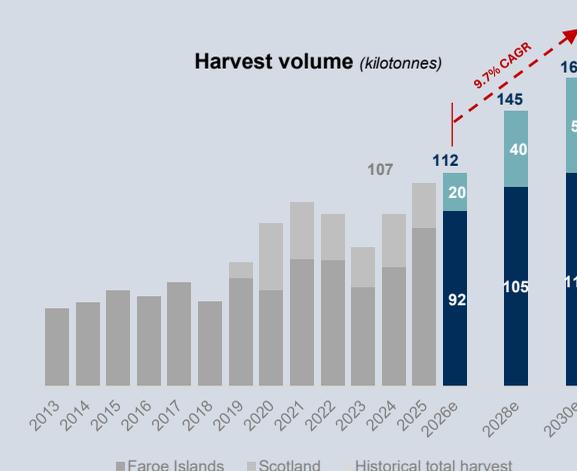
On behalf of the Board of Directors and Management, we extend our sincere thanks to all employees across the Bakkafrøst Group for your dedication and hard work throughout 2025. Your commitment has been instrumental in delivering strong biological performance despite challenging market conditions.

In November 2025, we were saddened by the passing of our esteemed Board member, Alf-Helge Aarskog. He served Bakkafrøst with integrity and made a significant contribution. We are grateful for his dedication and lasting impact.

We also thank our shareholders for your continued confidence and support as we execute our long-term strategy. The investments we are making today position Bakkafrøst to create sustainable value for all stakeholders in the years ahead.

Rúni M. Hansen  
Chairman of the Board

Regin Jacobsen  
Chief Executive Officer



# About Bakkafrost

**UNITED STATES OF AMERICA**

- Sales
- Processing

**FRANCE**

- Sales

**DENMARK**

- Sales
- Processing

**SCOTLAND**

- Sales
- Broodstock, Hatcheries & Farming
- Harvest & Processing
- Farming Service Vessels

**FAROE ISLANDS**

- Headquarters, Sales & Logistics
- Fishmeal, Fish oil & Fish feed
- Broodstock, Hatcheries & Farming
- Harvest & Processing
- Farming Service Vessels, Packaging & Biogas

**BAKKAFROST**  
 Leading Producer of Superior Quality Salmon from the Faroe Islands and Scotland

**Established:** 1968  
**Headquarters:** Glyvrar, Faroe Islands  
**Employees:** 1,635 full-time employees across the Group  
**Markets Served:** 40+ countries  
**Listed on:** Oslo Børs with ticker code BAKKA  
**LEI:** 2138007LH7OP4V112978  
**Parent company:** Bakkafrost P/F, Faroese registration number 1724

**LEGEND TO MAP SYMBOLS**

FISHMEAL	BROODSTOCK	HARVESTING	FSV (FARMING SERVICE VESSELS)
FISH OIL	HATCHERIES	PROCESSING	PACKAGING
FISH FEED	FARMING	SALES/LOGISTICS	BIOGAS

# About Bakkafrost

## LEGEND TO MAP SYMBOLS

- ▲ FISHMEAL/OIL & FEED FACTORY
- HATCHERIES
- FARMING SITES
- ◆ BROODSTOCK
- HARVEST FACTORIES
- PROCESSING PLANT
- ◻ PACKAGING FACTORY
- ◇ HEADQUARTERS
- ◊ OFFICES
- ▲ BIOGAS
- CONSTRUCTION/EXPANSION



# Key Figures

## Operating Revenue

**7,007 mDKK**

(2024: 7,334)

## Harvest Volumes

TGW

**106,823**

(2024: 90,656)

## Scope 1 & 2 emissions

**185,146 tCO<sub>2</sub>e**

(2024: 153,168)

## Earnings

per share adjusted

**6.90 DKK**

(2024: 16.87)

## Scope 3 emissions

Per tonne of product sold

**5.23 tCO<sub>2</sub>e / tonne**

(2024: 3.98)

## Total GHG emissions

Scope 1, 2 & 3

**893,325 tCO<sub>2</sub>e**

(2024: 723,995)

## Operational EBIT

**888 mDKK**

(2024: 1,550)

## Equity Ratio

**58%**

(2024: 63%)

## Feed Conversion Ratio

**1.106 1.116**

Faroe Islands Scotland  
(2024: 1.111) (2024: 1.210)

## Survival Rate

**95.7 % 82.6%**

Faroe Islands Scotland  
(2024: 93.4%) (2024: 84.7%)

## Lost Time Injury Rate

LTIR per million working hours

**15.6**

(2024: 13.2)

## Employees

**1,635**

(2024: 1,567)

Group FTE: 75% Male 25% Female

## Antibiotic use

**0 0\***

Faroe Islands Scotland  
(2024: 0) (2024: 0)

\*For freshwater see page 175

## Escapes

Number of fish

**0 0**

Faroe Islands Scotland  
(2024: 2) (2024: 301)

# Creating Value in Local Communities



Salaries paid

**947 mDKK**

(2024: 882)

Healthy Living Fund payouts

**4.5 mDKK**

(2024: 3.9)

Local Procurement Share

**61%**

*of total procurement spend*

(2024: 66%)



Map showing residence town of employees in the Faroe Islands

# Business Model

Bakkafrost is the most vertically integrated salmon farming company globally. The Group controls the entire value chain – from fishmeal, fish oil and feed production to broodstock and smolt production, marine farming, services and harvesting, value-added processing and sales.

This integrated model provides full operational control, strengthens biological performance and ensures high traceability and product quality. It also supports cost efficiency and enables long-term planning across the value chain.

## General Information

Bakkafrost is the leading producer of superior-quality Atlantic salmon from the Faroe Islands and Scotland. The Group supplies a wide range of healthy, nutritious and superior quality salmon products to global markets from its own facilities.

The business model is built on control of key inputs and production stages. In-house production of fishmeal, fish oil and feed ensures consistency in nutritional quality, while integrated freshwater and marine operations support biological control and operational stability. Control over processing and logistics enables reliable deliveries and effective management of daily product flow.

Bakkafrost's activities are organised into feed-related operations, human food production, services, sales and logistics. Most of the revenue is generated from salmon sales, supplemented by sales of fishmeal and fish oil. Volumes in the FOF segment depend on the availability of marine raw materials sourced primarily from the Faroese pelagic fishery.

Bakkafrost is the largest private employer in the Faroe Islands and a cornerstone of the national seafood industry. The Group contributes significantly to employment, tax revenues and export earnings, and plays an important role in sustaining economic activity in coastal communities. In Scotland, Bakkafrost is an important employer in rural and island regions, supporting local supply chains and contributing to regional economic development.

Bakkafrost has experienced significant growth in the last 10 years. In 2025, Bakkafrost employed 1,635<sup>1</sup> FTE's and had operating revenues amounting to DKK 7,007 million.

## Sustainable growth

Sustainability remains a core strategic priority. Bakkafrost's sustainability framework, outlined in the Healthy Living Plan, integrates environmental, social and governance considerations into operational and investment decisions.

As global demand for protein increases, the transition to low-carbon and resource-efficient food production systems becomes increasingly important. Farmed salmon is recognised as one of the most resource-efficient animal proteins, characterised by a low carbon footprint, limited land and water use, efficient feed conversion and high edible yield.

Bakkafrost's operations are positioned to contribute positively to this transition. Continuous improvements in feed efficiency and biological control strengthen both environmental performance and economic resilience.

In 2025, Bakkafrost announced a new five-year DKK 5.0 billion investment programme aimed at increasing total annual harvest volumes to 162,000 tonnes (head-on gutted weight) by 2030. A key objective is to decouple growth from environmental impact, including the reduction of carbon emissions.

The investment programme includes continued development of large-smolt capacity, marine farming capacity, operational efficiency improvements and investments in green transition initiatives. Approximately DKK 245 million has been allocated specifically to green transition projects. Financing structures linked to sustainability KPIs further support this direction.

## Governance Regulation and Compliance

Compliance with regional and international regulations is fundamental to sustainable operations. Bakkafrost adheres strictly to all relevant legislation in the jurisdictions where it operates and is committed to transparency and responsible business conduct.

The Group's activities rely on natural capital in the Faroe Islands and Scotland. Close cooperation with environmental authorities

and strict compliance with aquaculture legislation form the basis for maintaining the licence to operate. Bakkafrost is committed to zero cases of non-compliance.

Beyond regulatory requirements, the Group voluntarily adheres to recognised international standards, including ASC, reinforcing industry-leading sustainability performance.

All marine farming sites in the Faroe Islands are 100% ASC certified. In Scotland, 97% of farming sites are ASC certified, and the Group expects to reach 100% ASC certification by 2027. These certifications support high standards for fish welfare, environmental performance and transparency.

## Regulation and licences

Bakkafrost operates under strict regulatory frameworks in the Faroe Islands and Scotland. Compliance with aquaculture legislation, environmental standards and fish welfare requirements is fundamental to sustainable growth and maintaining the licence to operate. In the Faroe Islands, marine farming licences are issued as rolling 12-year licences covering defined fjord areas. There is no formal maximum biomass limit; however, production plans must be approved by the authorities prior to stocking and are assessed based on historic biological performance and environmental KPIs, including sea lice levels and benthic impact. Independent third parties conduct monitoring on behalf of the authorities. Only one generation of salmon is permitted at a time within each licensed area, and the full population must be harvested before restocking. A minimum two-month fallow period is required between generations. While there is no direct payment for the licence itself, marine farming activities are subject to a revenue tax and a special corporate tax.

In Scotland, licences are site-specific and subject to defined maximum biomass limits. Licences are leased from Crown Estate Scotland and are generally renewable for 25 years.

### Feed



Fishmeal and fish oil produced from locally-caught fish with low food value and low market demand for direct human consumption



Fish feed with high inclusion of marine raw material and non-GMO agricultural raw material



Salmon oil and salmon meal

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### Human Food



Smolt production primarily for own operations, but also sold externally



Salmon (fresh, frozen)



Canned seafood

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### Services



Farming Service Vessels for treatment of salmon



Production of styrofoam boxes, also sold externally

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### Renewable energy and fertilizer



Production of renewable electricity and heating



High-quality bio-fertilizer

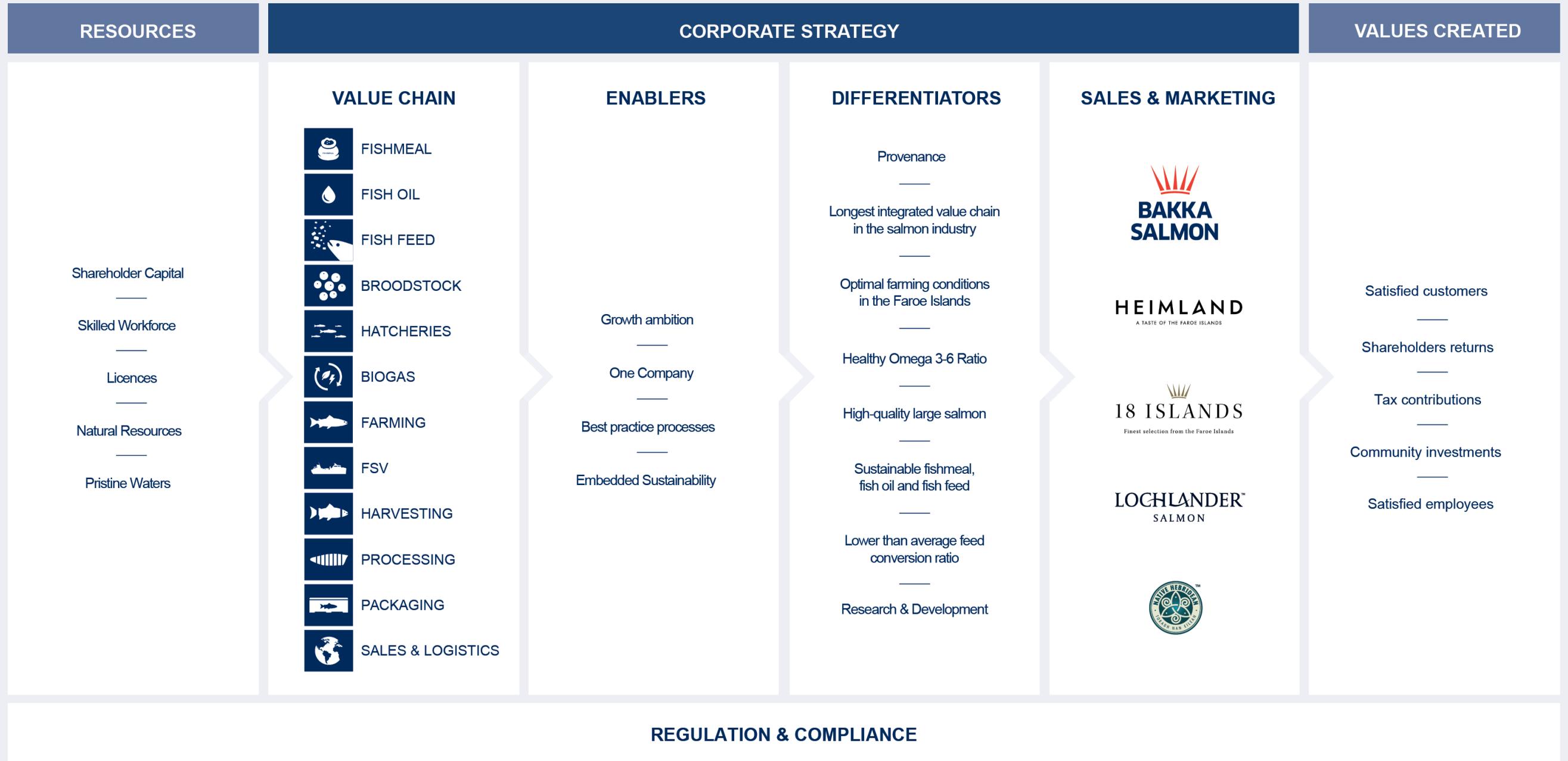
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### Logistics



Airline transporting salmon to international markets and importing goods to the Faroe Islands

<sup>1</sup> Employees per country can be found in S1-6 on page 136



## RESOURCES

Bakkafrost relies on a number of resources:

### Shareholder capital

Salmon farming is a capital-intensive business, and we rely on access to capital to ensure business growth and continuously manage operational risks. We value constructive communication with banks and investors and ensure comprehensive and transparent reporting on financial and ESG topics.

### Skilled workforce

We operate in a knowledge-intensive industry and rely on a skilled, motivated, and engaged workforce. We can attract and retain employees with the right competencies and knowledge by focusing on work satisfaction, inclusion, and developing employees' competencies.

### Licences

We farm salmon in fjords and lochs. We hold licences that give us exclusive rights to use a given area for farming fish. These licences are granted by the Faroese and Scottish authorities, and we are reliant on them to continue our business. We understand our duty to use these licences responsibly, and we achieve this through comprehensive programmes to support sustainable farming practices.

### Natural resources

Our operations rely on natural resources, particularly raw materials for salmon feed, such as marine ingredients, soy, wheat, and rapeseed oil.

Feed production depends on raw material availability. Marine ingredient volumes follow ICES recommendations for North Atlantic species, while agri-commodities are influenced by weather, political conditions, and price volatility. To secure inputs and minimize risk, we source from multiple vendors within each commodity category and continuously refine feed composition to maintain flexibility when availability fluctuates.

Freshwater is also an essential resource in our operations.

### Pristine waters

Pristine waters are essential to keep our product at a high-quality standard. We contribute to maintaining clean waters by continuously minimising our environmental impact.

## VALUE CHAIN

Bakkafrost controls everything from producing fishmeal, fish oil, and fish feed to selling and marketing finished VAP (value-added products). Control of the entire value chain is considered essential to ensure availability and traceability and to control the product flow daily. Both customers and processing facilities depend on the daily availability of salmon and depend entirely on a steady flow of harvested fish.

The quality of the salmon is the result of the whole operation, from the production of fishmeal and fish oil to the processing of the salmon. The documentation and traceability from the finished product back to the raw material in the feed and the salmon eggs is important for the customers and, therefore, crucial to Bakkafrost.

The control of the entire value chain enables Bakkafrost to make long-term delivery contracts and long-term customer relationships without being dependent on any third party to ensure the quality and predictability of the deliveries. It further enables better utilisation of the facilities throughout the value chain and prevents internal sub-optimization.

## ENABLERS

Central to Bakkafrost's strategy is a strong growth ambition. The opportunities for sustainable growth are good in the Faroe Islands and Scotland. Salmon farming is highly dependent on natural resources and the licence to operate, as reflected in Bakkafrost's business model, in which sustainability is deeply embedded.

Since the acquisition of the Scottish Salmon Company (now Bakkafrost Scotland) in Q4 2019, Bakkafrost has focused on merging the two organisations to form "One Company," building upon the robust best practices processes it has established and proven successful.

## DIFFERENTIATORS

Bakkafrost aims to produce delicious, healthy, sustainable, high-quality salmon that adds value for customers. This enables the Bakkafrost to obtain a higher price that benefits the outcome. Bakkafrost intends to enhance this position by investing in differentiation and the following USPs (unique selling points).

### Provenance

The natural conditions and cold waters in the North Atlantic around the Faroe Islands and Scotland are perfect for raising salmon. Bakkafrost will further promote this unique provenance as producing exceptional quality salmon.

Salmon from the Faroe Islands and Scotland is recognised globally as top quality. Still, the Faroe Islands only produce about 4.3% (3.5%) and Scotland 6.1% (6.7%) of the world's salmon. Bakkafrost salmon is sought after worldwide with accepted premium positioning and is preferred by select customers.

### Longest integrated value chain

Bakkafrost is one of the world's most vertically integrated salmon farming companies. It uniquely produces its own fishmeal and fish oil, ensuring complete control and responsibility over all aspects of production and unparalleled traceability for clients.

### Optimal farming conditions in the Faroe Islands

The Faroe Islands offer optimal salmon farming conditions, with pristine waters, strong currents, and cool, stable temperatures. These conditions ensure healthy fish growth, high welfare standards, and superior-quality salmon.

### High levels of omega-3

Bakkafrost's salmon are raised on a diet that is 2.5-3 times as rich in marine content as the feed normally used in the industry. This is an important factor for the quality of Bakkafrost salmon, as the marine content ensures the optimum fat content, rich in healthy Omega 3 fatty acids DHA and EPA. The natural diet also ensures enjoyment of the exceptional taste of Bakkafrost's salmon, which contributes to its high quality.

### High-quality large salmon

Bakkafrost is recognised as producing some of the largest Atlantic salmon in the world. Farming large salmon requires good biology and is, therefore, strong evidence for good fish welfare. Bakkafrost's farming practice and use of high-quality feed rich in marine content translate into superior product quality, recognised by customers all around the world.

### Feed rich in marine content

Bakkafrost has an integrated value chain that includes its own fish meal, oil and feed production. With its rich access to marine raw material from offcuts and trimmings from the Faroese pelagic fishing industry, as well as low-value marine species fished in the waters surrounding the Faroe Islands, Bakkafrost is uniquely positioned to maintain a substantially higher marine inclusion in the salmon feed compared to peers in the industry. The natural diet for wild salmon is almost entirely based on marine resources.

### Low feed conversion ratio

Bakkafrost's careful farming practices, high fish welfare standards, and use of feed that is close to the salmon's natural diet enable Bakkafrost to have one of the industry's best Feed Conversion Ratios (FCR), which is beneficial for the local environment and production costs.

### Research & Development

Research and development are deeply rooted in Bakkafrost's DNA. By addressing technical and operational challenges, valuable knowledge is created. Bakkafrost's research and development activities are spread around the whole value chain, from research in broodstock and research in feed recipes, focusing on the development of fish health and welfare to food safety, product development, and piloting new packaging. Knowledge drives long-term value and ensures competitive advantage, whether it is enhancing biomass production or sea lice management. Through research and development projects, Bakkafrost safeguards innovations, fostering responsible growth and environmental stewardship.

## SALES & MARKETING

### Sales and geographical diversification

The sales and marketing department at Bakkafrost is responsible for the worldwide sales of Bakkafrost Salmon, whether farmed in the Faroe Islands or Scotland. The Group focuses on direct sales through channels where the quality attributes of Bakkafrost Salmon are recognised, and a price premium is achieved. The strategy ensures geographical sales diversification, thereby minimising the risk of market fluctuations.

### Worldwide reach

Bakkafrost uses ship transport and trucking whenever possible to transport frozen and fresh products to nearby markets. Fresh salmon delivered to long-distance markets such as the US and Asia are transported by air.

Fast, reliable logistics with global reach are vital for distributing fresh perishable produce sought after worldwide. To maintain the leading position, Bakkafrost works closely with key freight forwarders to ensure effective logistics and first-class customer service worldwide, ensuring that Bakkafrost's salmon is always delivered as fresh as possible by freight carriers to major airports and then linking with further passenger airlines to diverse worldwide locations. Bakkafrost also operates its own cargo plane to deliver fresh salmon to the US and Chinese markets. This has enabled Bakkafrost to deliver fresh salmon to customers in these markets within 24 hours from when the fish was alive in the Faroe Islands. Hereby, Bakkafrost's position as a supplier of superior-quality salmon is strengthened even more, leading to higher freshness of the delivered product and reduced food waste.

### Segmentation

The Bakkafrost brand is particularly strong in the US and China, where demand for large salmon is strong. The strong sustainability profile of Bakkafrost salmon is particularly important to clients in the premium sushi segment. Bakkafrost does not use any antibiotics and uses only non-GMO ingredients in feed.

### Value Added Products

Bakkafrost holds a leading position in frozen salmon portions. The main markets are leading European and US retailers. Bakkafrost adds value to VAP production by producing the highest quality product and is recognised as a reliable and responsible supplier.

The diversification of the Bakkafrost product mix brings additional benefits. It ensures increased revenue stability with negotiated 6- and 12-month contracts and offers an outlet for whole fresh fish in adverse market conditions.

### Sustainability

Sustainability is deeply embedded in the business strategy, and we have set various sustainability targets within each pillar of our operations, which drive and shape the business strategy and operations.

With its robust nutrient profile and low environmental impact, farmed Atlantic salmon aligns with the needs of a low-carbon, green economy, considering its low carbon footprint, low water footprint, low land use, and high share of edible yield. The remarkable high resource efficiency differentiates farmed Atlantic salmon from other types of animal protein.

Bakkafrost relies on certifications, such as the MSC, ASC and Proterra to ensure sustainable operations. 100% of Bakkafrost's sites in the Faroe Islands and 97% in Scotland are ASC-certified.

### Branding

Over the years, Bakkafrost has prioritised strengthening the brand and widening the market reach. Today, Bakkafrost is well known for its sizeable, superior-quality salmon and sustainable operation. In 2022, Bakkafrost revised the brand strategy to leverage the solid Bakkafrost brand supported by several sub-brands, emphasise provenance, and target different customer segments.

## VALUES CREATED

Key outputs from the business include:

### Satisfied customers

We take great pride in producing the finest Atlantic Salmon for our customers. We focus on farming high-quality and healthy salmon rich in flavour, supple in texture, and vibrant in colour. We go above and beyond to supply our customers with fresh and nutritious salmon.

### Shareholder returns

We are committed to the equal treatment of all our stakeholders and work hard to create a profitable business that creates value for them and the communities in which we operate.

### Tax contributions

Bakkafrost is an integral part of the communities in which we operate, and we understand our role in supporting communities through tax contributions. We are passionate about driving economic growth and the sustainability of our rural economies.

### Community investments

We are committed to supporting the local communities, and to support our commitment, we have established the Healthy Living Fund, where everyone can apply for funding. We support causes that promote sports, education, social inclusion, a healthy environment, and community volunteering.

### Satisfied employees

We take great pride in creating meaningful jobs in remote areas, and our strategic priority is to be an employer of choice. We pay our employees a competitive salary, aim to create a safe and inclusive work environment and encourage them to take responsibility and pride in their work.

# Membership and Ratings

## Transparent about progress

We aim to have a transparent approach to sustainability. We recognise our broader responsibility to engage, support, and work collaboratively with stakeholders in our wider environment. We aim to be open and transparent; this includes reporting the progress we make in addressing our most material issues.

### UN Global Compact

Bakkafrost is a participant in the UN Global Compact and a member of the Business Action Platform for the Ocean. Through the action platform, we aim to contribute to the health of the ocean, through a focus on growth, innovation, and sustainability.



### Voluntary Disclosure

Ocean Disclosure Project  
Bakkafrost has signed up for the Ocean Disclosure Project to further increase transparency and focus on sustainable sourcing of marine ingredients. For Bakkafrost's profile, please visit [www.oceandisclosureproject.org](http://www.oceandisclosureproject.org)

### 2025 Awards



In recognition of its standing as a leading employer, Bakkafrost was nominated as one of five companies for the Best Employer Brand award in the Faroe Islands

Please visit our webpage for a comprehensive list of memberships and associations.

### 2025 Ratings



- A in Forests
  - A- in Water Security
  - B in Climate Change
- Placing Bakkafrost in the top 4% of the nearly 20,000 companies scored

### Corporate Knights Global 100

Bakkafrost entered the Global 100 list, ranked on the 83<sup>rd</sup> place worldwide, and 2<sup>nd</sup> in the Food and Beverage Manufacturing category.



In 2025, Bakkafrost received a Sustainalytics ESG Risk Rating of 27.9 (on a scale of 0 to 40+), where a lower score indicates lower unmanaged ESG risk.



In the 2025 MSCI ESG Ratings assessment Bakkafrost received an AA rating (on a scale of AAA-CCC).



In 2025, Bakkafrost received a score of 47 (on a scale of 0 to 100), in S&P Global's Corporate Sustainability Assessment (CSA) and 48 in the S&P Global ESG score.



In the 2025 ISS ESG corporate rating report, Bakkafrost was rated C+ (on a scale of -D to A+).



In the 2024 Collier FAIRR Protein Producer Index, Bakkafrost was ranked 5<sup>th</sup> among the world's most sustainable protein producers.

The 2024 score is reported, as no assessment was conducted in 2025 due to a change in methodology.

### Memberships



**Global Salmon Initiative (GSI)**  
Bakkafrost is a founding member of the initiative, which is focused on promoting sustainable aquaculture leadership through collaboration.



**EFFOP**  
Havsbrún is a member of the EU Fishmeal Initiative, which is a European nongovernmental organisation representing European fishmeal and fish oil producers



**IFFO**  
The Marine Ingredients Association: Havsbrún is a member of the IFFO, an international trade organisation that represents and promotes the marine ingredients industry, such as fishmeal, fish oil and other related industries.



**Faroese Employers Association and Faroese Aquaculture Association**  
Bakkafrost was instrumental in the formation of the Faroese Aquaculture Association which promotes a joint approach to the management of material sustainability issues faced by the aquaculture industry in the Faroe Islands.



**Lantra**  
The Sector Skills Council for Aquaculture and Land-based industries. Lantra is a key organisation in a collaborative network across Scotland supporting the development of the skills agenda across Aquaculture.



**SEDEX**  
Bakkafrost is a member of Sedex, a membership organisation that provides one of the world's leading online platforms for companies to manage and improve working conditions in global supply chains.

# Certifications



## Overview of certifications

### FEED

BUSINESS UNIT	FEED MILL	CERTIFICATIONS
Havsbrún Feed	Havsbrún P/F Faroe Islands	ASC, Global G.A.P. / VLOG, ISO9001:2015, VLOG, MSC Chain of Custody, Label Rouge, GMP+; Marin Trust, Non-GMO
Our feed raw materials are certified according to our sourcing policy		

### FARMING - FRESHWATER

BUSINESS UNIT	CERTIFICATIONS
Bakkafrost Faroe Islands	Global G.A.P. / VLOG, Non-GMO
Bakkafrost Scotland	Global G.A.P., Label Rouge, Code of Good Practice*, RSPCA Assured, ISO14001, Non-GMO

### FARMING - MARINE

BUSINESS UNIT	CERTIFICATIONS
Bakkafrost Faroe Islands	ASC (100%), Global G.A.P. / VLOG, Non-GMO
Bakkafrost Scotland	ASC (97%), Global G.A.P., Label Rouge, PGI, Code of Good Practice*, RSPCA Assured, ISO14001, Non-GMO

### PROCESSING

BUSINESS UNIT	FACTORY	PROCESSING TYPE	CERTIFICATIONS
Bakkafrost Faroe Islands	Glyvrar	Primary & Secondary	BRC GS, IFS, Global G.A.P. / VLOG, ASC CoC, Kosher, SEDEX, Non-GMO
Bakkafrost Faroe Islands	Vágur	Primary	BRC GS, IFS, Global G.A.P. / VLOG, ASC CoC, Kosher, SEDEX, Non-GMO
Bakkafrost Scotland	Cairndow	Primary	BRC GS, Global G.A.P., Label Rouge, PGI, Code of Good Practice*, RSPCA Assured, Kosher, ISO14001, SEDEX, Non-GMO
Bakkafrost Scotland	Marybank	Primary & Secondary	BRC GS, Global G.A.P., Label Rouge, PGI, Code of Good Practice*, RSPCA Assured, Kosher, ISO14001, SEDEX, Non-GMO
Bakkafrost USA	New Jersey	Secondary	Global G.A.P. / VLOG, ASC CoC, Kosher, BRC GS, Non-GMO

\*Scottish Finfish Code of Good Practice

### ADMINISTRATION

BUSINESS UNIT	CERTIFICATIONS
Faroe Islands	ISO 9001, ISO 14001, ISO 45001
Scotland, Whole Company	ISO 14001, ISO 45001

# Our Journey

For more details on Bakkafrost's history, please visit [www.bakkafrost.com/about/history](http://www.bakkafrost.com/about/history)

## 1968

The Bakkafrost business was established by the two brothers Hans and Róland Jacobsen. The first processing plant was built in the same year. The third brother, Martin Jakobsen, joined the company in 1971.

## 1979

Bakkafrost started fish farming activities – one of the first companies in the Faroe Islands to do so.

## 1995

Bakkafrost built a factory for value-adding salmon at Glyvrrar. Although the investment was limited and the capacity was low, this was Bakkafrost's starting point for value-added salmon production.

## 2003

Faroese Veterinary Model introduced, reducing mortality rates.

## 2006

The Bakkafrost Group grew through mergers and acquisitions with several farming companies. Bakkafrost's farming operation increased significantly, both on land and at sea.

## 2010

The shareholders of Bakkafrost and Vestlax agreed to merge the companies. Vestlax Group's shareholders agreed to be remunerated in Bakkafrost shares. The Vestlax Group was a farming company with a harvest factory in Kollaþjóður. The Bakkafrost Group was an integrated farming company, ranging from smolt production, fish farming, and production of packaging materials to finished VAP products and Sales.

Bakkafrost was listed on Oslo Børs and broadened its shareholder base. In addition to local Faroese investors, the company was now owned by international investors from all over Europe and the USA.

Bakkafrost was the first feed factory to attain GLOBAL G.A.P. certification.

## 2019

Began construction on a new biogas plant, converting farming waste into renewable energy, heat, and fertiliser. Began smoking salmon in-house in the Faroe Islands, using sustainably certified wood.

Bakkafrost acquired The Scottish Salmon Company PLC, an integrated salmon farming business in Scotland with a focus on traceability and total supply chain integrity.

Bakkafrost issued new shares for the first time since listing on Oslo Børs to finance the acquisition.

## 2018

Bakkafrost started the integration of the Faroese broodstock programme. Bakkafrost's new hatchery at Strond started operation. Bakkafrost closed the acquisition of the business and assets in the US salmon importer North Landing.

Bakkafrost's first sustainability report, the Healthy Living Plan, was released to accelerate progress on material sustainability issues with increased transparency.

Celebrated the 50th anniversary and announced a DKK 10 million Healthy Living Fund, including a 3-year partnership with the University of the Faroe Islands to support natural sciences.

## 2017

Bakkafrost's new harvest/VAP factory and the headquarters in Glyvrrar were finished.

The fish meal and oil division received the MSC Chain of Custody certification. Bakkafrost was the first feed factory to attain GLOBAL G.A.P. certification.

## 2015

In July, Bakkafrost's new live fish carrier M/S Hans á Bakka was delivered.

Bakkafrost was the first company and site in the Faroe Islands to be awarded an ASC certification, and an ASC Chain of Custody certification.

## 2013

Bakkafrost was a founding member of the Global Salmon Initiative.

## 2011

Bakkafrost acquired P/F Havsbrún, a modern, internationally renowned producer of fishmeal, fish oil, and fish feed, situated in the Faroe Islands.

## 2020

First biogas was produced at the new biogas plant and sold the first KWh of renewable electricity.

Achieved the goal to have all Bakkafrost farms in the Faroe Islands certified to the ASC standard for responsible aquaculture, following a 7-year assessment period.

The Scottish Salmon Company was the first salmon producer in Europe to be recognised with a 4-star Best Aquaculture Practices (BAP) certification.

## 2021

Bakkafrost and 10 other businesses in the Faroe Islands joined forces to work together on a three-year corporate sustainability initiative.

Bakkafrost was a founding member of Burðardygt Vinnulív.

## 2022

Hatchery expansion in the Faroes and the first of two planned large hatcheries in Scotland to support our biosecurity strategy.

The first farming support vessel with innovative dual-treatment freshwater systems for gill-health and sea lice treatments entered the fleet in Scotland.

Bakkafrost received a new fully electric workboat called Grønárók.

## 2023

Bakkafrost's new hybrid live fish carrier and farming service vessel, M/S Bakkafossur, was delivered.

Hatchery expansions at Glyvradalur, Norðtoftir and Viðareiði came into operation and contract for new hatchery at Skálavík was signed.

Expansion phase 4 of the Applecross hatchery in Scotland was completed and the first batch of 250g smolt were released.

Bakkafrost's ambitious climate change targets were SBTI-approved. Bakkafrost committed to reduce scope 1 and 2 GHG emissions 50% by 2030. And committed to reduce scope 3 GHG emissions by 52% per tonne product sold.

## 2024

Bakkafrost's subsidiary FarCargo received its first aircraft, "Eysturoy", for salmon exports and logistics.

The construction began of Bakkafrost's new hatchery at Skálavík in the Faroe Islands.

## 2025

Bakkafrost's feed production facility, Havsbrún, achieved ASC Feed Standard Certification.

Bakkafrost arranged and funded the renovation of the iconic Bealach na Ba Road in Wester Ross, Scotland as part of the project to install a 16-mile-long cable delivering 100% renewable energy to its Applecross freshwater facility

# Main Events in 2025



Bakkafrost wins Faroe Islands Best Brand 2024 in B2B Category

Launched the documentary Bakka in the Faroes



Hosted the biannual event Capital Markets Day

Bakkafrost hosts ESG workshop for the network association Varandi Vinna



Kristrún Frostadóttir, Prime Minister of Iceland, visited Bakkafrost's headquarters during her visit in the Faroes



Introduced 'Good Food takes Great Care' Campaign at Royal Highland Show



Attended the Sustainable Markets Initiative

Bakkanes refurbished as smolt boat



Bakkafrost and FSF Sign New Agreement Extending Sponsorship of the Men's National Football Team for Four More Years



Completed 26km of private wire for renewable connection at Applecross, with major Highland Road upgrades



Bakkafrost feed facility, Havsbryn, is now ASC Feed Standard certified



Supported and sponsored Team Faroe Islands and the Western Isles Team at the 20th International Island Games, held in Orkney in July



Recognised on CDP's A-List for Forests

Entered Global 100 Most Sustainable Companies list by Corporate Knights

# Other Bakkafrost Disclosures



**CDP Climate, Water and Forests report**, provides Bakkafrost's annual climate, water and forests accounting, including GHG emissions, freshwater use, and use of resources that may potentially contribute to deforestation. The report also contains in-depth information related to dependencies, impacts, risks and opportunities.



**Company policies** function as frameworks for guiding responsible decision-making and operational practices. They establish standards for sustainability, risk management, and corporate responsibility, ensuring compliance with regulations and industry best practices. The policies can be found on our website.



**Bakkafrost Sustainability Data Hub**, is available online and includes all ESG-related data, including additional ESG metrics not included in this report.



**Corporate Governance Report** available on Bakkafrost's website, demonstrating the company's adherence to the NUES Corporate Governance Code of Best Practice.



**Annual Report**, an integrated report combining our group financial results with environmental, social and governance information and performance.



**Taskforce on Climate-related Financial Disclosure (TCFD) Report**, provides information on the climate-related financial risks and opportunities that Bakkafrost faces.



**Quarterly Reports**, are available on Bakkafrost's website and provide quarterly financial updates as well as ESG highlights.



**Taskforce on Nature-related Financial Disclosures (TNFD) Report**, summarises nature-related risks and opportunities that Bakkafrost faces.



**Annual Summary Report**, provides a short overview of financial and ESG highlights during the reporting year. The report is available on our website.



**Remuneration Report** follows Danish and Norwegian frameworks. The report covers the remuneration of the Executive Management, Board of directors, and Committees.

# Strategy & Corporate Governance

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# The Importance of Aquaculture and Salmon Farming

Today's food systems face extraordinary challenges as the global population grows, in turn putting enormous pressure on food resources. To feed nearly 10 billion people by 2050, we must focus on further development of sustainable food systems, with minimal environmental footprints that preserve the earth for future generations.

Aquaculture has been identified as a sustainable solution to meet the increasing demand for nutritious protein to feed the growing population. Farmed salmon is among the healthiest protein sources, with its high content of omega-3 fatty acids, vitamin D, selenium, and B vitamins. According to the 2019 World Resource Institute's report 'Creating a Sustainable Food Future', aquaculture production would need to more than double between 2010 and 2050 to meet projected fish demand.

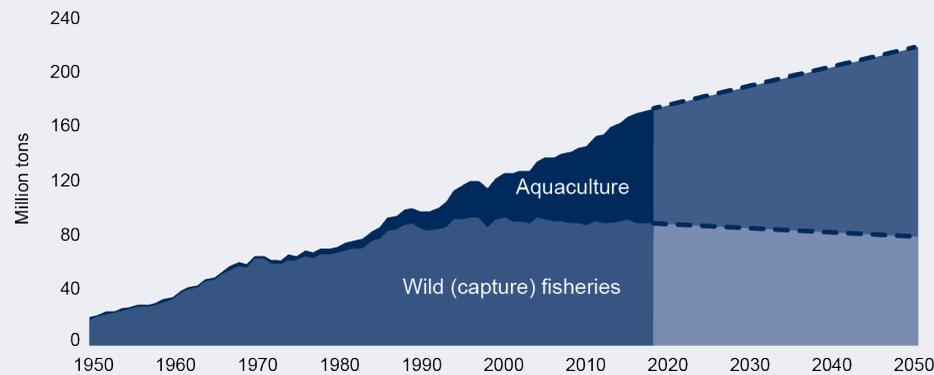
Aquaculture is a sustainable option for consumers, compared to other farmed proteins. Sustainably sourced salmon has one of the lowest carbon footprints of all animal proteins including chicken, pork, beef, and lamb. It is highly resource efficient and compared to these proteins, has one of the highest protein retention, the lowest feed conversion ratio, and the lowest water footprint.

Responsible and sustainable salmon produced in a way that minimises potential negative impact is the solution to providing future generations with healthy and environmentally friendly protein options.

Bakkafrost has an ambitious growth strategy which enables us to compete in the world's fastest growing food producing sector and make a significant contribution to providing healthy sustainable food for a growing population.

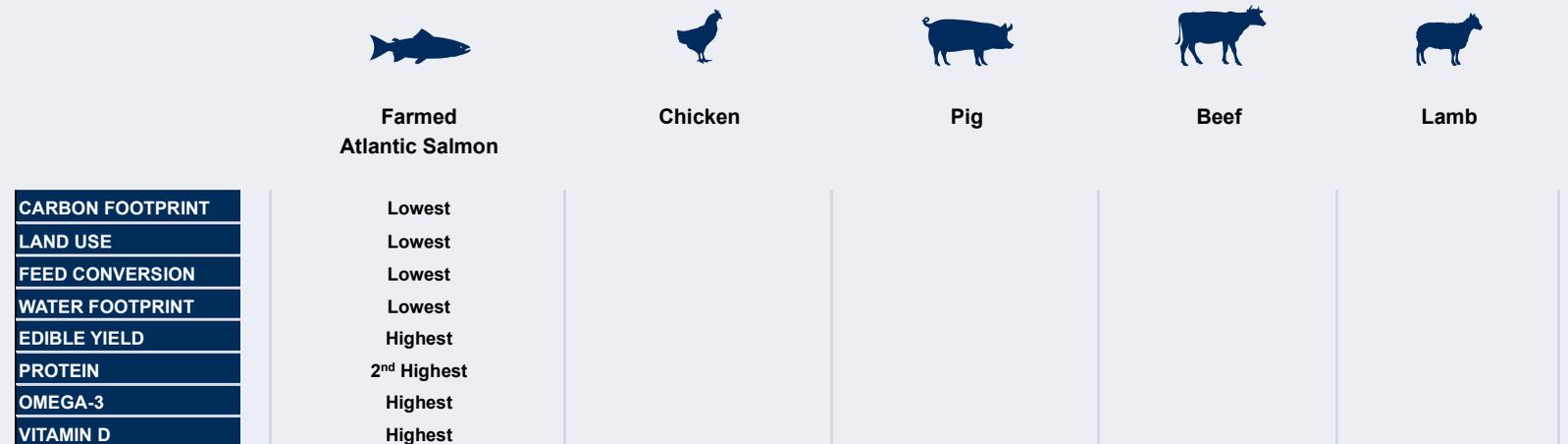
Through responsible and efficient production of high-quality protein for the global market and our investment in innovation, sustainable infrastructure, and renewable energy solutions, we are contributing towards UN Sustainable Development Goals 2, 7, 8, and 9.

## Aquaculture production must continue to grow to meet world fish demand



Source: Historical data, 1950-2016: FAO (2017b) and FAO (2018). Projections to 2050: Calculated at WRI; assumes 10 percent reduction in wild fish catch from 2010 levels by 2050, linear growth of aquaculture production of 2 Mt per year between 2010 and 2050. (Creating a Sustainable Food Future, World Resource Institutes, 2019)

## FARMED SALMON IS A VERY RESOURCE EFFICIENT SOURCE OF HEALTHY PROTEINS



# Strategy

Bakkafrost’s vision is to be a significant contributor in fulfilling the world’s growing demand for healthy and sustainably produced protein. Our mission is to produce the best salmon in the world.

We are proud of our **Provenance**, bringing together our cultural differences to raise sustainable, nutritional salmon, with full value chain integrity.

We celebrate our **Passion** for our business and our people, who go above and beyond to accomplish our shared purpose, together. This is our competitive advantage.

We **Respect** and care for our natural environment, each other, our employees and our local communities in which we live and work – sustainability is at the heart of everything we do.

Bakkafrost’s experience within the seafood industry dates back to 1968, and since then, our priority has been to run a healthy, attractive and competitive cost-conscious salmon farming group.

Our strategy is focused on sustainable value creation. This extends beyond healthy financial returns, to the strength, capability and reputation of the business, the quality of our workforce, and collective social and environmental wellbeing. We recognise that by investing in the health of our business, our people, our salmon, the environment and the communities in which we operate, we will be in a better position to achieve this. Today, our five business objectives are:

## VISION

**To be a significant contributor in fulfilling the world’s growing demand for healthy and sustainably produced protein**

### SUSTAINABLE GROWTH

We strive for a continuous market driven growth of harvest volumes as well as of the value of our products, while building strategic strongholds in selected markets.

### ONE COMPANY

We will be one united company where our employees share values, identity and culture and operate efficiently “as one” according to best practices and within simple organisational and governance structures.

### DIFFERENTIATION

We differentiate ourselves by increasing brand awareness, based upon the provenance, superior quality and large sized salmon, taste and nutritional profile of our salmon with full traceability, fed on our own feed with high marine content.

### SCOTLAND TURNAROUND

We will transform the performance of our Scottish operation through targeted investments and applied best practices, which will reduce biological risks, reduce costs, improve product quality, enable simpler processes and release synergies.

## MISSION

**To produce the best salmon in the world!**

### SUSTAINABILITY

We embed sustainability deeply in our decision-making processes and demonstrate our commitment to sustainability through our actions and achievements, for which we aspire to be acknowledged as industry-leading.

Our core values, which support our performance and guide our behaviour, reflect our commitment to creating long-term value for our customers, shareholders and society by acting responsibly, showing respect, and being persistent, efficient and ambitious.

In 2021, we reviewed our corporate strategy and aligned our strategic objectives with our Healthy Living Plan, outlined in our sustainability statement. We have updated our strategic objectives to reflect and align with the updated sustainability-targets, set in 2024.

We have set SBTi-validated carbon reduction targets of:

- 50% reduction in absolute Scope 1 and 2 GHG emissions by 2030 from a 2020 base year
- 52% reduction per tonne of product sold in Scope 3 GHG emissions from a 2020 base year

## VALUES

**Provenance, Passion and Respect**

Our carbon reduction targets guide our overall business strategy and informs our investment plan. For example, we have allocated 245 mDKK in our 2026-2030 five-year investment plan to green transition.

Our strategy going forward is focused on decoupling carbon emissions from business growth. The growing population means an increased demand for protein. Thus, we look to grow the business in the coming years.

We have identified some key elements of our value chain, which need to be transitioned to renewable energy to decouple growth from carbon emissions, including transitioning feed production to use renewable energy as well as switching to renewable energy solutions onboard our large vessels. Green innovation within the marine sector is critical for us to be able to do energy transition in this sector.

# Sustainable Growth

## SUSTAINABLE GROWTH AND INVESTMENT STRATEGY

Sustainable growth remains at the core of Bakkafrost's long-term strategy. In 2025, the Group announced a new five-year DKK 5.0 billion investment programme for 2026–2030, targeting a total annual harvest volume of approximately 162,000 tonnes (head-on gutted weight) by 2030.

The investment plan is designed to strengthen biological performance, drive the turnaround of the Scottish operation, expand production capacity and improve operational resilience across both the Faroe Islands and Scotland. Growth will be phased and disciplined, ensuring that increased volumes are supported by robust biology, cost competitiveness and attractive returns.

A key driver of long-term value creation remains the large-smolt strategy. By expanding land-based freshwater capacity using advanced recirculating aquaculture systems (RAS), Bakkafrost produces larger, more robust smolt prior to sea transfer. This shortens the marine production cycle, reduces biological risk and improves feed efficiency and survival rates.

In the Faroe Islands, the large-smolt strategy is well established and continues to deliver record biological results. The new hatchery in Skálavík, delivering smolt output from H2 2027, will further increase capacity and strengthen the biological foundation for future growth.

In Scotland, the transition towards large, high-quality smolt remains central to the transformation of the marine operations. The finished Applecross hatchery continues its ramp-up, supporting gradual replacement of legacy fish with larger, more robust smolt.

## MARINE FARMING EXPANSION AND OPTIMISATION

The 2026–2030 investment programme includes both development of new farming sites and optimisation of existing sites in the Faroe Islands and Scotland.

In the Faroe Islands, further optimisation of farming locations continues, to improve efficiency and reduce biological risk. In addition, selective development of new farming sites, within existing licences, will support long-term volume growth. This development is enabled by applying new farming technology.

In Scotland, site consolidation, expansions and optimisation remain priorities. Investments are directed towards strengthening site infrastructure, improving biological control and preparing selected sites for increased utilisation as large-smolt deployment expands.

To further enhance fish health and reduce biological risk, Bakkafrost is investing in two additional dual-freshwater treatment vessels. These vessels build on the successful and game-changing deployment of Bakkafrost's innovative dual-freshwater treatment capabilities in both regions and support effective sea lice control and gill health management without the use of medicinal treatments.

## FEED AND PROCESSING CAPACITY

As harvest volumes increase, supporting infrastructure across the value chain must expand accordingly.

The investment plan includes further expansion of feed production capacity in the Faroe Islands. Higher feed volumes and improved utilisation strengthen cost efficiency and support stable supply of high-quality feed with a high marine inclusion rate. The expansion also increases flexibility in feed production and improves R&D capabilities.

In Scotland, the plan includes investment in a new processing facility. The objective is to improve operational efficiency, enhance flexibility and align processing capacity with future harvest growth. The new facility will support higher product quality, reduced logistics complexity, improved cost control and value-retention through the introduction of Value Added Processing capability.

## SUSTAINABILITY AND RENEWABLE ENERGY

Sustainable growth requires decoupling increased production from environmental impact. The investment programme therefore integrates energy efficiency improvements, renewable energy solutions and circular resource utilisation.

As freshwater production expands, renewable energy sourcing and sustainable sludge management remain integral to hatchery design. In Scotland, sludge will be converted into biochar, while in the Faroe Islands organic waste streams are utilised at the FÖRKA biogas plant, supporting renewable energy and fertiliser production.

To decouple the increasing production of fishmeal, oil and feed production from carbon emissions, Bakkafrost is working on establishing a windmill farm.

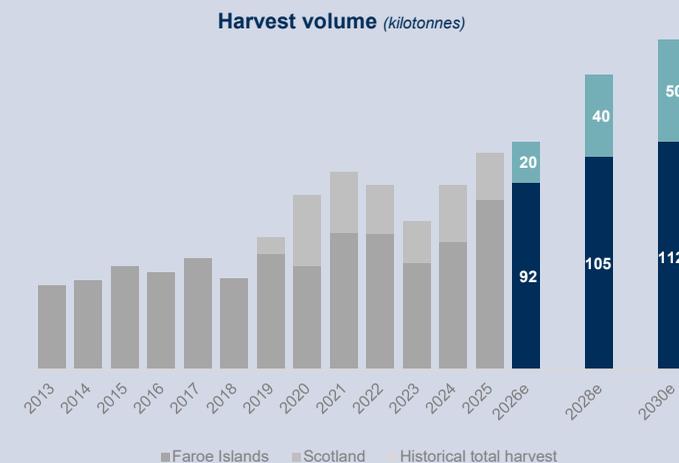
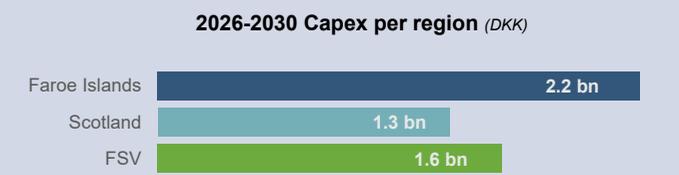
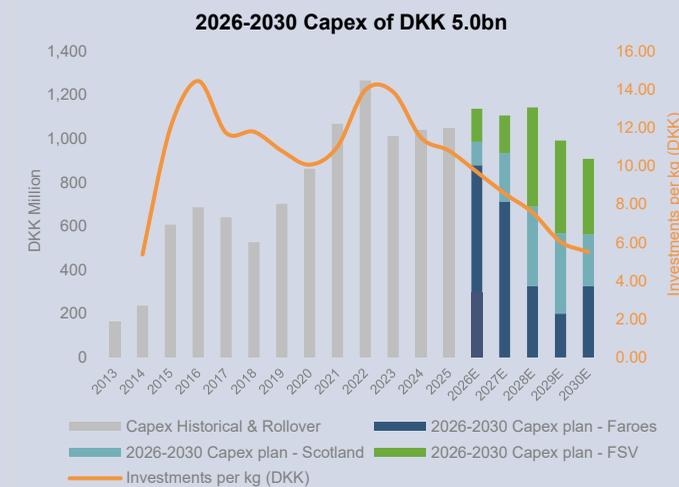
Approximately DKK 245 million of the investment programme is allocated to green transition initiatives. Bakkafrost remains committed to its climate targets, including a 50% reduction in Scope 1 and 2 emissions and a 52% reduction in Scope 3 emissions per tonne of product sold by 2030, from a 2020 baseline.

## CAPITAL DISCIPLINE AND RETURNS

While the 2026–2030 programme supports structural growth, capital allocation remains disciplined. All major investments are assessed against return thresholds and long-term value creation criteria.

Increased focus is placed on improving return on capital employed (ROCE), ensuring that growth translates into sustainable profitability and shareholder value. Operational improvements, biological stability and cost reductions support this objective.

The fully integrated value chain, combined with phased capacity expansion and strengthened biological control, positions Bakkafrost to deliver sustainable growth while maintaining financial robustness and competitive returns through market cycles.



# Bakkafrost and the UN Sustainability Development Goals

The UN SDGs set out 17 global goals for social, environmental and economic progress between 2015 and 2030. The goals seek to address the greatest challenges and opportunities faced by society today. The UN resolution identifies specific targets for each goal and provides indicators to measure progress.

At Bakkafrost we view the goals as representing broad stakeholder expectations on global issues, so we have used them as part of the double materiality assessment which is the foundation for our 2025 Healthy Living Plan. During our strategic planning process, we referred to aspects of the Future-Fit Benchmark designed to make the SDGs a reality.

We have conducted a mapping of the SDG goals and targets against our activity to understand which are most relevant for us. We have distinguished between areas where there is potential for high positive impact, areas for limited positive impact, and areas where we have a responsibility to mitigate potential negative impacts.

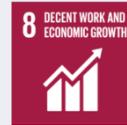
Below you can see how we've assessed our contribution to the goals, which you can read more about throughout the report.

## Potential for high positive impact



### SDG 2 Zero Hunger

End hunger, achieve food security and improved nutrition and promote sustainable agriculture. We are contributing towards target 2.4 *Sustainable Food Production and Resilient Agricultural Practices* by providing efficient sustainable production of a healthy source of protein and essential fatty acids to feed a growing global population.



### SDG 8 Decent Work and Economic Growth

Promote inclusive and sustainable economic growth, full and productive employment and decent work for all. We are contributing towards target 8.1 through our substantial contribution to the Faroese economy and contributing to the Scottish, US and Danish economy; 8.5 by creating full and productive employment with equal opportunities in the Faroe Islands, Scotland, US and Denmark; 8.7 through the strict labour standards outlined in our Supplier Code of Conduct Human Rights and Modern Slavery Statement to avoid forced and child labour, and modern slavery; and 8.8 by applying labour rights and safety standards throughout our value chain (in line with third party certification).

## Potential for limited positive impact



### SDG 5 Gender Equality

Achieve Gender equality and empower all women and girls. We are contributing towards target 5.5 by ensuring women's full and effective participation and equal opportunities for leadership at all levels of decision-making in the company. We have set a target for the increase in the number of women in management positions (managers with direct reports) to at least 25%



### SDG 7 Affordable and Clean Energy

Ensure access to affordable, reliable, sustainable and modern energy for all. We are contributing towards target 7.2 by increasing the share of renewable energy in the Faroe Islands' energy mix from our biogas plant; and 7.3 by increasing energy efficiency in our operations.



### SDG 9 Industry, Innovation, and Infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. We are contributing towards target 9.4 by upgrading and retrofitting assets across our value chain to make them more sustainable, as well contributing towards new

renewable technologies and infrastructure in the Faroe Islands and in Scotland.



### SDG 14 Life Below Water

Conserve and sustainably use the oceans, seas and marine resources for sustainable development. We are contributing towards target 14.1 by managing our impacts on the environment from our marine operations; and 14.4 by only using marine ingredients certified as sustainable.



### SDG 17 Partnerships for the Goals

Strengthen the means of implementation and revitalize the global partnership for sustainable development. We are contributing towards target 17.16 through collaboration and partnerships to develop and share best practice solutions that address systemic challenges in aquaculture.

## Responsibility to mitigate potential negative impact



### SDG 6 Clean Water and Sanitation

Ensure availability and sustainable management of water and sanitation for all. We are addressing target 6.3 by substantially increasing the safe reuse of water via our Recirculating Aquaculture System (RAS) facilities, minimising the impact of our operations on the environment; 6.4 by increasing water efficiency.



### SDG 12 Responsible Consumption and Production

Ensure sustainable consumption and production patterns. We are addressing target 12.2 by maximizing efficiency of natural resources used in our feed; 12.3 by reducing food losses by maximising production efficiency; 12.5 by adopting a circular approach across different elements of our value chain, by reducing our waste generation through prevention, reduction, recycling and reuse; and 12.6 by encouraging companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle by increasing transparency on our sustainability performance.



### SDG 13 Climate Action

Take urgent action to combat climate change and its impacts. We are addressing target 13.1 by building the climate resilience of our company and value chain and look to reduce emissions associated with own operations.



### SDG 15 Life on Land

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and biodiversity loss. We are addressing target 15.2 by sourcing certified sustainable paper and wood products and only procuring non-GMO, Pro-Terra or similar certified soy protein for our animal feed; and 15.5 by implementing measures to reduce the impact of salmon aquaculture on the nearshore environment and increasing research into this area and promoting biodiversity projects. We will continue to look for data to enable us to benchmark and where relevant increase our contribution to the Sustainable Development Goals.

# Bakkafrost's Healthy Living Plan - our Strategic Sustainability Framework

At Bakkafrost, our mission is to produce the world's best salmon while ensuring sustainability is embedded in everything we do. Our Healthy Living Plan serves as our strategic framework, guiding our sustainability ambitions through five core pillars:

	 <b>Healthy Business</b>	 <b>Healthy People</b>	 <b>Healthy Salmon</b>	 <b>Healthy Environment</b>	 <b>Healthy Communities</b>
 <b>Strategic priority</b>	To grow efficiently and responsibly	To be a preferred employer	To exceed leading standards	To minimise our environmental impact	To create shared value
 <b>2026 Targets</b>	<ul style="list-style-type: none"> <li>Zero cases of non-compliance. "No product recall, No market bans, No IT security incidents"</li> <li>Sustainability recommendations on all Bakkafrost-branded products</li> <li>Average customer rating of &gt;8.5 and a net promoter score above +50</li> <li>Include sustainability in CAPEX request form</li> <li>Board to receive sustainability training annually</li> <li>Implement use of new technology and digitalisation to contribute to operational efficiency (both regarding the salmon and environment)</li> </ul>	<ul style="list-style-type: none"> <li>Employee engagement scores above industry benchmark (provided by Peakon)</li> <li>Minimum three employee events a year with focus on sustainability engagement and awareness</li> <li>Reduce group absence rate to 3.9%</li> <li>Reduce LTIR to below 5</li> <li>Zero fatalities</li> <li>Have 10 vocational graduates from the Faroese vocational education program for salmon farmers per year by 2026</li> <li>Increase number of women in management positions (managers with direct reports) to at least 25%</li> <li>Disclose gender paygap. Percentage increase from year 0 in the company to year 5</li> </ul>	<ul style="list-style-type: none"> <li>Annual salmon survival rate of 96% (Faroes) and 92% (Scotland)</li> <li>Zero antibiotic use</li> <li>Maintain industry-leading approach to animal welfare</li> <li>High omega-3 levels</li> <li>High protein levels average 19g/100g</li> <li>No product recall</li> <li>Maintain ASC certification in the Faroes and achieve ASC certification in Scotland by 2027</li> <li>Focus on producing salmon from own unique breed</li> </ul>	<ul style="list-style-type: none"> <li>Reduce by 50% the Scope 1 &amp; 2 CO 2 footprint by 2030</li> <li>Reduce the Scope 3 footprint by 52% per tonnes of product by 2030</li> <li>Water recirculation rate over 97% in all hatcheries</li> <li>Measure freshwater use/tonne of fish processed by 2026</li> <li>Zero fish escapes</li> <li>Group FCR below 1.083 weighted average</li> <li>Continue research and investigation of new sustainable sources for marine ingredients.</li> <li>Engaging with suppliers of feed ingredients</li> </ul>	<ul style="list-style-type: none"> <li>Minimum yearly investment of 3 mDKK in Healthy Living Fund in the Faroes and Community Fund in Scotland</li> <li>Enhance stakeholder alignment and collaboration to drive sustainable outcomes</li> <li>Promote community engagement and transparency through a minimum of 30 annual visits from schools, local communities and stakeholders</li> <li>Annual beach clean: &gt;90% of areas where we operate</li> <li>Minimum 60% use of local suppliers</li> </ul>
 <b>SDGs</b>	<ul style="list-style-type: none"> <li>SDG 2 Zero Hunger</li> <li>SDG 8 Decent work and economic growth</li> <li>SDG 9 Industry, Innovation, and Infrastructure</li> <li>SDG 7 Affordable and Clean Energy</li> </ul>	<ul style="list-style-type: none"> <li>SDG 8 Decent work and economic growth</li> <li>SDG 5 Gender Equality</li> </ul>	<ul style="list-style-type: none"> <li>SDG 2 Zero hunger</li> <li>SDG 6 Clean water and sanitation</li> <li>SDG 14 Life below water</li> <li>SDG 17 Partnerships for the goals</li> </ul>	<ul style="list-style-type: none"> <li>SDG 6 Clean water and sanitation</li> <li>SDG 7 Affordable and Clean Energy</li> <li>SDG 9 Industry, Innovation, and Infrastructure</li> <li>SDG 12 Responsible Consumption and Production</li> <li>SDG 13 Climate Action</li> <li>SDG 14 Life below water</li> <li>SDG 15 Life on Land</li> </ul>	<ul style="list-style-type: none"> <li>SDG 8 Decent work and economic growth</li> <li>SDG 17 Partnerships for the goals</li> </ul>

This framework outlines our key sustainability goals and strategies towards 2026, ensuring we create long-term value while fostering a responsible and resilient business.

## Alignment with CSRD and ESRS Reporting

From 2024, Bakkafrost's sustainability reporting follows the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). While our Healthy Living Plan remains our strategic sustainability framework, the Sustainability Statement in this report is structured according to the ESG categories: Environmental Information (e.g., climate action, biodiversity, water, pollution, circular economy), Social Information (e.g., workforce, human rights, community engagement), Governance Information (e.g., business ethics, compliance, risk management, animal welfare). This shift ensures full transparency, regulatory compliance, and alignment with global sustainability standards, including the UN Sustainable Development Goals (SDGs), which remain an integral part of our approach. Our Healthy Living Plan will continue to drive Bakkafrost's sustainability initiatives, while CSRD/ESRS reporting enhances how we measure and communicate our progress. By combining strategic goals with standardized reporting, we enhance our ability to track progress and contribute to sustainable development in a transparent and structured way.

# Corporate Governance

P/F Bakkafrost is dedicated to maintaining high standards of corporate governance. The company endeavours to be in compliance with the Norwegian corporate governance regime, as detailed in the Norwegian Code of Practice for Corporate Governance, published on 28 August 2025 by the Norwegian Corporate Governance Board (the “Code of Practice”). The recommendation may be found at [www.nues.no](http://www.nues.no). Besides the Corporate Governance description in our annual report, Bakkafrost publishes a more detailed report on Corporate Governance, which may be found on our website.

Bakkafrost does not comply with the following recommendations in the Norwegian Code of Practice for Corporate Governance:

Section 3 stipulates, “that mandates granted to the board should be limited in time to no later than the date of the next annual general meeting”.

Bakkafrost’s Articles of Association § 4A gives the Board of Directors authorization to increase the share capital until the ordinary general meeting of the company in 2030. For practical reasons, this has been implemented into the Articles of Association of P/F Bakkafrost. It is the Board’s view that if shareholders find this authorization unacceptable, the Board will support a change to the Articles of Association.

## BAKKAFROST’S GOVERNANCE MODEL

To ensure adherence to the principles, the company has elaborated specific instructions regarding rules of procedure for the Board of Directors, instructions for the Nomination Committee, instructions for the Chief Executive Officer and other management, guidelines with regards to values and ethics, instructions for the Audit Committee, instructions for the Remuneration Committee, an investor relations policy, guidelines relating to takeover bids and guidelines for related-party transactions.

## SHAREHOLDERS AND GENERAL MEETING

Shareholders exercise their rights at Bakkafrost’s general meeting – such as appointing Bakkafrost’s Nomination Committee, Board of Directors and auditor.

The procedures at Bakkafrost’s general meeting follow the standard rules stipulated in the Faroese company law and Bakkafrost’s Articles of Association.

## NOMINATION COMMITTEE

The Nomination Committee recommends candidates for election to the Board of Directors and the Directors’ fees. The deadline for submitting proposals to the Nomination Committee is 31 January.

Bakkafrost’s General Meeting elects the members, hereunder its chairman, for the Nomination Committee for a period of two years, unless the General Meeting decides otherwise. The remuneration payable to the Nomination Committee’s members is also determined by the General Meeting.

The regulations governing the work of the Nomination Committee are incorporated in Bakkafrost’s Articles of Association.

At the end of 2025, the members of the Nomination Committee were:

- Gunnar í Liða (Chairman)
- Eyðun Rasmussen
- Rógvi Jacobsen
- Leif Eriksrød

## BOARD OF DIRECTORS

Bakkafrost’s Board of Directors is responsible for the overall management of the company and appoints a management of one or several managers to manage the daily business of Bakkafrost. The Board of Directors sets out the strategy for Bakkafrost and decides major investments and divestments. The Board of Directors is also responsible for ensuring that Bakkafrost has at any time an appropriate capital base, key policies and controls and for reviewing audit matters. The Board of Directors is responsible for Bakkafrost’s Risk Management and material operational decisions.

The majority of the members of the Board of Directors shall be residents in the Faroe Islands. The chairman of the Board of Directors is elected by the general meeting. The Board of Directors shall have between three and seven members. Information about

the members of the Board of Directors may be found in “Directors’ Profiles” in the Annual Report.

The Board of Directors has laid down detailed rules regarding its activities in a working procedure, which is reviewed regularly.

The Board of Directors held ten meetings in 2025. In these meetings, sustainability topics have also been discussed, as disclosed in the Sustainability Statement (ESRS GOV-2, page 61) Below under each Director’s profile is disclosed each Director’s participation in the Board meetings held during 2025.

The members of the Board of Directors receive a fixed remuneration, which is approved by the general meeting. The members of the Board of Directors are not part of Bakkafrost’s share savings plan for employees or any bonus schemes.

## AUDIT COMMITTEE

The Audit Committee is a sub-committee of the Board of Directors and assists the Board of Directors in overseeing the financial and non-financial reporting process, financial and business-related risks, internal controls, and compliance with statutory and other requirements from the public authorities.

The Audit Committee decides the framework of Bakkafrost’s external auditors, evaluates the auditors’ independence and qualifications.

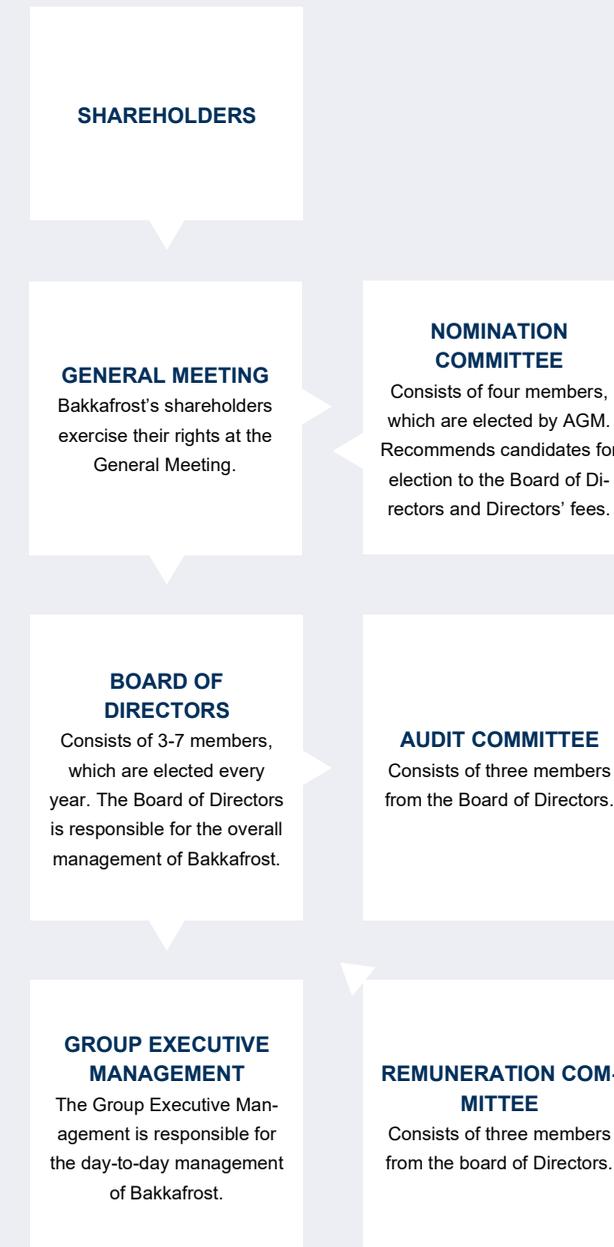
The Company’s Audit Committee met five times in 2025 to review accounting and operational matters in detail. The committee comprised Teitur Samuelsen (Chair), Einar Wathne and, following the passing of Alf-Helge Aarskog in November, Guðrið Højgaard (interim member).

## REMUNERATION COMMITTEE

The Remuneration Committee, a sub-committee of the Board, consists of three members: Guðrið Højgaard (Chair), Einar Wathne, and Teitur Samuelsen.

It sets a reward policy that motivates Group Executive Management to pursue long-term shareholder interests. Responsibilities include defining remuneration policy, determining individual compensation, and guiding salaries, bonuses, pensions, and other remuneration.

## BAKKAFROST’S GOVERNANCE MODEL



## GROUP EXECUTIVE MANAGEMENT

The Group Executive Management leads Bakkafrost's daily business and shall adhere to any decisions made by the Board of Directors as well as to any rules and requests from the Board of Directors.

The Board of Directors has in executive instructions laid down specific rules regarding the authority and duties of the Group Executive Management. The Board of Directors also decides the employment conditions of the Group Executive Management and gives more specific rules regarding its work.

The Group Executive Management consist of CEO Regin Jacobsen, CFO Høgne Dahl Jakobsen and Managing Director of Havsbrún Odd Eliassen. Information about the Group Executive Management may be found in "Group Managements' Profiles" in the Annual Report.



# Risk Management

The Bakkafrost Group is exposed to several risks, which will always be a natural part of our business activities. Proper risk management is crucial for Bakkafrost to reduce the potential negative impact of the risks or take advantage of opportunities.

## GOVERNANCE

The Board of Directors has the ultimate responsibility for risk management of the Group and approves the framework for identifying and mitigating risks. The Audit Committee supervises risk management.

The Group Management is responsible for daily compliance with the risk management framework and the Group's day-to-day risk management which is delegated in the organisation. This includes maintaining a risk register for the Bakkafrost Group in which identified risks are documented and assessed alongside the progress and impact of risk mitigating efforts. The Group Management regularly monitors the risk register, and the continuous risk assessment is followed yearly with an extensive risk analysis for the whole Group. Around year-end, a comprehensive risk report is produced to report status of the risks to the Audit Committee for approval by both the Audit Committee and the Board of Directors.

Risks are continuously identified and assessed across the organisation, including their likelihood and impact on Bakkafrost. Mitigating actions are also defined and evaluated for effectiveness.

## SUSTAINABILITY-RELATED RISKS

Managing sustainability-related risks is integral to Bakkafrost's overall risk management framework. Environmental, social and governance (ESG) factors are central to long-term resilience and value creation.

Climate risk assessments follow the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and are embedded in the Group's sustainability reporting.

The Corporate Sustainability Reporting Directive (CSRD) introduces mandatory ESG disclosures, including a double materiality assessment (DMA). The DMA evaluates both the financial impact of sustainability-related risks and opportunities, and the broader environmental and social impacts of Bakkafrost's activities.

In the 2025 DMA, the following ESRS topical standards have been identified as material:

### Environment:

- Climate Change (E1)
- Pollution (E2)
- Water and Marine Resources (E3)
- Biodiversity and Ecosystems (E4)
- Resource Use and Circular Economy (E5)

### Social:

- Own Workforce (S1)
- Workers in the Value Chain (S2)
- Affected Communities (S3)
- Consumers and End-users (S4)

### Governance:

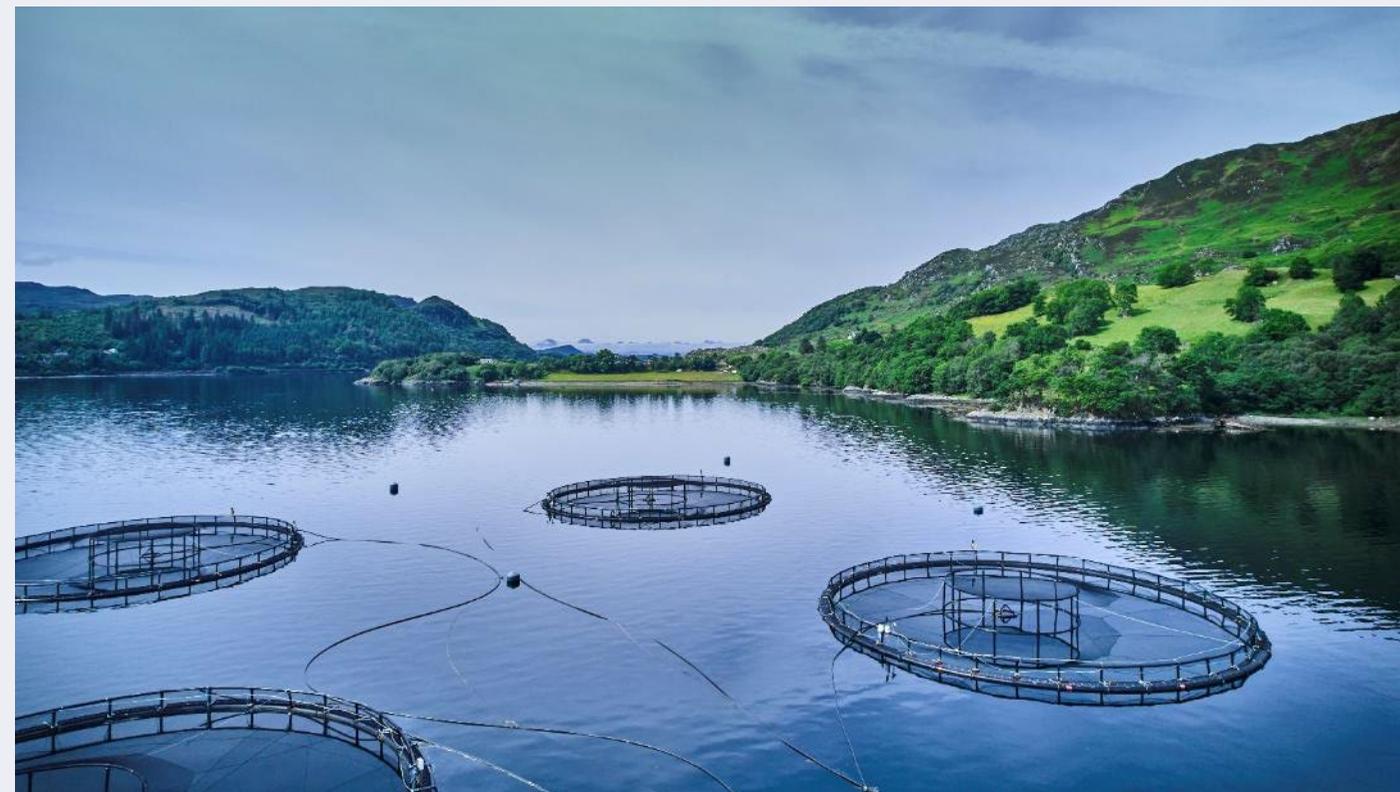
- Business Conduct (G1)
- Animal Welfare (G1)

A full overview of the DMA methodology and findings can be found in the 'Sustainability Statement', specifically within the General Information Chapter under the Double Materiality Assessment section. The following page includes the most material sustainability-related risks managed through Bakkafrost's risk management framework.

## 2025 RISK PROFILE

Overall, biological risk remains the most significant risk category for Bakkafrost, reflecting the inherent complexity of salmon farming. The operation in Scotland continues to influence the biological risk profile. However, ongoing operational, biological and organisational improvements - including the large, high-quality smolt strategy and strengthened marine farming site structure - are contributing to gradual stabilisation of the risk exposure.

Across other categories, the overall risk picture remains broadly stable. Financial, market and IT-related risks show limited year-



on-year change. Environmental and other operational risks are predominantly assessed as low.

While the macroeconomic and geopolitical environment remains uncertain, easing inflationary pressure and more stable interest rate expectations have contributed to a more predictable external risk landscape compared to previous years.

Taken together, the 2025 risk assessment reflects a more focused and structured risk profile, with continued emphasis on managing biological risks while maintaining robust controls across financial, operational and technological areas.

**MOST MATERIAL RISKS IDENTIFIED**  
Using the risk management framework, Bakkafrost has identified the following 8 risks as being the most material risks, having either a positive or negative impact:

- Macro-economical risk
- Legal and regulatory risk
- Salmon price
- Sea lice
- Gill health in Scotland
- Fish robustness in Scotland
- Biosecurity in Scotland
- IT and ICS security at hatcheries

On the following page these risks are detailed

The establishment of FarCargo has strengthened the Group’s logistical capabilities, improving access to overseas markets and increasing flexibility in responding to changing market conditions. Exposure to markets with differing economic drivers further reduces the overall market risk. Also, Bakkafrøst ensures access to good information sources on macro economical changes in areas where Bakkafrøst operates or sells products.

**Legal and regulatory risk**

Bakkafrøst operates in jurisdictions where salmon farming is subject to extensive regulation. Changes in laws, regulations, or regulatory practice may have both positive and negative effects on the Group. Increased regulatory requirements may raise compliance costs, restrict operations at existing sites, or limit opportunities for expansion. Political developments, government inquiries, and increased scrutiny of the aquaculture industry may also impact Bakkafrøst’s operations and growth prospects. Given the Group’s diversified activities across multiple jurisdictions, regulatory complexity constitutes a legal and regulatory risk.

Salmon farming is regulated, among other things, through licensing regimes. Bakkafrøst maintains an ongoing and constructive dialogue with the Faroese and Scottish authorities regarding licence requirements and operating conditions.

In Scotland, fish farming operations are subject to licensing and environmental oversight by the relevant authorities. Licences may be amended, suspended, or withdrawn in the event of regulatory non-compliance or changes in underlying conditions. In the Faroe Islands, salmon farming licences are issued as 12y rolling licences, subject to compliance with licence conditions and applicable development and environmental requirements. The authorities may require operational adjustments if monitoring indicates environmental or fish welfare impacts exceeding regulatory thresholds.

Regulatory changes represent a risk but may also create opportunities, including site consolidation or increased production enabled by new technology.

*How this risk is managed*

Geographical diversification with Bakkafrøst Scotland has reduced the likelihood of regulatory changes having devastating effects on a group level. In addition, continuous dialogue with regulators and politicians in the Faroes and Scotland is performed,

to be able to influence regulatory changes as well as to be prepared for changes. The dialogue occurs directly and via memberships in industry organisations such as Havbúnaðarfelagið and Salmon Scotland.

Bakkafrøst continuously monitors if the company complies with legal and regulatory requirements, such as veterinary regulations, food safety, human safety, financial regulations, tax, corporate laws etc. This responsibility is unambiguously split between several parts of the organisation, e.g. the QESH and Finance departments. When needed, external advice and assistance is used – e.g. lawyers and renowned professional services firms.

Bakkafrøst has a continuous dialogue with authorities and regulators to make regulatory changes allowing sustainable growth, e.g. through site consolidation and relocation, as well as allowing for increased production enabled by new technology.

**Salmon price**

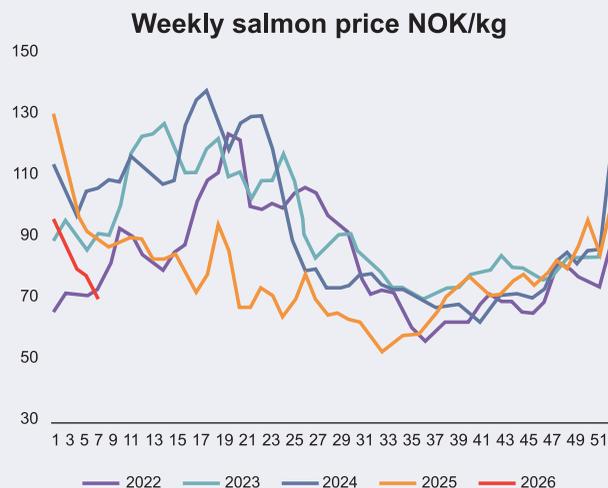
Bakkafrøst’s financial position and future development are significantly influenced by the price of farmed salmon, which has historically been subject to considerable volatility. Salmon prices are primarily driven by the balance between global supply and demand, as well as the availability of different sizes and quality segments required by various markets.

Following a period of very strong pricing in 2022, 2023 and 2024, salmon prices in 2025 have been lower. While prices have historically been stronger in the first half of the year, this seasonal pattern has been less pronounced in 2025, mainly due to strong growth, increased harvest volumes and less biological issues during the winter.

Looking ahead, salmon prices are expected to remain sensitive to changes in supply growth, biological conditions, and market demand. Limited global supply growth may support prices in 2026 and 2027; however, continued volatility in market conditions may negatively affect earnings and cash flow. As a result, salmon price development remains a key market risk for Bakkafrøst.

Since 2022, salmon prices have been very strong in H1, driven by a combination of overall supply and increasing issues in the Norwegian salmon industry with downgraded fish. Looking ahead, salmon prices are expected to vary less between H1 and H2. With global supply increases being limited, salmon prices are

expected to be relatively strong, however with lower H1 vs. H2 volatility.



*How this risk is managed*

Bakkafrøst regularly reviews of balance between selling on spot and on long-term contracts. Appropriate contract levels are negotiated primarily towards the end of each year.

In addition, Bakkafrøst applies a diversified market approach, building on the Bakkafrøst main brand underpinned by the different sub-brands and origins. This improves Bakkafrøst’s agility in the market on a strategic, tactical and operational level, and helps to reduce the overall market risk.

Finally, salmon contracts are hedged on FishPool on ad-hoc basis.

**Sea lice**

Infestation with salmon lice (*Lepeophtheirus salmonis*) and the continuous efforts required to prevent and control lice levels in marine production represent a critical biological risk, particularly in the Faroese operations.

Although overall lice levels have been well controlled throughout the year, there remain seasonal risk periods — especially in late autumn — where maintaining control becomes more challenging. High biomass levels and shorter production cycles increase pressure on treatment capacity and operational planning.

Insufficient control of lice levels may negatively impact fish welfare, growth performance, production costs and, ultimately, the Group’s operational and reputational standing.

*How this risk is managed*

Bakkafrøst has strengthened its treatment capacity and operational preparedness across all marine sites. Bakkafrøst’s innovative dual-freshwater treatment technology has become the primary treatment method and has demonstrated very strong effect throughout the year, with high lice clearance rates and low associated mortality. This treatment approach has proven superior in terms of fish welfare and biological outcome.

Proactive monitoring of lice levels is conducted across all sites, and veterinary attestation is required prior to every non-medicinal treatment. This ensures that treatment decisions are based on documented lice counts and fish health assessments, supporting optimal timing and execution.

Continuous investment in service vessel capacity and operational planning supports resilience during peak risk periods and maintains low lice levels across the production cycle.

### Gill health (Scotland)

Proliferative Gill Disease (PGD) and Complex Gill Disease (CGD) represent critical biological challenges in Bakkafrøst Scotland's seawater production.

CGD is typically a multifactorial condition involving pathogens such as *Paranucleospora theridion*, *Branchiomonas cysticola*, Salmon Gill Poxvirus and others, combined with environmental stressors including zooplankton, phytoplankton and suspended solids.

Gill damage reduces gas exchange capacity and may affect the gill microbiome, weakening overall fish condition. Concurrent infection with Amoebic Gill Disease (AGD) can be exacerbated when underlying gill health is compromised, resulting in more severe disease presentation.

Sustained gill health challenges may negatively impact growth, feed conversion, welfare and survival, and therefore constitute a material operational risk in Scotland.

#### *How this risk is managed*

Bakkafrøst applies a structured, data-driven treatment strategy. RPL (AGD PCR detection) testing is used as a triage mechanism to support early identification and timely treatment. Treatments are conducted within defined timeframes, and AGD-related mortality has remained limited.

Feeding strategies are actively adjusted to support gill recovery and maintain growth, including temporary feed suspension or alternate-day feeding when required.

Continuous biological monitoring, veterinary oversight and operational planning ensure that treatment decisions are aligned with fish health status and environmental conditions. The ongoing transition to larger, high-quality smolt is expected over time to strengthen seawater robustness and reduce vulnerability to complex gill challenges.

### Fish robustness (Scotland)

Robustness to biological challenges is critical in Scotland, where pressure from disease, sea lice and environmental factors remains elevated. Fish with insufficient robustness are more susceptible to disease and secondary health complications, which may lead to increased mortality, reduced growth and financial losses.

Sustained biological underperformance may also pose reputational risk and impact stakeholder confidence in the Scottish operations.

#### *How this risk is managed*

Bakkafrøst applies a structured and science-based approach to strengthening fish robustness throughout the full production cycle.

A comprehensive suite of diagnostic tools is deployed across freshwater and seawater phases to characterise life-history events, monitor physiological development and identify early indicators of biological stress. This enables timely and targeted mitigating actions.

Close and continuous monitoring of water quality and environmental parameters is integrated into daily operations to improve understanding of the interaction between environmental conditions and fish health.

The ongoing transition towards production and release of larger, high-quality smolt is a key structural mitigation measure. Larger and more robust smolt are expected to improve resilience in seawater, reduce biological risk and support more stable farming performance over time.

### Biosecurity in Scotland

Effective biosecurity is fundamental to minimising the risk of disease outbreaks and limiting pathogen transmission between sites and surrounding farms.

Biosecurity must be embedded across all elements of production, including staff hygiene and PPE, vessel movements, equipment handling, fish transfers and site operations. Any weakness in biosecurity protocols may increase the risk of pathogen spread, potentially leading to biological underperformance, elevated mortality and reputational impact.

#### *How this risk is managed*

Standardised biosecurity procedures are implemented across all sites, covering hygiene protocols, movement controls and operational practices.

Biosecurity measures are continuously strengthened through updated procedures, targeted training and infrastructure improvements. Where elevated risk is identified, enhanced site-specific biosecurity measures are implemented to reduce transmission risk.

Ongoing monitoring and operational oversight ensure that biosecurity standards are maintained and adapted to evolving risk conditions.

### IT and ICS security at hatcheries

Bakkafrøst faces increasing cyber risk as hatchery operations expand and the digital environment becomes more complex. Hatchery facilities rely on a combination of high- and low-level Industrial Control Systems (ICS), including PLC-based automation, supported by multiple external vendors. As production capacity grows and system integration increases, the potential attack surface expands.

Cyber incidents — including ransomware, unauthorised access or system manipulation — could disrupt operations, compromise data integrity, impact fish welfare, or lead to financial and reputational damage.

Although Bakkafrøst has not experienced major cyber incidents, the company assumes that attempted breaches will occur and treats cybersecurity as a material operational risk.

#### *How this risk is managed*

Bakkafrøst maintains structured cybersecurity controls across both IT and ICS environments. The Group has achieved ISO 27001 certification, providing a formal framework for information security management, governance and continuous improvement.

Regular data backups and offsite storage are in place to prevent data loss, supported by 24/7 system monitoring, secure data centre infrastructure and updated security software. Access controls have been strengthened, particularly within hatchery operations.

An ongoing improvement programme has been initiated to further enhance hatchery security. This involves formal change management procedures, stricter segmentation between IT and operational technology (OT) systems, enhanced access governance and continuous risk assessments. The upgrade process remains ongoing, with full implementation expected during 2026.

# Shareholder Information

Information to shareholders has a high priority in Bakkafrøst. The company aims to maintain a regular dialogue with the Group's shareholders through the formal channel of stock exchange announcements, interim reports, annual reports, annual general meetings and presentations to investors and analysts.

## AUDITORS

The consolidated accounts have been audited by P/F Januar, lggilt grannskoanarvirki (State Authorized Public Accountants), which is also the auditor of the parent company and all its subsidiaries, registered in the Faroe Islands. Auditor for subsidiaries are:

- Bakkafrøst UK Ltd is Azets, Glasgow
- Bakkafrøst Scotland Ltd is Azets, Glasgow
- Bakkafrøst USA LLC is Kotulak & Company, Clifton, New Jersey
- Munkebo A/S is Beierholm, Aarhus
- SARL Faroe France, Terninck Laurent, Saint Omer.

## DIVIDEND POLICY

Bakkafrøst aims to give its shareholders a competitive return on their investment, both through payment of dividends from the company and by securing an increase in the value of the equity through positive operations.

Generally, the company should pay dividends to its shareholders, but it is the responsibility of the Board of Directors to make an overall assessment to secure the company a healthy capital base, both for the daily operations and for healthy future growth of the company.

A long-term goal for the Board of Directors is that 30–50% of adjusted EPS shall be paid out as dividends.

Bakkafrøst's financial position is strong with a healthy balance sheet, competitive operation and undrawn available credit facilities.

## PARENT COMPANY'S FINANCIAL STATEMENTS AND ALLOCATION OF PROFIT FOR THE YEAR

The parent company P/F Bakkafrøst had a net profit of DKK 1,247 million for 2025. The Board of Directors has decided to propose to the Annual General Meeting that DKK 3.45 (approximately NOK 5.27\*) per share shall be paid out as dividends. This corresponds to DKK 205 million (NOK 313\* million).

The Board thereby proposes the following allocation of funds:

Result for 2025:	DKK 1,247 million
Transferred to other equity:	DKK 1,042 million
Total provision for dividends:	DKK 205 million

After the payment of dividends, the distributable equity totals DKK 12,273 million.

## SHAREHOLDERS, CAPITAL AND VOTES

P/F Bakkafrøst had on 31 December 2025, a total of 59,389,741 shares outstanding, each with a nominal value of DKK 1. Of the 59,389,741 shares outstanding, P/F Bakkafrøst holds 95,305 treasury shares per 31 December 2025.

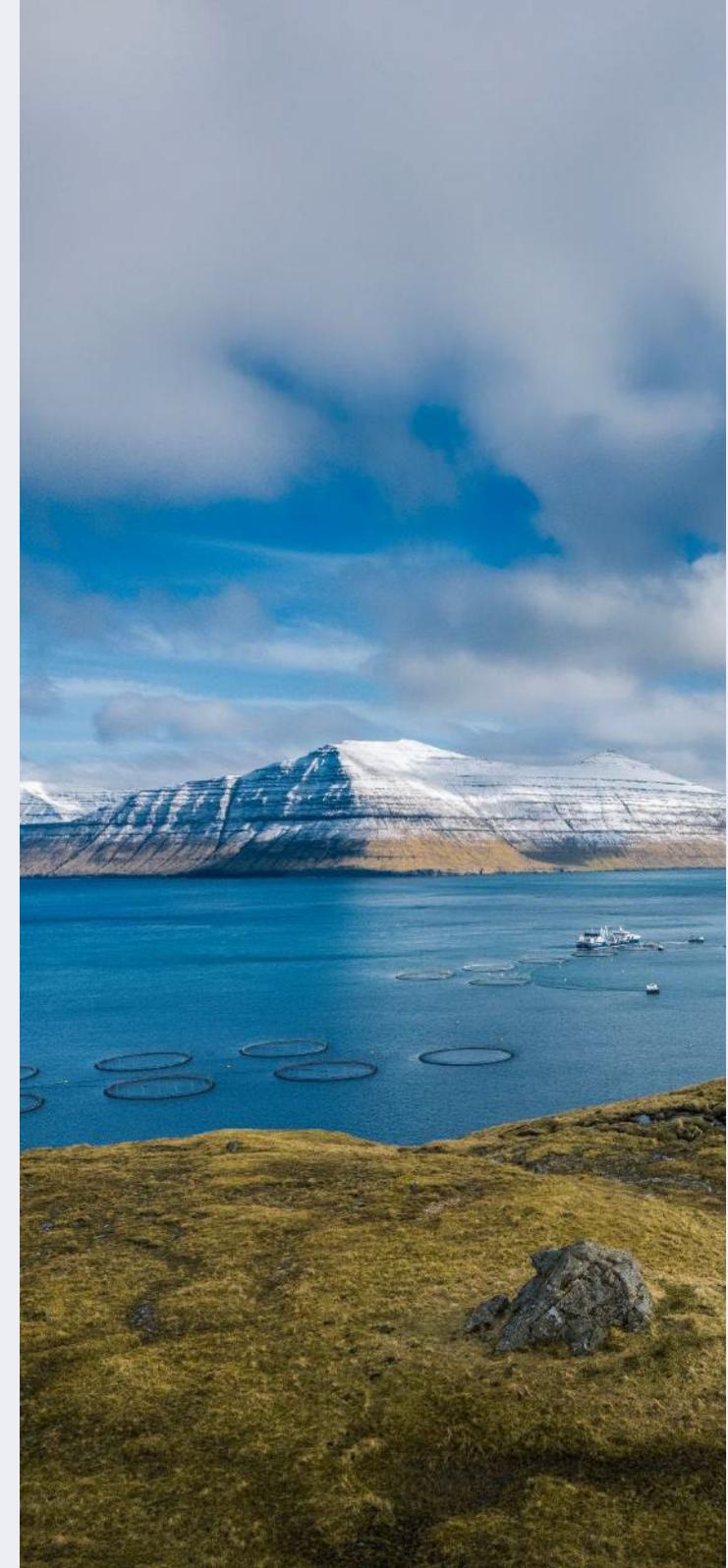
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## LARGEST SHAREHOLDERS

These shareholders held directly or indirectly more than 5% of the shares in the company per December 2025:

- Folketrygdfondet
- Regin Jacobsen
- Oddvr M. Jacobsen

\* The dividend per share in NOK is subject to changes, depending on the currency rate NOK/DKK. The currency rate NOK/DKK will be announced on ex-date.



# Directors' Profiles



**RÚNI M. HANSEN**  
**Chairman of the Board - term expires in 2026**  
 Non-executive member

Born 1967. Faroese citizen. Mr. Hansen became Chairman of Bakkafrost in 2009, ahead of the company's listing on the Oslo Stock Exchange in 2010. He also serves as Executive Chairman of Tjaldur, an industry holding company that was instrumental in the reconstruction of the Faroese salmon farming sector in 2005. He is not considered to be independent.

**Education:** MSc. in Economics and Business Administration, Copenhagen Business School. Postgraduate, Lancaster University.

**Board meetings in 2025:** Participated in all 10 Board meetings in 2025.

**Number of shares held in Bakkafrost:** Holds 10,761 shares at year-end 2025 – no change in portfolio in 2025.

**Experience:** Mr Hansen brings extensive international leadership experience, with deep expertise in the seafood and energy industries and a broad understanding of global business dynamics. He spent several years at Equinor, a global energy company, where he served as a member of the Exploration Executive team, and also held positions such as Manager, Commercial and Negotiation for Europe and North Africa. Throughout his career, he has worked from London, Copenhagen, Oslo and the Faroe Islands. Mr Hansen is a member of the UN Global Compact's Platform for Sustainable Ocean Business. He serves as Chairman of the Board at Mintra and Servi, and is a board member of Pactum Capital.

**Expertise:** International Leadership • Finance • ESG (Environmental, Social, Governance) • Corporate Governance • Risk management



**TEITUR SAMUELSEN**  
**Board member - term expires in 2026**  
 Non-executive member

Born 1972. Faroese citizen. Managing Director at P/F Eystur- og Sandoyartunlar and P/F Suðuroyartunnilin. Mr Samuelsen joined the Board in 2016 and is considered to be independent.

**Education:** MSc. in Business Economics & Auditing, Copenhagen Business School.

**Board meetings in 2025:** Participated in all 10 Board meetings in 2025.

**Number of shares in Bakkafrost:** Holds 100 shares at year-end 2025 – no change in portfolio in 2025.

**Experience:** Mr Samuelsen has extensive experience in accounting and finance. He has worked at KPMG and Dong E&P in Denmark and has been CFO at Atlantic Petroleum (2005-2009) and Bakkafrost (2009-2014). Mr Samuelsen is presently a member of the Board of Directors at Betri Trygging, Grannskoðaraeftirlitið, Oygjaleikir and holds the position as Chairman of the Board of Directors at Bústaðir.

**Expertise:** Finance • Product and Construction Management • Sustainable Finance • Risk Management • Corporate Governance



**ANNIKA FREDERIKSBERG**

**Board member - term expires in 2026**

Non-executive member

Born 1971. Faroese citizen. Employed as Sales Manager at Bakkafrost. Mrs Frederiksberg joined the Board in 2008 and is not considered to be independent.

**Education:**

Basic Vocational Course, Commercial Line, Faroese Business School.

**Board meetings in 2025:** Participated in all 10 Board meetings in 2025.

**Number of shares in Bakkafrost:** Holds directly and indirectly 17,485 shares at year-end 2025 – change in portfolio in 2025: +394 shares.

**Experience:** Mrs Frederiksberg has extensive experience in the salmon industry and sales. For over 30 years, she has been part of Bakkafrost's administration and sales teams.

**Expertise:** Sales • Communications • Marketing • Food Safety • Aquaculture • Product Development and Innovation



**EINAR WATHNE**

**Board member - term expires in 2026**

Non-executive member

Born 1961. Norwegian citizen. Mr Wathne joined the Board in 2019 and is considered to be independent.

**Education:** Master in Animal Nutrition at NMBU, Ph.D. in Aquaculture at NMBU, MBA at Handelshøyskolen BI

**Board meetings in 2025:** Participated in all 10 Board meetings in 2025.

**Number of shares in Bakkafrost:** Holds no shares at year-end 2025 – no change in portfolio in 2025.

**Experience:** Mr Wathne has extensive experience in the seafood business. Mr Wathne has held positions as CEO in Cargill and EWOS. Presently, he is an Assistant Professor at the Norwegian University of Life Science (NMBU), he is the chairman of the board of Nutrimar AS and Tysnes Kraftlag AS. He also holds a few roles as member of the board of Directors in start-up companies, and act as advisor for a few novel feed ingredient projects.

**Expertise:** Feed • Product Development and innovation • Aquaculture • Nutrition • ESG (Environmental, Social, Governance) • Food Safety



**GUDRIÐ HØJGAARD**

**Board member - term expires in 2026**

Non-executive member

Born 1972. Faroese citizen. Mrs Højgaard is currently CEO of Visit Faroe Islands and previously Marketing Director of Visit Stockholm. Mrs Højgaard joined the board in 2022 and is considered to be independent.

**Education:** MSc. in Business Administration & International Marketing, Copenhagen Business School and Stockholm University.

**Board meetings in 2025:** Participated in all 10 Board meetings in 2025.

**Number of shares in Bakkafrost:** Holds no shares at year-end 2025 – no change in portfolio in 2025.

**Experience:** Mrs Højgaard has extensive experience from international marketing and branding. She has worked in the travel and tourism industry in Sweden, Denmark and the Faroe Islands. Mrs. Højgaard is presently a member of the Board of Directors at P/F Postverk Føroya and The Faroese Business Development Fund (Framtak).

**Expertise:** Marketing • Sales • Communications • ESG (Environment, Social, Governance) • Product Development and innovation • Finance



**ALF-HELGE AARSKOG**

**Board member - served until his passing in November 2025.**

Non-executive member

Born 1967. Norwegian citizen. Mr Aarskog joined the Board in 2024 and was considered to be independent.

**Education:** Master in Aquaculture at NMBU, Additional Leadership education from Harvard Business School

**Board meetings in 2025:** Participated in 7 Board meetings in 2025.

**Number of shares in Bakkafrost:** Held 300 shares at year-end 2025 – no change in portfolio in 2025:

**Experience:** Mr. Aarskog had extensive experience in the seafood business. Previously, Mr Aarskog held positions as CEO of Lerøy Seafood Group and Marine Harvest/Mowi. While Mr Aarskog served as board member in Bakkafrost, he was also Assistant Professor at the Norwegian University of Life Science (NMBU) and held board positions at Samherji Fiskieldi, Innovafeed, Bluefront Equity, Grieg Maturitas and others.

**Expertise:** Aquaculture • Seafood • Product Development and innovation • ESG (Environmental, Social, Governance) • Risk Management • Corporate Governance • Sustainable Finance

# Group Management Profiles



**REGIN JACOBSEN**  
Chief Executive Officer

Born 1966. Faroese citizen. Mr Jacobsen has been Chief Executive Officer of Bakkafrost since 1989.

**Education:**

Graduate Diploma in Business Administration and Accounting (HD-R), Aarhus School of Business.

**Number of shares in Bakkafrost:**

Holds directly and indirectly 4,656,515 shares at year-end 2025. Changes in portfolio in 2025: +14,530 shares.

**Experience:**

Mr Jacobsen has extensive experience in the salmon industry and finances. He was the Financial Manager of Bakkafrost before he became Chief Executive Officer of Bakkafrost.

Over the past 35 years, Mr Jacobsen has accumulated extensive experience in strategy review and change. During this time, Mr Jacobsen has been instrumental in developing Bakkafrost's extensive value chain, emphasising differentiation and competitive advantage.



**HØGNI DAHL JAKOBSEN**  
Chief Financial Officer

Born 1972. Faroese & Swedish citizen. Mr Jakobsen has been Chief Financial Officer of Bakkafrost since 2019.

**Education:**

Business Design, Henley Business School. MSc in Business Administration and Computer Science (cand. merc.dat), Copenhagen Business School.

**Number of shares in Bakkafrost:**

Holds directly and indirectly 80,812 shares at year-end 2025. Changes in portfolio in 2025: +2,587 shares.

**Experience:**

Mr. Jakobsen has extensive experience in the salmon farming industry and deep expertise in strategic financial leadership, business transformation and technology-enabled performance improvement. Since joining Bakkafrost, he has been central to aligning financial strategy with business priorities and driving initiatives that strengthen efficiency and value creation. Prior to his appointment as Chief Financial Officer in 2019, he held senior leadership roles in management consulting, including as Senior Partner at Quorum Consulting and Management Consultant at PA Consulting Group. His combined experience in finance, industry operations, strategy and technology supports sustainable performance and competitive advantage.



**ODD ELIASSEN**  
Managing Director of Havsbrún

Born 1965. Faroese citizen. Mr Eliassen has been Managing Director of Havsbrún since 2012.

**Education:**

Teacher Certificate Exam, University of the Faroe Islands.

**Number of shares in Bakkafrost:**

Holds 189,938 shares at year-end 2025. Changes in portfolio in 2025: +2,016 shares.

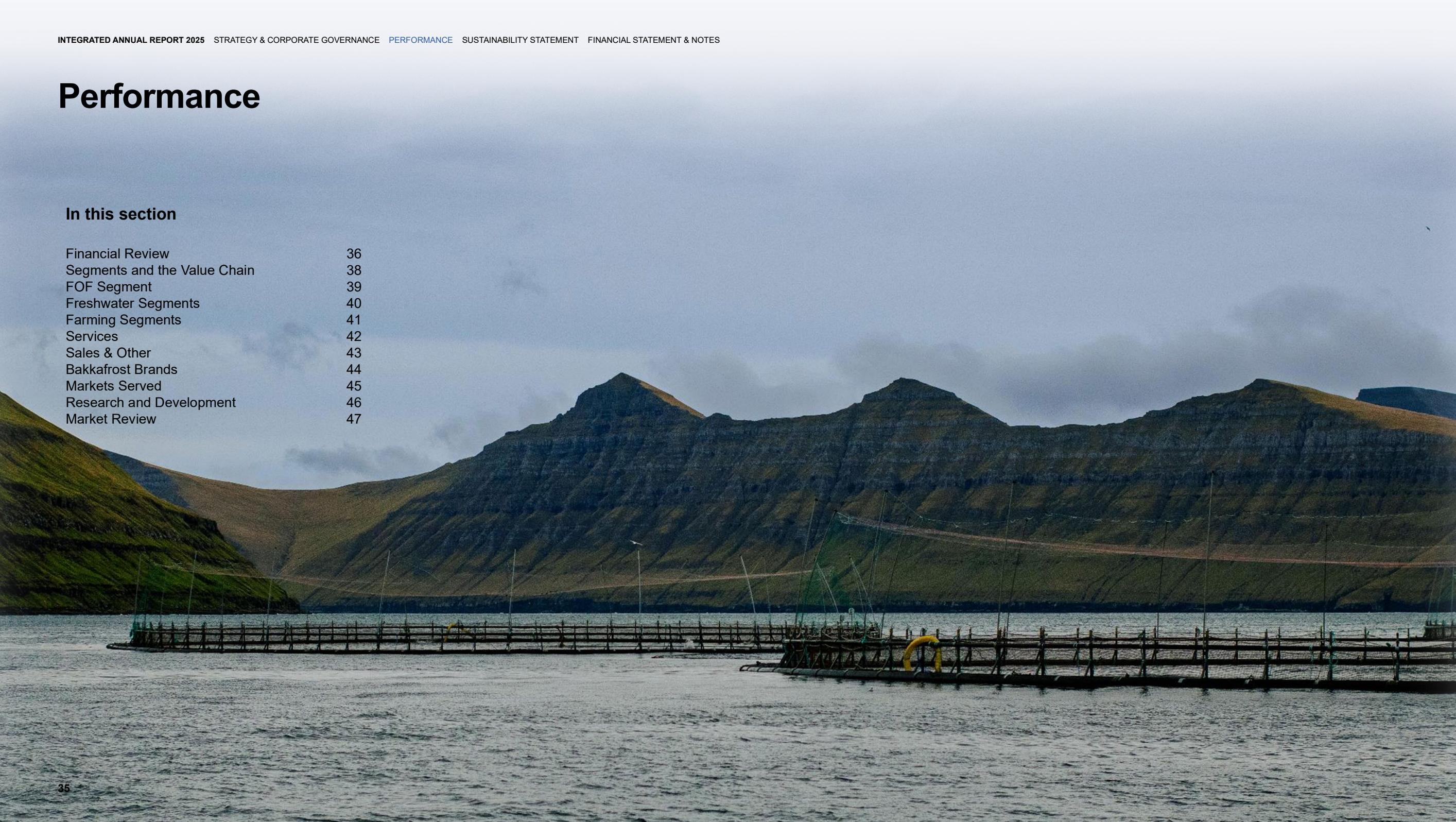
**Experience:**

Mr Eliassen has broad experience in the fish farming industry and has been an active player in restructuring the fish farming industry in the Faroe Islands. He has been responsible for Havsbrún's farming activities and has held various board positions in the industry. Mr Eliassen was a board member of Bakkafrost from 2006 to 2012.

# Performance

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# Financial Review

## INCOME STATEMENT

In 2025, the Bakkafrost Group generated gross operating revenues of DKK 7,007 million, which is a slight decrease compared to DKK 7,334 million in 2024.

The Group achieved lower salmon prices on salmon and value-added products in 2025 compared to 2024, however there was a 18% increase in harvested volumes of salmon in 2025 compared to 2024, with higher volumes in both the Faroe Islands and Scotland. The Group harvested a total of 106,823 tonnes gutted weight, compared to 90,656 tonnes in 2024. External revenue from the sale of fishmeal and fish oil decreased in 2025 compared to 2024.

The average feed price in 2025 was lower than in 2024. This decrease was mainly driven by lower raw material costs, particularly for fish oil, which is one of the key ingredients in Bakkafrost's salmon feed. Changes in feed prices are reflected in the production costs of salmon.

Operational EBIT was DKK 888 million in 2025, compared to DKK 1,550 million in 2024. A positive fair value adjustment of the Group's biological assets has been recognised in 2025, amounting to DKK 128 million, compared to a negative adjustment of DKK 369 million in 2024.

In 2025, the Group's associated companies made a net result to Bakkafrost of DKK 36 million, compared to DKK 47 million in 2024.

Net interest expenses amounted to DKK -161 million, compared to DKK -200 million in 2024. Net currency effects amounted to DKK -95 million, compared to DKK 35 million in 2024.

Net taxes amounted to DKK -112 million, compared to DKK -207 million in 2024.

The consolidated net profit totalled DKK 524 million in 2025, compared to DKK 645 million in 2024. Earnings per share totalled DKK 8.83 in 2025, compared to DKK 10.88 in 2024.

DKK 1,000	2025	2024
<b>Operating revenue</b>	<b>7,007,147</b>	<b>7,333,674</b>
Purchase of goods	-2,534,125	-1,490,413
Change in inventory and biological assets (at cost)	274,105	-714,552
Salary and personnel expenses	-946,722	-881,926
Other operation expenses	-2,182,334	-2,072,203
Depreciation	-785,124	-704,306
Other income	54,593	79,418
<b>Operational EBIT</b>	<b>887,540</b>	<b>1,549,692</b>
Fair value adjustments of biological assets	128,079	-368,909
Income from associates	36,059	46,964
Revenue tax (sea farming tax)	-173,858	-221,945
<b>EBIT</b>	<b>877,820</b>	<b>1,005,802</b>
Net financial items	-242,379	-154,168
<b>EBT</b>	<b>635,441</b>	<b>851,634</b>
Taxes	-111,683	-206,839
<b>Profit or loss for the period</b>	<b>523,758</b>	<b>644,795</b>

## STATEMENT OF FINANCIAL POSITION

The Group's total assets as at end 2025 amounted to DKK 19,028 million, compared to DKK 17,674 million at the end of 2024.

The Group's intangible assets amounted to DKK 4,509 million at the end of 2025, compared to DKK 4,518 million at the end of 2024. Intangible assets comprise primarily of the acquisition of Bakkafrost Scotland Ltd., the fair value of acquired farming licences in Scotland and the Faroe Islands.

Total property, plant, and equipment, including right of use assets, amounted to DKK 7,965 million at the end of 2025, compared to DKK 7,054 million at the end of 2024. In 2025, Bakkafrost made investments in PP&E amounting to DKK 1,135 million, compared to DKK 1,026 million in 2024. The most significant investments, Bakkafrost carried out in 2025, were in hatcheries, a new feed line, tunnel and pier. Other investments mainly relate to maintenance.

Property, plant, and equipment amounted to DKK 7,136 million at the end of 2025, compared to DKK 6,733 million at the end of 2024 and right of use assets amounted to DKK 829 million at the end of 2025, compared to DKK 321 million at the end of 2024.

Financial assets consist of Investments in associated companies, Investments in stocks and shares, and Deferred tax assets. Investments in associated companies and stocks and shares amounted to DKK 346 million at the end of 2025, compared to DKK 334 million at the end of 2024. Deferred tax assets amounted to DKK 699 million at the end of 2025, compared to DKK 590 million at the end of 2024.

The Group's total inventory, including biological assets, amounted to DKK 4,212 million at the end of 2025, compared to DKK 3,810 million at the end of 2024.

The Group's carrying amount (fair value) of biological assets amounted to DKK 3,422 million at the end of 2025, compared to DKK 3,139 million at the end of 2024. Included in the carrying amount of the biological assets is a fair value adjustment amounting to DKK 501 million, compared to DKK 373 million at the end of 2024.

The Group's inventories amounted to DKK 790 million as at year-end 2025, compared to DKK 671 million as at year-end 2024. The inventory primarily represents Havsbrún's inventory of fishmeal, fish oil and fish feed in addition to finished VAP products, packing materials and other raw materials.

The Group's total receivables amounted to DKK 997 million as at year-end 2025, compared to DKK 887 million as at year-end 2024.

Cash and cash equivalents at year-end 2025 amounted to DKK 300 million, compared to DKK 481 million at year-end 2024. The Group's equity at the end of 2025 was DKK 11,044 million, compared to DKK 11,157 million at the end of 2024. The main movement in the equity is due to increase of share capital amounting to DKK 85 million, the positive result of DKK 524 million and a dividend payout of DKK 501 million.

DKK 1,000	2025	2024
Intangible assets	4,509,171	4,517,763
Property, plant and equipment	7,136,020	6,733,306
Right of use assets	829,037	320,847
Financial assets	1,044,777	924,800
<b>NON-CURRENT ASSETS</b>	<b>13,519,005</b>	<b>12,496,716</b>
Inventory	4,211,776	3,809,592
Receivables	997,201	887,321
Cash and cash equivalents	299,749	480,506
<b>CURRENT ASSETS</b>	<b>5,508,726</b>	<b>5,177,419</b>
<b>ASSETS</b>	<b>19,027,731</b>	<b>17,674,135</b>
Equity	11,044,012	11,156,667
Deferred taxes	2,161,872	2,036,551
Long-term interest-bearing debt	4,196,642	3,480,527
Long-term leasing debt	798,395	233,897
<b>Non-current liabilities</b>	<b>7,156,909</b>	<b>5,750,975</b>
Derivatives	1,840	3,447
Trade payables	549,576	433,092
Current tax liabilities	91,612	186,364
Short-term leasing debt	48,549	64,856
Other current liabilities	135,233	78,734
<b>Current liabilities</b>	<b>826,810</b>	<b>766,493</b>
<b>Total liabilities</b>	<b>7,983,719</b>	<b>6,517,468</b>
<b>EQUITY AND LIABILITIES</b>	<b>19,027,731</b>	<b>17,674,135</b>

The Group's total non-current liabilities amounted to DKK 7,157 million at the end of 2025, compared to DKK 5,751 million at the end of 2024. Deferred taxes amounted to DKK 2,162 million, compared to DKK 2,037 million at the end of 2024.

Long-term debt was DKK 4,197 million at the end of 2025, compared to DKK 3,481 million at the end of 2024.

At the end of 2025, the Group's total current liabilities were DKK 827 million, compared to DKK 766 million at the end of 2024.

Trade payable amounted to DKK 550 million, compared to DKK 433 million at the beginning of the year.

Long- and short-term leasing debt amounted to DKK 847 million at the end of 2025, compared to DKK 299 million at the end of 2024. Bakkafrost's equity ratio was 58% at the end of 2025, compared to 63% at the end of 2024.

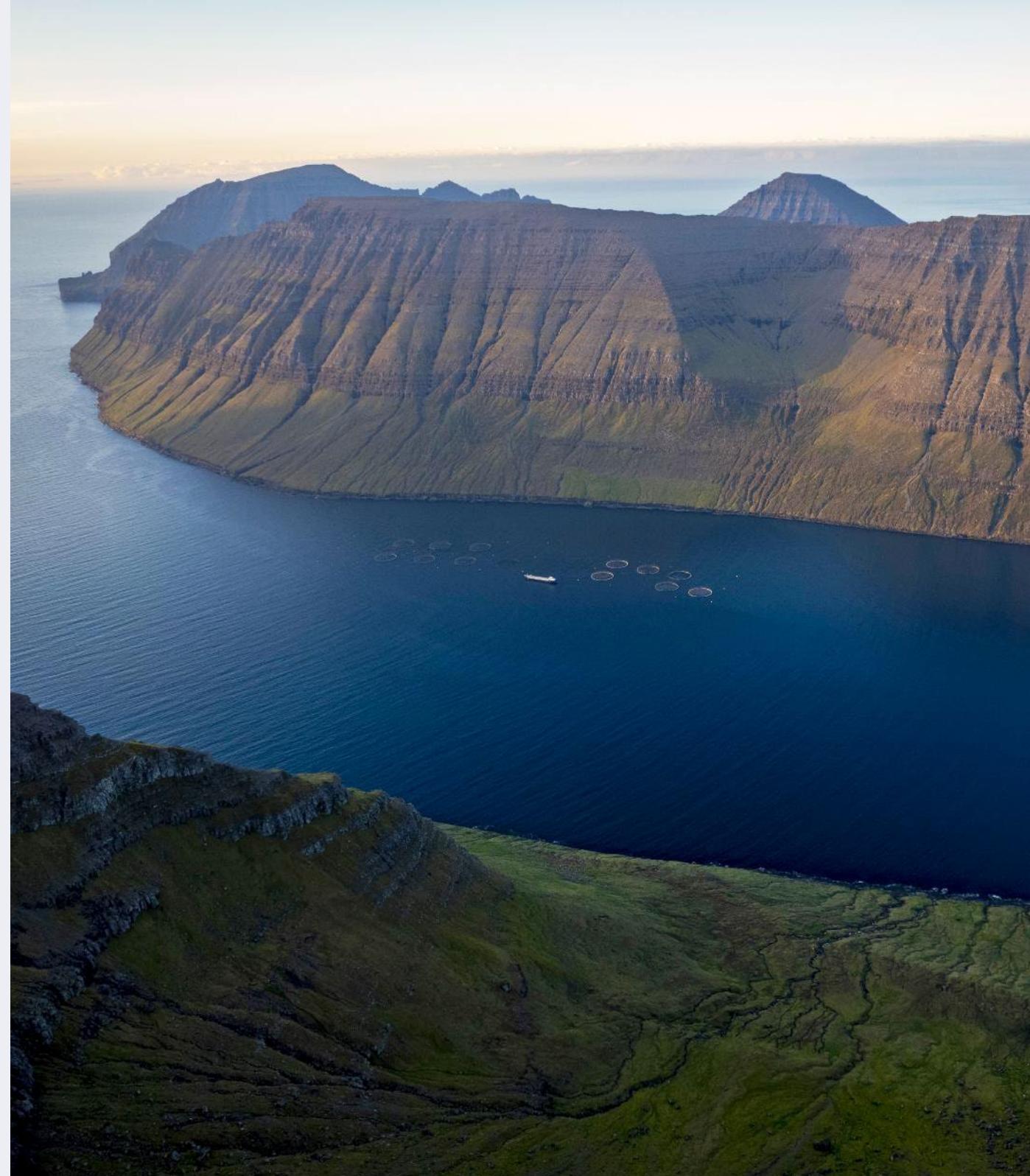
**CASH FLOW**

The total cash flow from operations in 2025 was DKK 1,079 million, compared to DKK 2,355 million in 2024. The cash flow from operations in 2025 is primarily due to positive results. Paid taxes, change in inventory, change in receivables and current debts had a negative effect on the cash flow from operations in 2025. Cash flow from investment activities amounted to DKK -1,135 million, compared to DKK -1,014 million in 2024.

For 2025, cash flow from financing amounted to DKK -124 million, compared to DKK -1,272 million for 2024. The change in long-term interest-bearing debt of DKK 694 million had a positive effect on the cash flow from financing in 2025. Other 2025 figures include dividend paid of DKK 501 million, lease payments of DKK 172 million and financial expenses of DKK 170 million.

With the established credit facilities, the Group's liquidity and financial strength is considered good. Bakkafrost had undrawn credit facilities of approximately DKK 1,489 million at the end of 2025.

<b>DKK 1,000</b>	<b>2025</b>	<b>2024</b>
<b>EBIT</b>	<b>877,820</b>	<b>1,005,802</b>
Cash flow from operations	1,078,583	2,354,915
Cash flow from investments	-1,135,078	-1,014,269
Cash flow from financing	-124,262	-1,271,814
Cash and cash equivalents – opening balance	480,506	411,674
<b>Cash and cash equivalents – closing balance total</b>	<b>299,749</b>	<b>480,506</b>



# Segments and the Value Chain

## 7 SEGMENTS

- FOF
- FRESHWATER FO
- FRESHWATER SCT
- FARMING FO
- FARMING SCT
- SERVICES
- SALES & OTHER

## VALUE CHAIN



# FOF Segment

The FOF segment consists of the production and sale of fishmeal, fish oil and fish feed. The production is operated by Bakkafrost's subsidiary Havsbrún, located in Fuglafjørður. Fishmeal and oil are in part used internally to produce fish feed for the Farming and Freshwater segments. Any surplus from the production of fishmeal and fish oil will be sold externally.

Bakkafrost sources marine raw materials to produce high quality fishmeal and fish oil. In addition to sourcing industrial fish, unviable to produce for human consumption, we also source all fish trimmings and fish silage from the Faroese pelagic fishing industry. The demands to high quality fish-material combined with our processing technology enable us to manufacture top-quality fishmeal, fish oil and fish feed. The fish material comes mainly from Faroese vessels and fish processing factories, as well as foreign vessels operating in the North Atlantic.

As producers of our own high-quality fish feed ingredients, we are uniquely positioned to select the very best fishmeal and fish oil for our feed production. Bakkafrost has strategically chosen to maintain a substantially higher marine inclusion in the salmon feed, compared to peers in the industry. The fish species which we transform to fishmeal and fish oil constitutes a part of the natural food sources which wild salmon eats. Thus, the main ingredients in our dietary feed composition provides a foundation for healthy and efficient growth for our farmed salmon. Bakkafrost's strategy is to maintain a high fish oil content in the feed, resulting in salmon with a high Omega-3 content.

Bakkafrost is currently finalising significant investments within the FOF segment. These investments will enhance production capacity, improve environmental performance, and increase operational flexibility to accommodate future raw material variability. The upgrades strengthen Havsbrún's ability to process a broader range of marine raw materials efficiently.



DKK 1,000	2025	2024	Change
<b>Financial</b>			
Total revenue	2,604,237	2,730,540	-5%
EBIT	350,198	548,515	-36%
Operational EBIT	316,512	501,979	-37%
Operational EBIT-margin	12%	18%	
<b>Volumes (tonnes)</b>			
Total Feed sold	165,174	140,361	18%
- Feed internal sale FO	134,415	99,125	36%
- Feed internal sale SCT	29,384	39,299	-25%
- Feed external sale	1,375	1,937	-29%
Fishmeal external sale	20,175	39,716	-49%
Fish oil external sale	16	4,332	-100%
Received raw material	349,219	309,502	13%
Fishmeal production	74,770	66,414	13%
Fish oil production	11,473	10,919	5%

## VOLUMES

The FOF segment has maintained a consistent intake of raw materials for fishmeal and fish oil production over the past few years. In 2025, there was an increase in the intake of raw materials, compared to 2024. In 2025, the FOF segment sourced 349,219 tonnes of raw material, compared to 309,502 tonnes in 2024, which corresponds to an increase of 13%.

The production of fishmeal in 2025 was 74,770 tonnes, compared to 66,414 tonnes in 2024, an increase of 13%. The production of fish oil in 2025 was 11,473 tonnes, compared to 10,919 tonnes in 2024, an increase of 5%. In 2026 Bakkafrost expects lower production volumes of fishmeal and fish oil production.

The FOF segment sold 165,174 tonnes of feed in 2025, compared to 140,361 tonnes in 2024. Bakkafrost used 163,799 tonnes of sold feed in 2025 internally, corresponding to 99%. The internal use in 2024 was 138,424 tonnes, corresponding to 99%.

## FINANCIAL PERFORMANCE

Total revenues for the FOF segment in 2025 amounted to DKK 2,604 million, compared to DKK 2,731 million in 2024, a decrease of 5%.

The external operating revenue for the FOF segment amounted to DKK 340 million in 2025, compared to DKK 697 million in 2024. The decrease in external revenue from 2024 to 2025 was mainly due to lower external sale of fishmeal and oil.

The internal revenue in 2025 amounted to DKK 2,264 million, compared to DKK 2,034 million in 2024. The internal revenue comprises the sales of feed to Bakkafrost's farming activities, both in Scotland and the Faroe Islands

Operational EBIT was DKK 317 million in 2025, compared to DKK 502 million in 2024, and the operational EBIT margin was 12% in 2025, compared to 18% in 2024.

# Freshwater Segments

There are two similar Freshwater segments – one in the Faroe Islands and one in Scotland. The two Freshwater segments both include broodstock and smolt production in hatcheries on land. In the broodstock operation, eggs are produced from breeding self-owned salmon strains. Eggs are transferred to the hatcheries who in turn produce from egg to smolt, which are sold to the Farming operations in the Faroe Islands and Scotland. The Freshwater segments rely on feed from the FOF segment and certain services provided by the Services segment, such as smolt transportation and waste handling for biogas production.

Bakkafrost has broodstock programs in the Faroe Islands and Scotland to maximise biosecurity, breeding, and genetics. These programs enable accelerated development of more resilient eggs, reducing disease risks and protecting intellectual capital.

Bakkafrost has six hatcheries in the Faroe Islands, located in areas with abundant clean fresh water. The hatcheries use closed-water circulation systems with biofilters and are housed indoors with high biosecurity to minimise external factors.

Bakkafrost is replacing current hatcheries in Scotland with one large, modern RAS technology hatchery. The Applecross hatchery is operational and will produce 14-16 million smolts at 250g.

## FAROE ISLANDS

DKK 1,000	2025	2024	Change
<b>Financial</b>			
Total revenue	896,770	782,053	15%
EBIT	327,274	289,113	13%
Operational EBIT	327,274	289,113	13%
Operational EBIT/kg (DKK)*	38.55	41.24	-7%
Operational EBIT-margin	36%	37%	

<b>Volumes</b>			
Smolt Transferred - Pieces	18,732	17,082	10%
Smolt Transferred - Avg (g)	453	410	10%

\* Calculated EBIT per KG transferred smolt

## VOLUMES

In 2025, 18.7 million smolts were released into the sea, compared to 17.1 million transferred in 2024.

## FINANCIAL PERFORMANCE

In 2025, the operating revenue amounted to DKK 897 million, which represents an 15% increase compared to the DKK 782 million operating revenue in 2024. The operational EBIT per kg of released smolt in 2025 was DKK 38.55, showing a 7% decrease from the DKK 41.24 achieved in 2024.

## SCOTLAND

DKK 1,000	2025	2024	Change
<b>Financial</b>			
Total revenue	169,460	117,258	45%
EBIT	-112,465	-98,908	-14%
Operational EBIT	-112,465	-98,908	-14%
Operational EBIT/kg (DKK)*	-99.59	-151.79	34%
Operational EBIT-margin	-66%	-84%	

<b>Volumes</b>			
Smolt Transf. - Pieces	7,329	5,996	22%
Whereof externally sourced - Pieces	2,740	1,198	129%
Whereof Applecross Smolt Transf. - Pieces	3,533	4,269	-17%
Whereof other internal Transf. - Pieces	1,056	529	100%
Smolt Transferred – Avg (g)	154	109	42%
Whereof Applecross Smolt Transf. - Avg (g)	216	113	90%

\* Calculated EBIT per KG transferred

## VOLUMES

In 2025, 7.3 million smolts were released into the sea, compared to 6.0 million transferred in 2024.

## FINANCIAL PERFORMANCE

In 2025, the operating revenue amounted to DKK 169 million, which represents a 45% increase compared to the DKK 117 million operating revenue in 2024. The operational EBIT per kg of released smolt in 2025 was DKK -99.59, compared to -151.79 in 2024.



# Farming Segments

Fish farming involves growing salmon in the marine environment from smolt to harvest-ready salmon. The Group has marine farming licences in the Faroe Islands and Scotland, which are reported as two separate segments - Farming Faroe Islands and Farming Scotland. The Farming segments rely on feed from the FOF segment, and several services provided by the Services segment. These include fish transportation, treatments, net cleaning, harvest, etc. The Farming segments also rely on sales services provided by the Sales & Other segment.

The main goal of the farming operation is to produce salmon at a low feed conversion rate and with low mortality. To reach this goal, Bakkafrøst believes the environment is important and therefore does its utmost to create and maintain a healthy environment for the fish. Following national regulations, external agencies undertake environmental investigations at each farming location each year. The result of each survey becomes input data used in the tactical planning to achieve the best environmental and sustainable farming results possible.

Bakkafrøst's salmon farming sites benefit from excellent water quality and circulation due to strong currents and cool, steady sea temperatures in the Faroe Islands. The operations in Scotland, are in the unique natural environment of the West Coast of Scotland and the Hebridean Islands.

The fish are kept, fed, and nurtured in large sea pens, providing the fish with abundant space to grow for 13 months on average in the Faroe Islands and for around 16-22 months in Scotland. During this period, the fish grows to a target weight of approx. 6.3 kg LW in the Faroe Islands and approx. 5.9 kg LW in Scotland.

## FAROE ISLANDS

DKK 1,000	2025	2024	Change
<b>Financial</b>			
Total revenue	4,050,709	3,917,320	3%
EBIT	401,313	489,187	-18%
Operational EBIT	432,825	749,288	-42%
Operational EBIT/kg (DKK)	5.17	11.94	-57%
Operational EBIT-margin	11%	19%	
<b>Volumes</b>			
Harvested volumes (t <sub>gw</sub> )	83,638	62,776	33%

### VOLUMES

The total volumes harvested in Faroe Islands in 2025 were 83,638 tonnes gutted weight compared to 62,776 tonnes gutted weight in 2024 – a change in volume of 33%.

### FINANCIAL PERFORMANCE

In 2025, the operating revenue for the Farming Faroe Islands segment was DKK 4,051 million compared to 3,917 million – an increase of 3%. The operational EBIT/kg for 2025 was DKK 5.17 compared to DKK 11.94 – a decrease of 57%.

## SCOTLAND

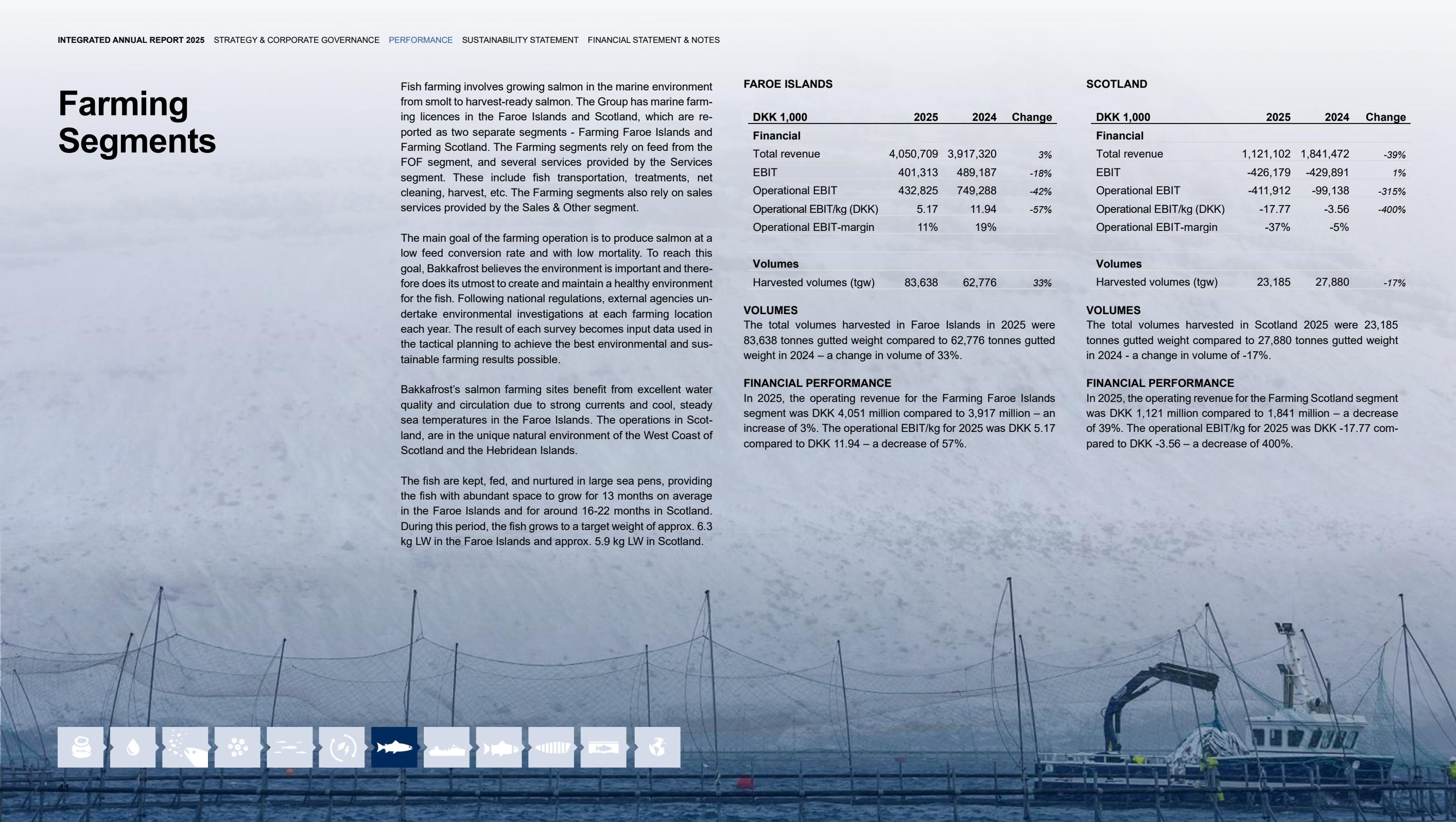
DKK 1,000	2025	2024	Change
<b>Financial</b>			
Total revenue	1,121,102	1,841,472	-39%
EBIT	-426,179	-429,891	1%
Operational EBIT	-411,912	-99,138	-315%
Operational EBIT/kg (DKK)	-17.77	-3.56	-400%
Operational EBIT-margin	-37%	-5%	
<b>Volumes</b>			
Harvested volumes (t <sub>gw</sub> )	23,185	27,880	-17%

### VOLUMES

The total volumes harvested in Scotland 2025 were 23,185 tonnes gutted weight compared to 27,880 tonnes gutted weight in 2024 - a change in volume of -17%.

### FINANCIAL PERFORMANCE

In 2025, the operating revenue for the Farming Scotland segment was DKK 1,121 million compared to 1,841 million – a decrease of 39%. The operational EBIT/kg for 2025 was DKK -17.77 compared to DKK -3.56 – a decrease of 400%.



# Services

The Services segment provides several services to the Group. The segment operates a fleet of large Farming Service Vessels (FSV), harvesting services, styrofoam boxes and converts organic waste into energy.

FSV consists of nine fully owned farming service vessels. These vessels are leased to the farming segments - eight are leased to the Faroe Islands and one to Scotland. In addition, Scotland has external leasing of several vessels. The services provided by the vessels include transportation, lice-treatment, net-cleaning and other operations.

Bakkafrost has three harvest factories, two in the Faroe Islands and one in Scotland.

Bakkafrost has one packaging plant, which is located and integrated into the Glyvrar processing facility, providing both packaging for internal use in the Faroe Islands and to external customers.

The biogas plant uses waste products from our farms and other fish and dairy farmers to produce renewable energy and fertiliser.

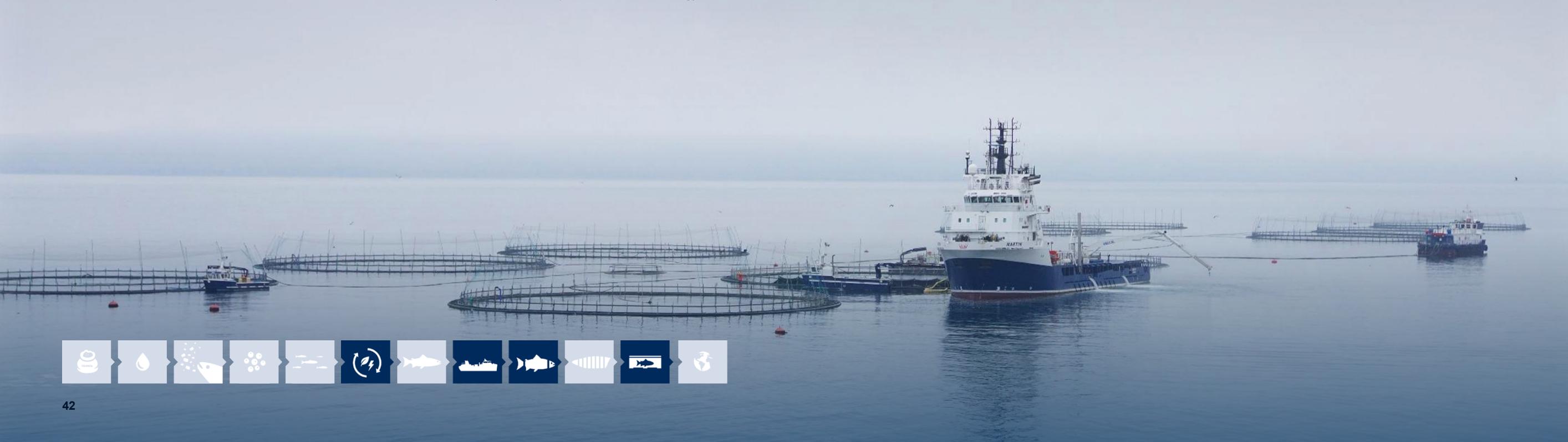
DKK 1,000	2025	2024	Change
<b>Financial</b>			
Total revenue	920,519	894,608	3%
EBIT	124,384	82,742	50%
Operational EBIT	124,384	82,528	51%
Operational EBIT/kg (DKK)	1.16	0.91	28%
Operational EBIT-margin	14%	9%	
<b>Volumes</b>			
Total Energy produced (Mwh)	16,350	19,631	-17%
Harvested Volumes (tgw)	106,823	90,656	18%

## VOLUMES

The biogas plant Förka produced 16,350 Mwh of energy in 2025, compared to 19,631 Mwh in 2024 – a change in volume of -17%.

## FINANCIAL PERFORMANCE

In 2025, the operating revenue for the Services segment was DKK 921 million, compared to DKK 895 million in 2024 – an increase of 3%. The operational EBIT/kg for 2025 was DKK 1.16, compared to DKK 0.91 in 2024 – an increase of 28%.



# Sales & Other

The Sales & Other segment consists of all external sales of fresh salmon and production and sales of VAP (Value-Added- Products). The segment also provides logistical services, administration, marketing, and branding for the Group. The segment mainly relies on salmon from the farming segment.

The segment actively enhances the overall sales performance and value optimisation of salmon product portfolios. This entails coordinating production schedules, synchronising sales projections, strategically responding to market dynamics, and ensuring products are tailored to meet customer needs.

Bakkafrost has a long-term strategy to produce and sell value-added products (VAP), representing around 40% of the Faroese harvested volumes. The sales of VAP products stabilise the Group's earnings through fixed-price contracts, which are less volatile than spot market prices.

The most important markets are the European, US, and Chinese markets. Generally, the whole fish from the Faroe Islands is sold on the spot market. The VAP products are sold on long-term contracts.

The distribution network is based on transportation by ship, truck and/or train to Europe and by plane to the US and China. Bakkafrost can distribute both fresh and frozen fish to various markets.

DKK 1,000	2025	2024	Change
<b>Financial</b>			
Total revenue	10,277,120	10,212,127	1%
EBIT	290,290	209,302	39%
Operational EBIT	287,917	209,088	38%
Operational EBIT/kg (DKK)	2.70	2.31	17%
Operational EBIT-margin	3%	2%	
<b>Volumes</b>			
Harvested Volumes (t <sub>gw</sub> )	106,823	90,656	18%
Farming FO transferred to VAP (t <sub>gw</sub> )	17,180	13,666	26%
VAP produced (t <sub>gw</sub> )	17,096	13,740	24%
FO Harvested volumes used in VAP production	21%	22%	
FO Harvested volumes sold fresh/frozen	79%	78%	

## VOLUMES

Total volumes harvested in 2025 for Bakkafrost Group were 106,823 tonnes gutted weight, compared to 90,656 tonnes gutted weight in 2024 – a change in volume of 18%. In the Faroes the split between VAP and Fresh was 21% VAP and 79% Fresh, compared to 22% VAP and 78% fresh in 2024. VAP produced 17,096 tonnes gutted weight in 2025, compared to 13,740 tonnes gutted weight in 2024 – a change in volume of 24%.

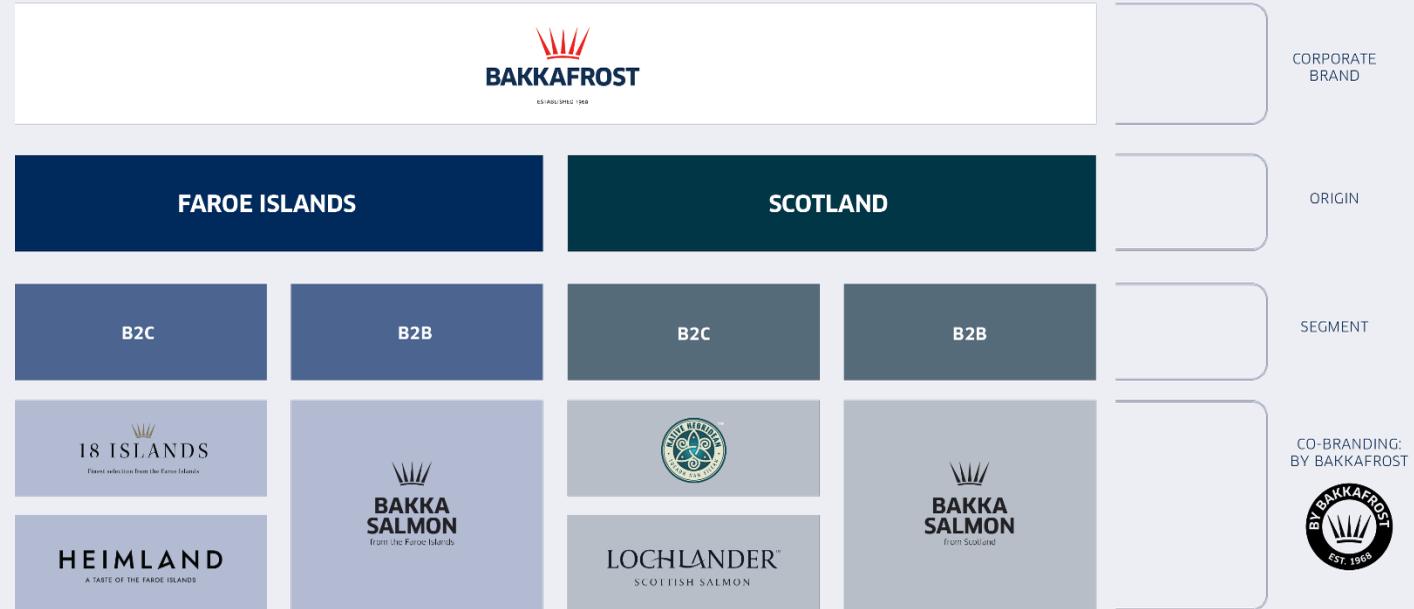
## FINANCIAL PERFORMANCE

In 2025, the operating revenue for the Sales & Other segment was DKK 10,277 million, compared to DKK 10,212 million in 2024. Revenue increased only slightly year-on-year, despite considerably higher volumes. This development reflected lower average sales prices in 2025 compared to 2024.

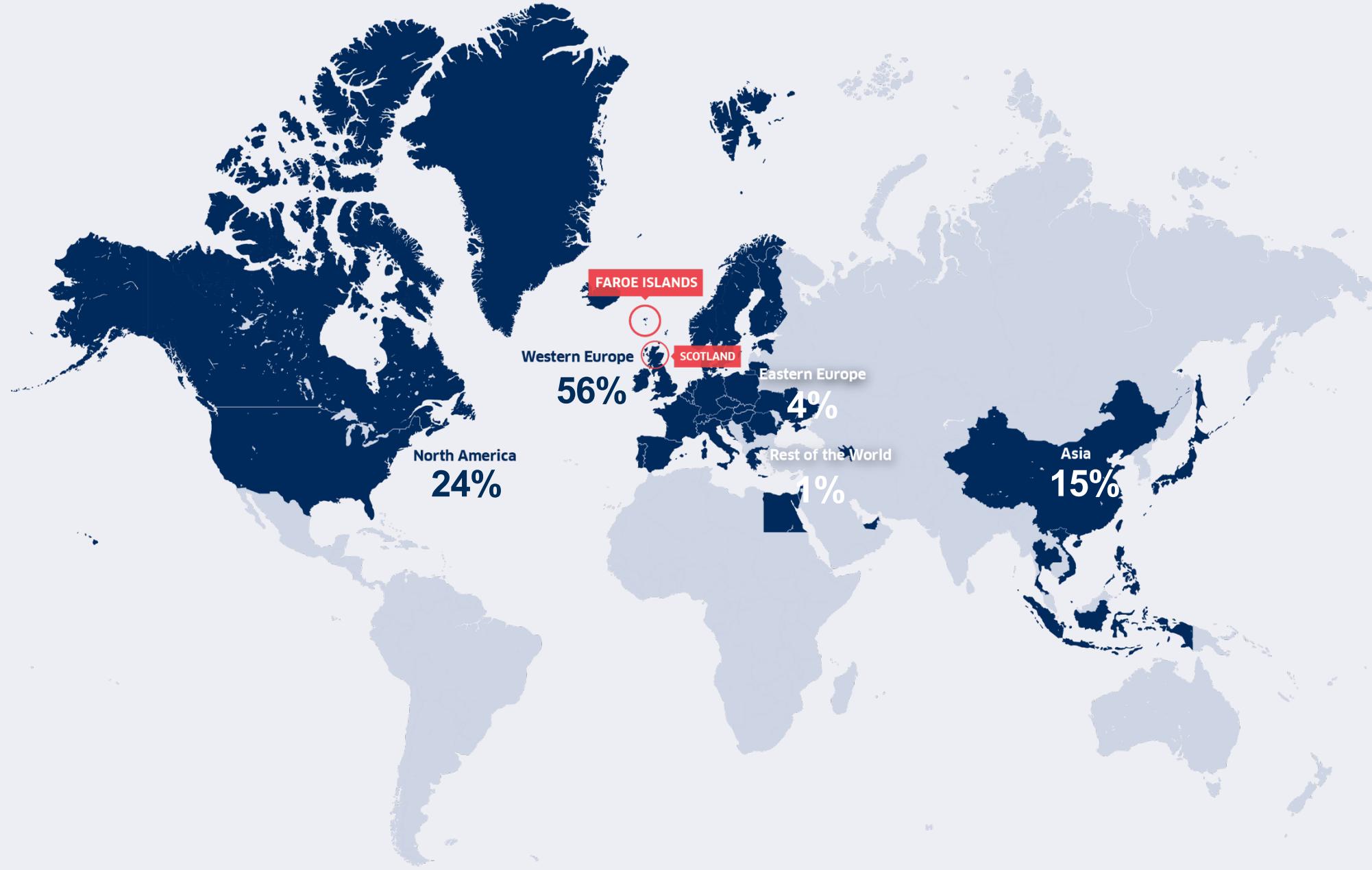


# Bakkafrost Brands

All salmon from Bakkafrost is sold under the Bakkafrost main brand. Depending on the origin of the salmon, customer segment and product or quality, co-branded sub-brands are used.



# Markets Served



# Research and Development

The Faroese aquaculture industry has significantly transformed in the past decade, with Bakkafrøst playing a pivotal role. Bakkafrøst's commitment to research and development (R&D) has driven sustainable growth in the Faroe Islands and Scotland, where key innovations are being implemented to enhance operations.

## Approach

At Bakkafrøst, R&D is at the core of operations, ensuring continuous improvements in farming practices, fish health, and environmental sustainability. Efforts span the entire value chain, from broodstock development and feed optimization to advancements in fish welfare and sustainable packaging solutions. These initiatives drive efficiency and reinforce Bakkafrøst's competitive advantage.

To support these ambitions, Bakkafrøst has built a strong team of experts, including (but not limited to):

- Veterinarians
- Animal biologists
- Technical specialists
- Data scientists
- Fish health experts
- Smolt developers
- Fish Feed

## R&D RELATED ACTIVITIES

DKK 1,000	2025	2024
<b>Total</b>	<b>435,242</b>	<b>378,790</b>
% Faroe Islands	46%	35%
% Scotland & other	54%	65%

## Performance

In 2025, Bakkafrøst invested 435 million DKK in R&D related activities, up from 379 million DKK in 2024, underscoring its commitment to innovation.

R&D-related activities are recognised following the same R&D Expenditure Credit (RDEC) claim used for tax credits for Bakkafrøst Scotland. The policy is crafted by a certified external consultant firm and approved by related parties for the Scottish governmental tax credit.

## Innovation and Sustainability

Bakkafrøst continuously invests in innovative solutions to address industry-wide challenges. The broodstock development program focuses on refining breeding strategies to improve disease resistance, enhance survival rates, and optimise growth efficiency. Through extensive research, Bakkafrøst aims to develop robust salmon strains with improved resilience against common health challenges.

Sea lice management remains a priority, and Bakkafrøst has implemented non-medicinal treatments alongside advanced monitoring systems to minimise sea lice prevalence while enhancing fish welfare. The focus on feed efficiency has led to ongoing research into alternative protein sources, ensuring high omega-3 levels while reducing environmental impact. Circular economy solutions, such as the FÖRKA biogas plant, further reinforce sustainability by converting organic waste into renewable energy and sustainable fertiliser, contributing to a more responsible and efficient production cycle.

Technology plays a crucial role in sustainability initiatives. Investments in real-time environmental monitoring and autonomous plankton analysis enable data-driven decision-making, ensuring optimal fish health and minimising environmental impact. A key example is the Grønárók fully electric workboat, developed in collaboration with the Nordic Council of Ministers, the Faroese Government, and SEV. This vessel operates on excess renewable energy, reducing greenhouse gas emissions while supporting sustainable aquaculture practices.

## Broodstock Development

Bakkafrøst has intensified investment in developing broodstock of Faroese origin. Notably, the first generations were successfully produced in a controlled environment within the Faroe Islands.

This milestone allowed Bakkafrøst to meticulously collect data on critical quality parameters, including Cardiomyopathy Syndrome (CMS) resistance and overall survival—essential for the breeding program. Further ongoing breeding work is in progress, with preliminary results promising a strong parental strain with specific resistance to several important traits.

## Fish Health & Welfare Projects

Bakkafrøst actively participates in research projects aimed at enhancing fish health and welfare. Through its involvement in the Global Salmon Initiative, Bakkafrøst is working to develop an industry standard for health and welfare. The DigiHeart project is focused on one of the aquaculture industry's biggest challenges: heart diseases in salmon. This project seeks to understand the morphology of the heart and define the optimal shape for a healthy salmon heart.

Cardiomyopathy Syndrome (CMS) remains a concern, as it reduces fish tolerance to stress. Bakkafrøst has implemented CMS-resistant smolt across the Faroese farming sites, with the first generation of Faroese-bred salmon harvested in 2020. This has allowed Bakkafrøst to collect valuable data on CMS resistance and survival, forming a crucial part of the breeding program.

In Scotland, Bakkafrøst's fish health team collaborates with institutions such as the University of the West of Scotland, WellFish Diagnostics, Vertebrate Antibodies Limited, and the University of Aberdeen's Scottish Fish Immunology Research Centre. Together, these partners are developing antibodies to detect key immune markers in fish blood that indicate responses to health challenges.

Ongoing work in gill health includes scoring gills for Amoebic Gill Disease (AGD) and screening for pathogens. The company has also intensified its pathogen monitoring and screening through eDNA analysis of filtered sedation water during sea lice counting.

## Environmental Impact Projects

Bakkafrøst is committed to responsible environmental stewardship and participates in multiple projects to minimise aquaculture's impact on ecosystems. In partnership with Fiskaaling, an aquaculture research station, Bakkafrøst studies the interactions between salmon farming and wild trout populations. Additionally, Bakkafrøst is working on a modelling system for ocean currents

in Faroese fjords through collaboration with the University of the Faroe Islands. This model will provide a deeper understanding of the physical, biological, and environmental conditions affecting aquaculture, ensuring better decision-making and risk management.

Further environmental monitoring efforts include a collaborative project with Fiskaaling and industry partners to monitor algae levels in Faroese fjords. This initiative aims to establish a baseline for algae levels and explore the development of an early warning system for harmful algal blooms, helping Bakkafrøst prepare for potential climate-related changes.

To improve sea lice management, one of Bakkafrøst's veterinarians has developed a digital management tool that simulates sea lice development, identifies risk factors, and enables early intervention. This tool has significantly contributed to maintaining low sea lice numbers across Bakkafrøst's operations.

## Commitment to the Future

Bakkafrøst remains dedicated to advancing R&D in aquaculture, prioritising fish health, environmental stewardship, and sustainable growth. Continued investment in cutting-edge solutions will create long-term value for stakeholders and the communities where Bakkafrøst operates.

# Market Review

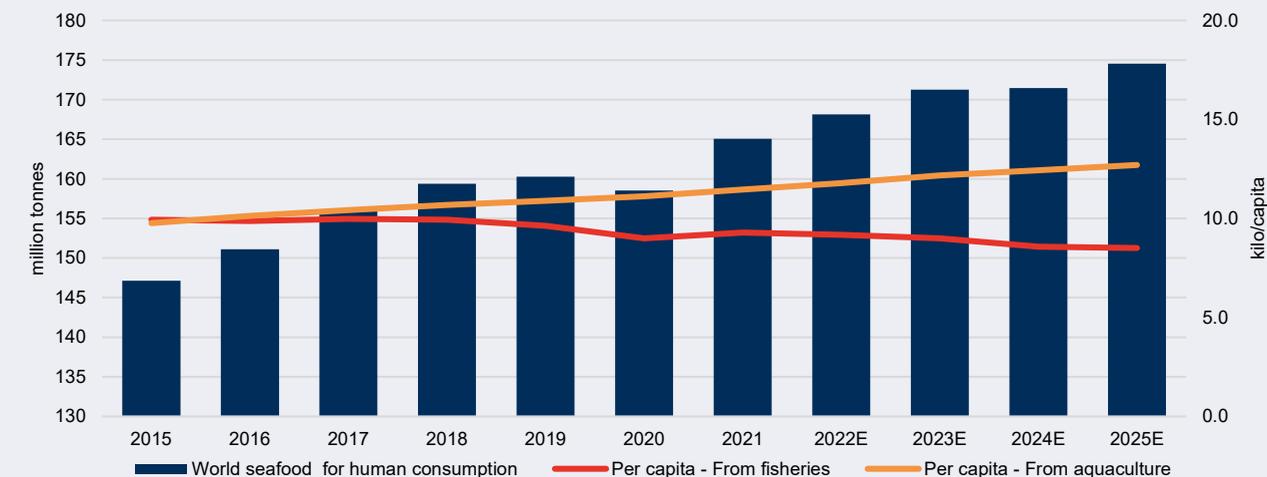
## SEAFOOD CONSUMPTION

Global fisheries and aquaculture production in 2023 was close to 230 million tonnes, comprising around 190 million tonnes of aquatic animals and 40 million tonnes of algae. Around 90% of aquatic animal production was used for human consumption, with the remainder largely directed to non-food uses such as fish-meal and fish oil.

Aquaculture production reached 136 million tonnes, with an estimated value of USD 365 billion. Production remains concentrated in a limited number of countries, while many low-income countries across Africa, Asia, Latin America and the Caribbean still have significant untapped potential. Of roughly 730 farmed species items, 17 staple species account for about 60% of global aquaculture output, while a broad range of other species remains important at local level. New farming technologies, including land-based and offshore solutions, are expanding the potential farming footprint, but typically require materially higher capital investment.

In global seafood trade, salmonids and shrimp remain the most traded species by value, followed by cod, hake and haddock, and tuna. In 2025, the global export value of farmed Atlantic salmon exceeded USD 25 billion, with global supply increasing by around 10% in volume.

## WORLD SEAFOOD PRODUCTION (FOR HUMAN CONSUMPTION) AND CONSUMPTION PER CAPITA



## WORLD SEAFOOD PRODUCTION (FOR HUMAN CONSUMPTION) AND KG CONSUMPTION PER CAPITA

	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E	2025E
World seafood for human consumption - tonnes	151	156	159	160	159	165	168	171	171	175
Per capita - From fisheries – kilo	9.9	10.0	9.9	9.6	9.0	9.3	9.2	9.0	8.6	8.5
Per capita - From aquaculture – kilo	10.1	10.4	10.7	10.9	11.1	11.5	11.8	12.2	12.4	12.7
Change %	3%	3%	2%	1%	-1%	4%	2%	2%	0%	2%
Accumulated change %	3%	5%	9%	11%	11%	10%	14%	16%	18%	18%

Source: FAO, Worldometers & Kontali prognosis

### MAIN MARKETS AND PRICE TRENDS 2025

After several years of limited supply growth supporting high spot prices, the salmon market in 2025 – particularly in the first half – was characterised by stronger supply. Higher volumes were absorbed by the market, albeit at lower price levels. This did not indicate structurally weaker demand; rather, it highlighted how effectively demand for salmon can expand and reach new markets when price levels support increased consumption.

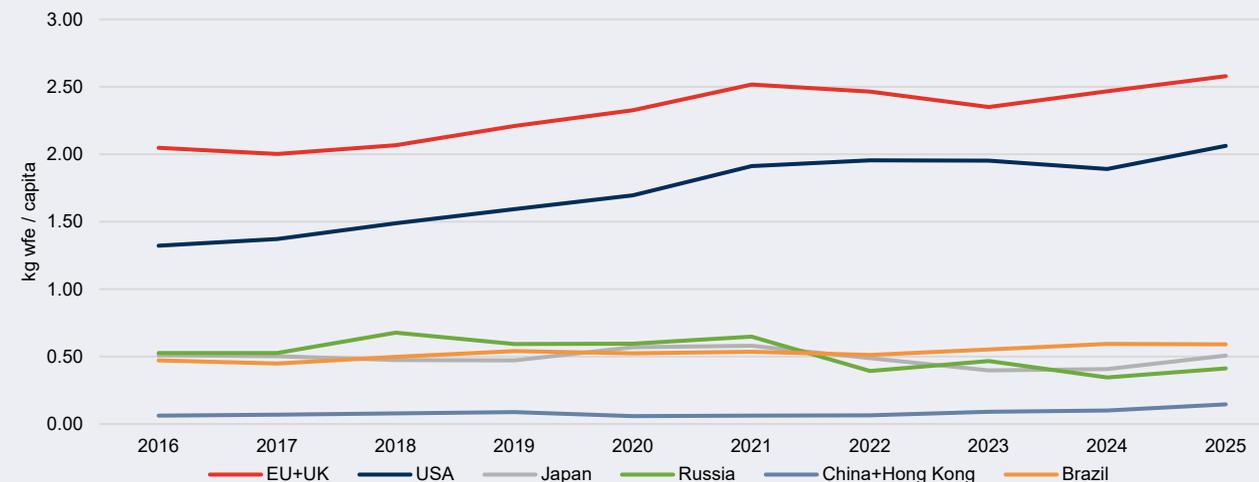
From a demand perspective, Europe remained the core market for Norwegian salmon, while the United States continued to increase in importance, both through direct imports and through value-added re-exports where Norwegian salmon is a key input. The year also reinforced a well-established feature of more mature European markets: incremental volumes are often cleared through retail-led activity. Promotional campaigns, discounts and coordinated supplier-retailer initiatives in the grocery segment were important drivers of higher consumption.

On the supply side, the most notable development was improved productivity, particularly in Norway. After several years of weaker productivity and limited growth, 2025 saw better operational performance in farmed salmon and large trout. A key factor was the shift in availability of superior whole salmon, which has the most direct influence on reference spot pricing. In previous years, a higher share of “production grade” fish reduced the availability of superior salmon, especially during the first four to five months of the year. In 2025, this trend reversed as the share of production grade normalised, increasing superior availability in the spot market.

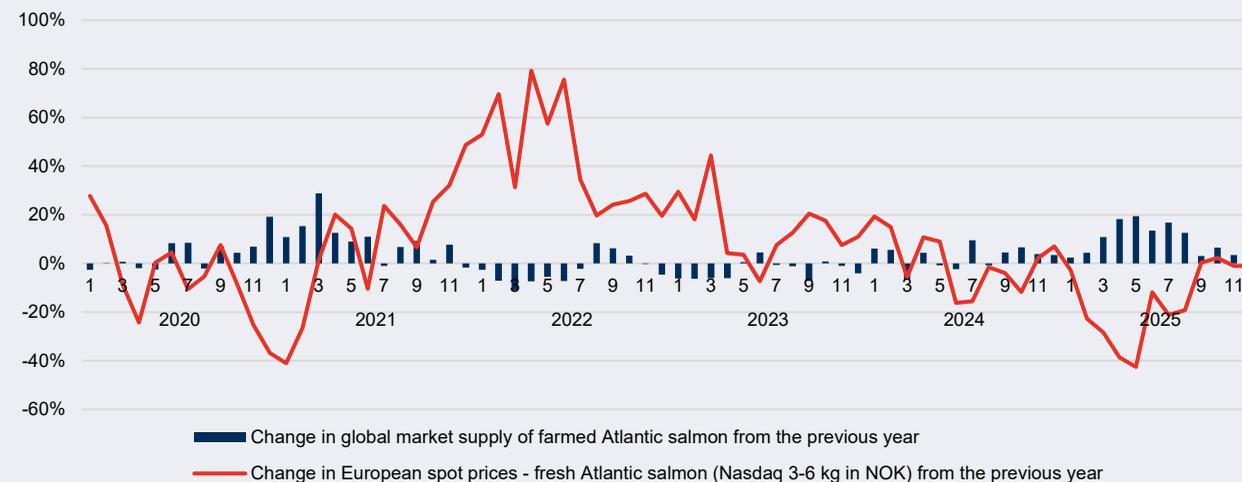
Outside Norway, supply growth in other European producing regions strengthened and, in several cases, exceeded growth in Norway, adding to overall availability in the key European market. Weather conditions were supportive in parts of the Northern Hemisphere, with sea temperatures in 2024 and especially 2025 above long-term norms in several areas. In colder-water regions, higher summer temperatures generally supported growth rates and harvest volumes, while also bringing operational challenges such as increased sea-lice pressure and occasional low-oxygen events. Chile also delivered strong growth in Atlantic salmon volumes and continued a positive productivity trend, contributing further to global supply growth alongside a build-up of frozen inventories in the latter part of the year.

Finally, higher US import tariffs increased cost pressure across the value chain and impacted the contract market and Chilean price achievement in the second half of 2025. Where these costs were passed further downstream, they had the potential to dampen demand. At the same time, salmon’s relative competitiveness versus other seafood categories was supported by the fact that several alternative imported seafood and protein products faced even higher tariff levels, partly offsetting the direct negative impact. Overall, 2025 was characterised by improved productivity and broader supply growth meeting demand that remained robust, but price-sensitive in core markets.

### PER CAPITA CONSUMPTION OF FARMED ATLANTIC SALMON FOR SELECTED MARKETS



### RELATIVE CHANGE IN GLOBAL SUPPLY OF ATLANTIC SALMON AND EUROPEAN SPOT PRICES



Source: FAO, Worldometers & Kontali prognosis

### U.S. MARKET

The United States is home to many of the world’s most influential seafood buyers and remains an important price-setting market, supported by structurally high import dependence. With domestic seafood production largely flat, the U.S. relies on international supply chains for more than 80% of the seafood it consumes. Consumption is also concentrated: shrimp remains the most consumed seafood species, with salmon the second-most consumed, and together with canned tuna these categories account for more than half of total seafood consumption.

In 2025, the U.S. salmon market increased by around 10% to just below 700,000 tonnes WFE, supported by higher supply from Norway and Chile. With a population of approximately 338 million, this corresponds to around 2.0 kg WFE per capita – or roughly seven salmon meals per person per year. This underlines salmon’s strong position within U.S. seafood, while also illustrating the still-modest penetration in the broader U.S. protein market, where chicken remains the lowest-cost comparable substitute.

At the same time, new U.S. tariffs introduced in 2025 materially changed the commercial backdrop. Tariff levels vary by country and species, increasing volatility and putting pressure on margins and contract structures. The changes have also accelerated adjustments in sourcing strategies and trade flows as the market moves into 2026.

	2024	2025	Change %
Chile	335,900	361,300	8%
Canada	83,200	76,500	-8%
Norway	100,100	119,500	19%
Faroe Islands	24,500	30,600	25%
United Kingdom	18,800	25,500	36%
USA	6,200	7,000	13%
Other	68,000	75,400	11%
<b>Total</b>	<b>636,700</b>	<b>695,800</b>	<b>9%</b>

### EUROPEAN MARKET

In 2025, the European market, including the United Kingdom, continued to expand. Total supply of farmed Atlantic salmon increased by 5% to 1.33 million tonnes WFE, following a 6% increase in 2024. This corresponds to average per capita consumption of around 2.6 kg WFE.

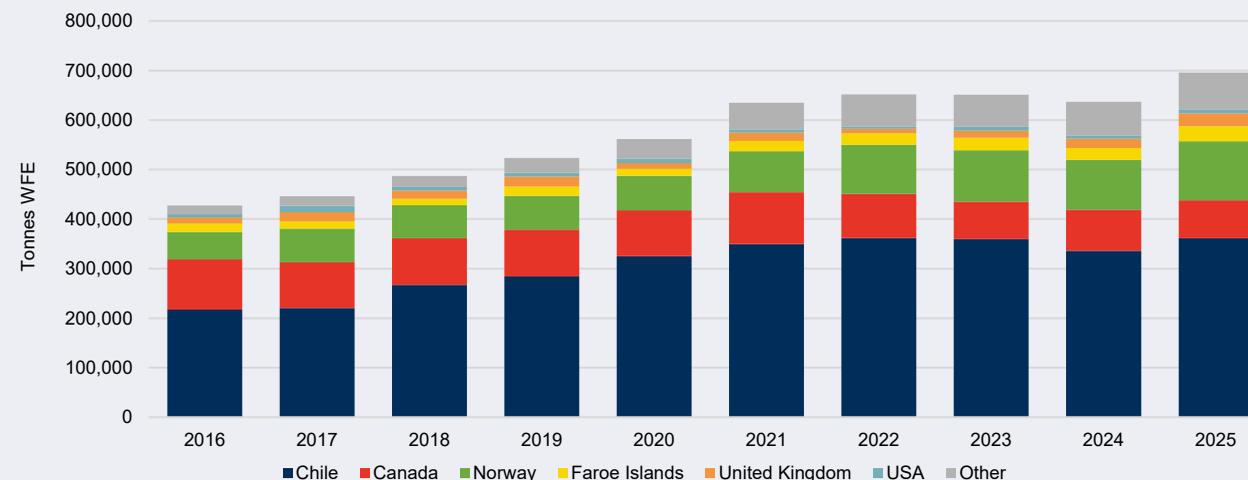
Consumption remains concentrated in Western Europe. Germany, France and the UK are the three largest salmon markets and together account for around half of total European consumption. Trade flows are also influenced by key secondary processing and distribution hubs – particularly Poland, Denmark and the Netherlands – which play an important role in filleting, smoking, value-added production and re-export across the region.

Over the past decade, the strongest structural demand growth has been seen in Southern Europe, especially in Italy and Spain, where salmon has steadily increased its share in both retail and foodservice. Other markets, including Poland, have also delivered strong growth, while consumption has gradually increased across parts of Eastern Europe.

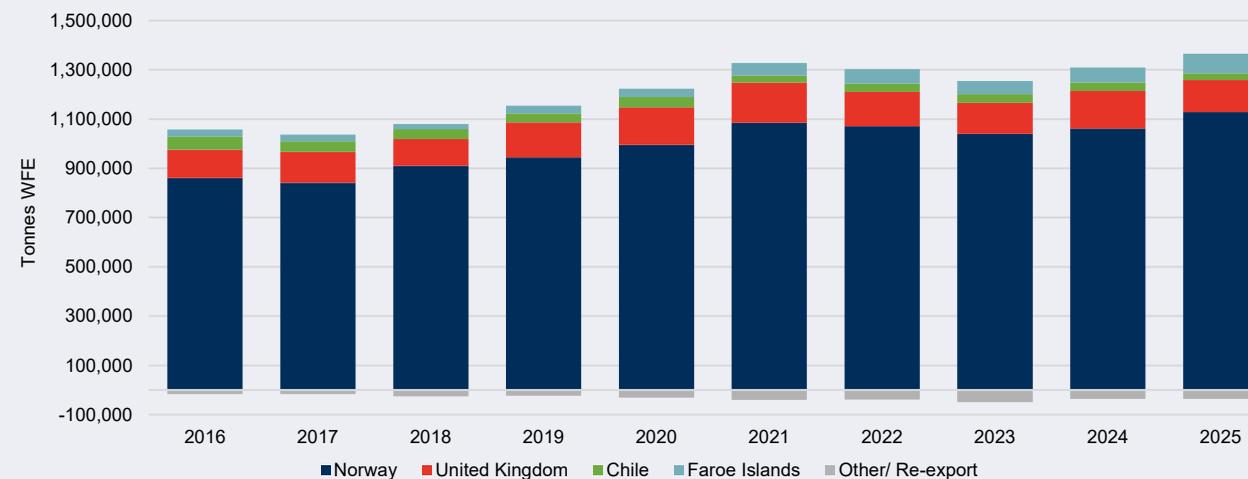
Despite inflation and cost-of-living pressures, salmon demand has remained resilient across both retail and foodservice in the post-covid period. The spot market remains dynamic, with industry players adapting through product formats and purchasing strategies to protect margins. Salmon has increasingly become a “must-have” category in European retail.

	2024	2025	Change %
Norway	1,061,700	1,128,300	6%
United Kingdom	152,300	130,500	-14%
Chile	33,700	26,700	-21%
Faroe Islands	61,200	79,500	30%
Other/ Re-export	-36,600	-36,100	-1%
<b>Total</b>	<b>1,272,300</b>	<b>1,328,900</b>	<b>4%</b>

### SUPPLY OF ATLANTIC SALMON IN THE US MARKET



### SUPPLY OF ATLANTIC SALMON TO EU+UK MARKET



Source: Kontali

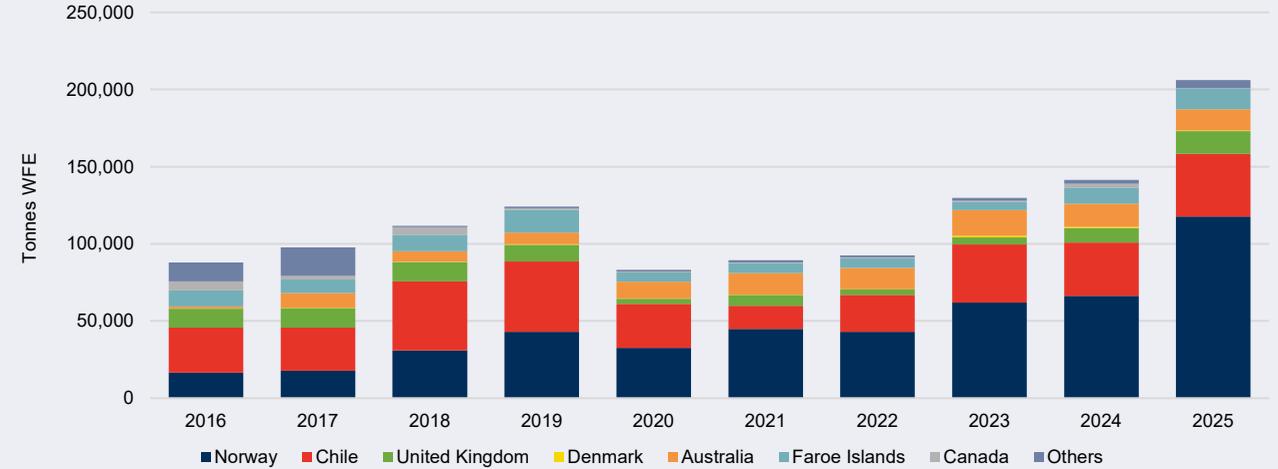
**CHINA AND HONG KONG**

Following China’s reopening after Covid-19, salmon demand rebounded with a time lag, but with strong momentum. Volumes recovered sharply in 2023 and reached a market record of around 141,000 tonnes WFE in 2024. Historically, the market has been dominated by fresh whole, larger fish (6+ kg) destined for foodservice. In recent years, demand has broadened through increased availability in retail, e-commerce and modern foodservice formats, with 5+ kg sizes becoming more widely accepted across China, Hong Kong and the wider Asian region.

In 2025, supplies of farmed Atlantic salmon – particularly from Norway – reached new record levels of around 206,000 tonnes WFE. Higher volumes were supported by lower prices, reduced airfreight costs and, in the second half of the year, a partial redirection of volumes away from the U.S. following tariff changes. Early 2026 has continued strongly, with record-high weekly export volumes from Norway and increasing downstream capacity supported by new industry participants and additional sales channels.

	2024	2025	Change %
Norway	66,300	117,670	77%
Chile	34,540	40,690	18%
United Kingdom	9,450	14,700	56%
Denmark	770	480	-38%
Australia	15,060	13,650	-9%
Faroe Islands	10,260	13,580	32%
Canada	2,510	160	-94%
Others	2,520	5,200	106%
<b>Total</b>	<b>141,410</b>	<b>206,130</b>	<b>46%</b>

**SUPPLY OF ATLANTIC SALMON TO CHINESE MARKET (INCL HONG KONG)**



Source: Kontali

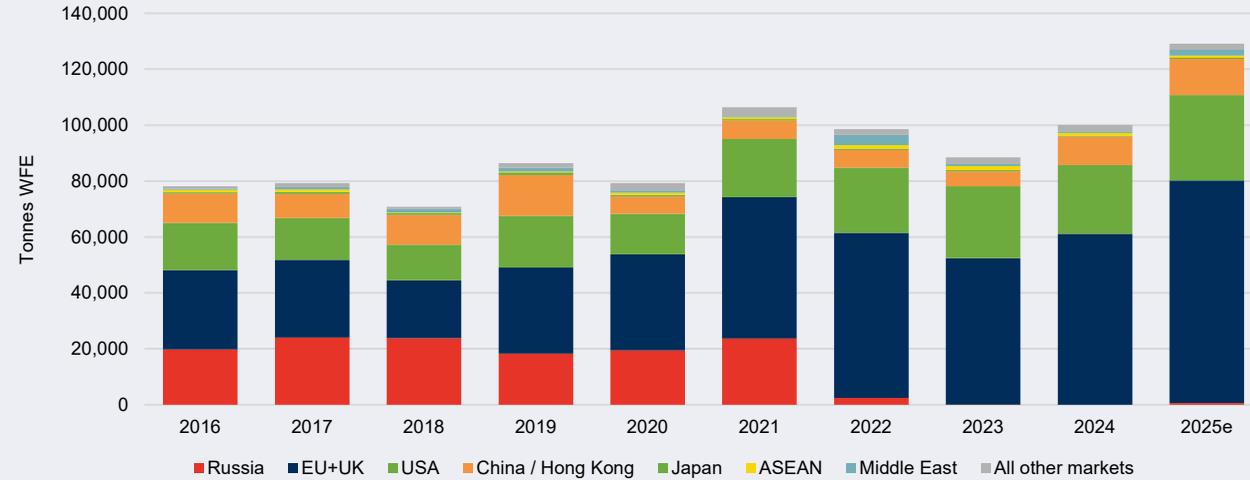
**SUPPLY OF FARMED ATLANTIC SALMON FROM THE FAROE ISLANDS**

The Faroese salmon industry continues to deliver strong biological performance, characterised by low loss rates and consistently high average harvest weights compared with other European producing regions. This has supported a leading smolt yield position in the global salmon sector. Production growth in the Faroe Islands has been underpinned by significant investments in smolt capacity and the implementation of a large-smolt strategy, which enables higher turnover of biomass in the seawater phase and, in part, higher stocking levels.

At the same time, the Faroese industry has faced biological and operational challenges, including fish health issues such as gill disease, stricter regulatory requirements, elevated sea-lice levels and occasional disruptions from adverse weather conditions.

In 2025, Faroese salmon exports saw a notable shift in trade flows, supported by favourable growth conditions, larger smolt and shorter production time. The European and U.S. markets together accounted for more than 80% of total volumes, with market shares at levels not seen since 2011. China remained the third-largest market for Faroese exports.

**FO SUPPLY OF ATLANTIC SALMON**



**FO SUPPLY OF ATLANTIC SALMON**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025e
Russia	19,798	24,096	23,812	18,276	19,465	23,665	2,468	24	0	635
EU+UK	28,384	27,793	20,629	30,773	34,354	50,576	58,967	52,371	61,157	79,534
USA	16,908	14,820	12,829	18,469	14,392	20,812	23,305	25,745	24,501	30,567
China / Hong Kong	10,401	8,722	10,625	14,690	6,204	6,584	6,346	5,263	10,258	13,026
Japan	452	690	582	870	658	525	501	452	217	266
ASEAN	942	834	279	343	799	702	1,247	1,538	1,057	835
Middle East	315	784	1,198	1,352	735	349	3,713	717	546	2,042
All other markets	881	1,572	837	1,673	2,709	3,210	2,060	2,385	2,366	2,219
<b>Total</b>	<b>78,081</b>	<b>79,312</b>	<b>70,790</b>	<b>86,445</b>	<b>79,315</b>	<b>106,423</b>	<b>98,607</b>	<b>88,495</b>	<b>100,104</b>	<b>129,123</b>

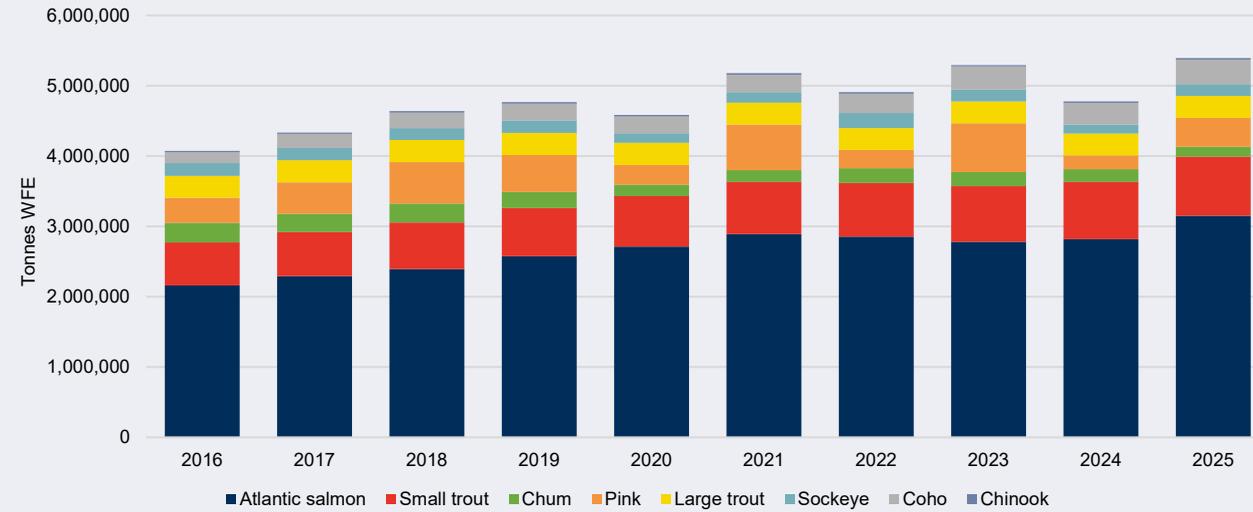
Source: Kontali

**GLOBAL SUPPLY OF ALL SALMONIDS**

In 2025, global supply of farmed and wild salmonids totalled 5.4 million tonnes WFE, representing a 13% increase year-on-year and surpassing the previous record set in 2023. The growth was primarily driven by higher output of Atlantic salmon and increased wild-caught pink salmon volumes.

Atlantic salmon remained the dominant species, accounting for close to 60% of total supply. Norway represented 54% of global harvest volumes and increased production by almost 200,000 tonnes WFE in 2025. Chile also delivered strong growth, with volumes increasing by more than 100,000 tonnes WFE. Across all producing regions, total harvest volumes increased by around 340,000 tonnes WFE, corresponding to a 12% year-on-year increase.

**HISTORICAL SUPPLY OF ALL SALMONIDS**



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Atlantic salmon	2,160,840	2,292,590	2,394,930	2,576,820	2,712,040	2,888,700	2,852,700	2,779,700	2,817,300	3,152,000
Small trout	610,600	626,500	660,400	685,100	718,400	741,800	765,000	789,200	813,400	839,600
Chum	280,900	261,100	268,600	229,000	164,600	167,100	209,100	204,300	184,100	141,400
Pink	353,200	447,900	591,400	525,100	279,400	648,000	258,300	692,100	196,100	411,900
Large trout	311,300	311,300	311,300	311,300	311,300	311,300	311,300	311,300	311,300	311,300
Sockeye	183,000	173,700	171,600	178,500	138,800	154,200	214,300	166,800	126,800	165,200
Coho	154,100	201,500	219,900	240,500	237,800	246,300	277,700	331,600	306,300	350,800
Chinook	19,200	19,900	19,800	20,300	21,800	21,100	20,800	18,800	21,900	21,200
<b>Total</b>	<b>4,073,140</b>	<b>4,334,490</b>	<b>4,637,930</b>	<b>4,766,620</b>	<b>4,584,140</b>	<b>5,178,500</b>	<b>4,909,200</b>	<b>5,293,800</b>	<b>4,777,200</b>	<b>5,393,400</b>

Source: Kontali

### GLOBAL HARVEST OF FARMED ATLANTIC SALMON

Norway is the world's largest producer of Atlantic salmon and accounted for 54% of global production in 2025. Growth is primarily governed by the licensing and biomass regime, where Maximum Allowable Biomass (MAB) limits apply per licence and site. The Traffic Light System further regulates capacity across 13 production areas, with biomass adjusted every second year based on environmental performance, particularly sea-lice impact. In recent years, additional allocations have supported higher stocking in Northern Norway. At the same time, strict sea-lice requirements and frequent treatments have reduced productivity and kept peak capacity utilisation below historical levels. In 2025, improved winter growth supported better performance for the 2024 generation and contributed to higher capacity utilisation, resulting in a 12% increase in harvest volumes. Norway is also progressing an aquaculture reform agenda. For now, policymakers have signalled mid-term continuity in the MAB and Traffic Light framework, while working on stronger incentives to improve environmental impact.

Chile is the second-largest Atlantic salmon producer and contributed 26% of global production in 2025. The regulatory framework is site- and permit-based, with concessions and environmental and sanitary approvals effectively setting production limits. With limited availability of new sites, growth has mainly been driven by improved utilisation of existing capacity and potential portfolio restructuring. In 2025, Chilean harvest volumes increased to a record level, just above 800,000 tonnes WFE. Following Chile's 2025 election and the incoming administration in 2026, the industry expects a more pro-industry policy direction, which could improve growth visibility if it translates into more efficient permitting and a more flexible concession framework.

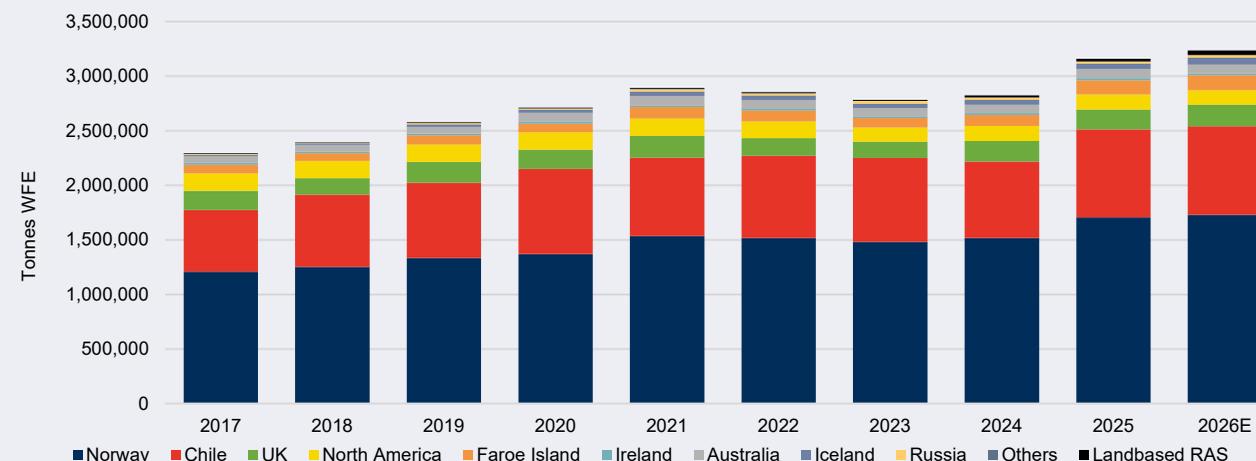
In Europe, growth is primarily constrained by licensing complexity and environmental limits rather than access to rapid new capacity. Scotland operates under a multi-permit model, which tends to slow expansion and makes volume development largely dependent on operational performance at existing sites. The Faroe Islands operate with a licence structure and area-based management, where volume development is largely productivity-driven, supported by post-smolt investments that increase turnover. Iceland is regulated through site licences with defined biomass limits linked to environmental assessments, with expected regulatory changes to be implemented in 2026, allowing stepwise increases where local conditions permit. Europe (Scotland, the Faroe

Islands and Iceland) represented 12% of global Atlantic salmon harvest volumes in 2025.

Kontali's best estimate for FY 2026 indicates limited global harvest growth of 2.0–3.0%. However, market supply may increase by 5.0–6.0% when adjusting for changes in frozen inventory and supply flows. This should be seen in the context of the frozen inventory build-up in H2 2025 and expected inventory sales during 2026.

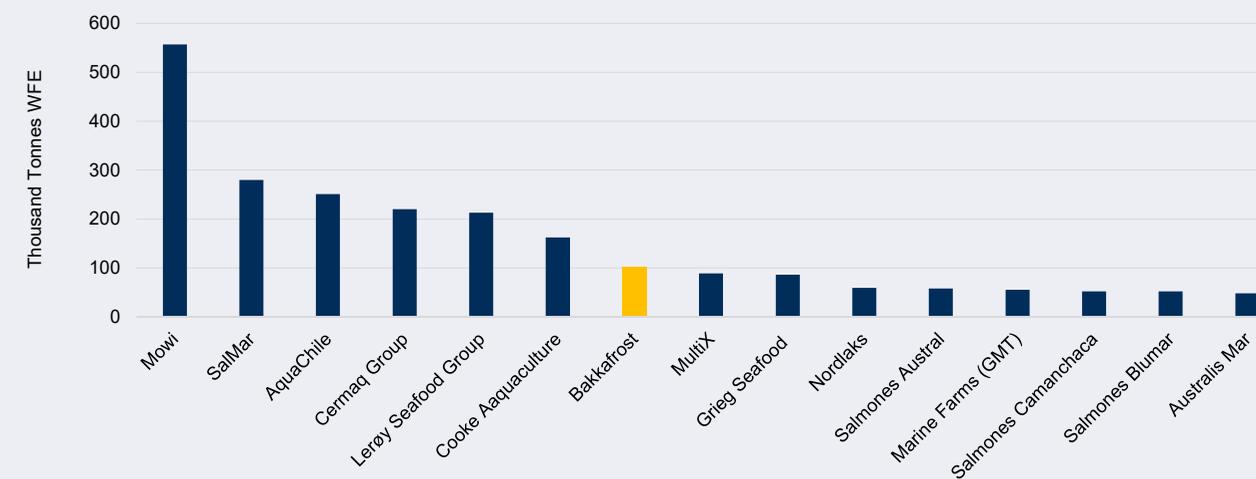
	2025	2026E	Change %
Norway	1,704,800	1,728,100	1%
Chile	807,200	812,500	1%
UK	183,300	196,600	7%
North America	137,300	134,500	-2%
Faroe Island	128,900	137,000	6%
Ireland	19,300	15,500	-20%
Australia	83,000	83,000	0%
Iceland	51,300	63,400	24%
Russia	19,000	23,500	24%
Others	400	600	50%
Landbased RAS	24,800	41,700	68%
<b>*Total</b>	<b>3,159,300</b>	<b>3,236,400</b>	<b>2%</b>

### HARVEST OF ATLANTIC SALMON IN TONNES (tonnes wfe)



### TOP 15 - FARMING COMPANIES (SALMONIDS)

In 2024, Bakkafrost was the 7<sup>th</sup> largest producer of farmed salmonids



Source: Kontali

**FISH MEAL AND FISH OIL MARKETS**

Total feed consumption for ocean-farmed salmonids was around 5.5 million tonnes in 2025. Production capacity in Norway and Europe is approaching full utilisation, and investments are being made to support long-term growth and secure access to feed raw materials.

Over the past decade, the share of marine ingredients in salmonid feed has gradually declined. Nevertheless, prices for fishmeal and fish oil continue to influence delivered feed cost. Feed remains the single largest cost component in salmon farming, representing around 50–55% of cost of production.

Global fishmeal and fish oil markets tightened again following the recovery in 2024. Peru’s second anchoveta season quota was set at 1.63 million tonnes to be landed before end-January 2026, above earlier indications. This suggests fishmeal production of more than approximately 380,000 tonnes, while fish oil output remains less predictable due to variable yields. With a significant share of Peruvian volumes presold, near-term export availability is limited, supporting higher prices for this constrained resource.

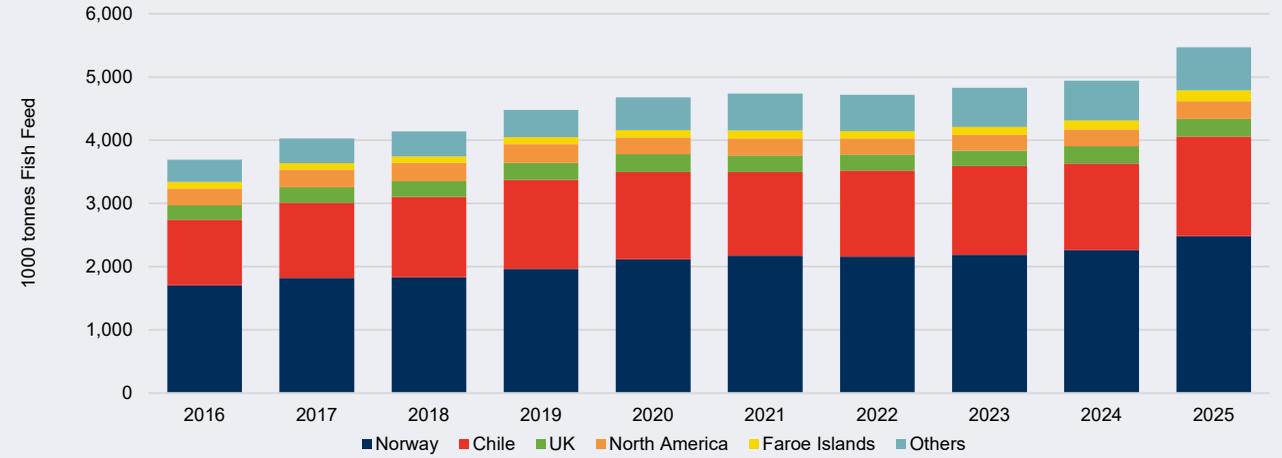
In Europe, raw material supply is expected to become more challenging. Blue whiting quotas – an important input to fishmeal – have been reduced by around 40% to about 850,000 tonnes, while capelin availability remains uncertain and likely low. Trimings are becoming increasingly important, but reduced mackerel and North Sea herring quotas are also expected to lower the availability of rest raw materials for fishmeal producers. Taken together, these factors are moving Europe from near self-sufficiency towards higher import dependency.

On the demand side, China remains the dominant market for global fishmeal trade, with Peru supplying the majority of volumes. Peruvian exports to China reached 848,000 tonnes, representing 87% of Peru’s fishmeal exports. With aquaculture continuing to expand and demand for fish oil increasing for human consumption, competition for limited volumes remains elevated. Prices moved higher in Q4 2025 and have continued to increase into 2026.

**FISH FEED - RAW MATERIAL PRICES**



**ESTIMATED FEED CONSUMPTION/SALE TO SALMONID FOR SELECTED SALMONID PRODUCING REGIONS**



Source: Kontali



Source: Kontali

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# General Information

List of disclosure requirements		Page reference
<b>ESRS 2 - General Disclosures</b>		
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**ESRS 2 BP-1  
BASIS FOR PREPARATION**

Bakkafrost's Sustainability Statement is prepared according to the European Sustainability Reporting Standards (ESRS) issued by the European Financial Reporting Advisory Group (EFRAG). It comprises environmental, social, and governance disclosures as well as entity-specific disclosures for the period 1 January to 31 December 2025.

In addition to the European Sustainability Reporting Standards, reference is also made to the Commission Delegated Regulation (EU) 2025/4812 (the "CSRD Quick Fix" delegated act), which allows companies to omit information that would otherwise be required to be disclosed.

The Sustainability Statement is prepared on a consolidated basis, following the scope of the company's financial statement. It includes ESG performance data for P/F Bakkafrost and the subsidiaries over which P/F Bakkafrost has a controlling influence either by shareholding or by agreement. A controlling interest is normally deemed to exist when ownership directly or indirectly exceeds 50% of the voting rights.

Unless otherwise stated, the Sustainability Statement covers Bakkafrost's full upstream and downstream value chain. While uncertainties have not been quantified, it is assumed that reported value chain-related information may be associated with uncertainty because the company is still in the process of engaging value chain stakeholders for stakeholder-specific sustainability data.

**ESRS 2 BP-2  
SPECIFIC CIRCUMSTANCES**

**Accounting estimates**

Since sustainability reporting is still a relatively new area for Bakkafrost — especially compared to financial reporting — and some metrics have only recently been introduced as a result of the double materiality assessment and the introduction of the ESRS, certain judgements, estimates, and random sampling have been applied in some areas, affecting the reported data.

Key accounting estimates and judgements have been applied to the data, presented in the following table:

SECTION	KEY ACCOUNTING ESTIMATES AND JUDGEMENTS	ESTIMATE /JUDGEMENT	IMPACT ON ACCURACY
Climate change	GHG emissions from Upstream transport of purchased goods are calculated based on estimated distances from supplier to site. However, in 2025, we enhanced the accuracy of these calculations by incorporating verified country-of-origin data for our most significant suppliers by purchase volume.	Estimate	Medium
Climate change	GHG emissions from the Downstream transport of sold products involve the estimation of distances to customers.	Estimate	Medium
Climate change	GHG emissions from Business travel and Employee commuting are based on estimates based on expenses for Business Travel and headcount for Employee commuting.	Estimate	Low
Climate change	GHG emissions from Processing of sold product, Use of sold product, and End-of-life treatment are based on assumptions of energy used by consumers and end-users per kilogramme of sold product as well as assumed waste destinations.	Estimate	Medium
Pollution	The reported consolidated emissions to water are estimated based on the amounts of salmon feed fed during the reporting period.	Estimate	Medium
Water and Marine Resources	Estimates at some sites are used to determine the amounts of water withdrawn and, thus, the water consumption in direct operations. The total volume of water recycled is partially based on estimates of the time for all water in the sites to be recirculated once. Water discharges are also estimated for several sites, as metres are still to be installed at the discharge point.	Estimate	Medium
Water and Marine Resources	The share of procured ensilage that is certified/part of improver programs has been determined using judgement, as the exact contents cannot be fully determined. Ensilage accounted for a small percentage of the total marine resources sourced in the reporting year.	Judgement	Low
Resource Use and Circular Economy	Waste estimates have been applied to some degree when the weight of the waste was not recorded.	Estimate	Low

**Time horizons applied**

Bakkafrost applies its own time horizons for reporting purposes and risk assessments. Bakkafrost has a short-term time horizon from 0 to 2 years, which reflects the life cycle of a generation of salmon. The medium-term horizon is 3 to 5 years, reflecting the time horizon of Bakkafrost's investment plans. The long-term time horizon is defined as 6+ years. This allows long-term impacts, risks, and opportunities to be addressed, in particular anticipated long-term physical climate risks.

**Changes in preparation of sustainability information**

The following metrics have been deleted/included compared to last year's Sustainability Statement:

E2-4 Substances of concern	Deleted	Emissions fall under the materiality threshold
E2-5 Substances of very high concern	Deleted	Emissions fall under the materiality threshold
Entity-specific: Inclusion of marine-based ingredients in feed	Included	Included to show trends and flexibility in feed composition

**Reporting errors in prior periods**

We have established an accounting policy for ESG metric adjustments to guide our assessment of whether previously reported figures should be restated due to an error or a change in

accounting policy. If a restatement is deemed necessary based on materiality, we clearly disclose it in the relevant accounting policy table alongside the affected metric.

The most material changes of metrics in the comparison year relate to:

- **Water intensity:** The water consumption in the prior reporting has been recalculated resulting in a significant increase in water consumption which also leads to water intensity being restated. The figure for 2024 is now much higher than what was reported in the 2024 report – the original water consumption reported was 232,527 m3 and has been restated to 1,367,150 m3.
- **Non-virgin materials:** Due to transcription errors, the share of the resource inflow which was non-virgin materials was reported much higher than what was the case. We have now changed the reported 2024 figure from 30% to 10%.

Each year, we strive to improve the accuracy of our GHG reporting, particularly for scope 3 emissions, which are inherently challenging to measure precisely. As part of our approach, whenever we enhance data capture during the current reporting year, we also apply these improvements retroactively to previous years, ensuring our historical figures reflect the most accurate and comprehensive data available.

**Disclosure stemming from other sustainability reporting standards**

As the sector-agnostic ESRS standards are the only reporting standards that have been released so far as a result of the EU Corporate Sustainability Reporting Directive (CSRD), we continue to apply other reporting standards as we have done in previous years to support the transparency in our reporting. These include calculation methodologies, which have been prepared and decided by members of the Global Salmon Initiative (GSI), and methodologies as stated in certifications and national legislation. Metrics that have been prepared with reference to the GSI methodology handbook include:

- Fish escapes
- Fish mortality
- Antibiotic use

Metrics which are reported with reference to the Aquaculture Stewardship Certification (ASC) include:

- Impact of marine farming sites on biodiversity-sensitive areas

Metrics which are reported with reference to national regulatory standards are:

- Sea lice levels
- Organic loading of seabed (scored with reference to the MOM-B system for the Faroe Islands and SEPA for Scotland)

Metrics which are reported with reference to the Global Reporting Initiative (GRI) include:

- Percentage of harvest volume from sites certified to third-party animal health and welfare standard

**External review**

All quantitative data included in the Sustainability Statement are covered by limited assurance performed by our auditor Januar -

Løggilt Grannskoðanarvirki. An independent assurance report can be found at the end of the report.

**Incorporation by reference**

As outlined in ESRS 2 BP-2, information can be incorporated into the sustainability statement by referencing other disclosures. The table below provides an overview of disclosure requirements, which have been incorporated by reference.

**List of data points incorporated by reference**

The table below provides an overview of where information can be found relating to ESRS disclosures that have been incorporated by reference and stated outside of the sustainability statement as part of other sections of this Annual Report. All information can be found in the Management report.

Disclosure requirement	Data point	Paragraph	Section	Page
ESRS 2 GOV-1	§20 a	Composition of the Board	The Board of Directors	31
ESRS 2 SBM-1	§40 a	Key elements of the company's general strategy	Business Model & Performance	11, 35
ESRS 2 SBM-1	§40 b	Breakdown of total revenue	Note 2.3	194
ESRS 2 SBM-1	§40 e	Description of sustainability-related goals	Strategy, Sustainable Growth, Healthy Living Plan	21-24
ESRS 2 SBM-1	§40 f	Assessment of current products in relation to sustainability-related goals	Business model	11
ESRS 2 SBM-1	§40 g	Main challenges etc.	Business model	11
ESRS 2 SBM-1	§42	Description of business model and value chain	Business model	11
MDR-A	§69 b	Provide the amount of current financial resources and explain how they relate to the most relevant amounts presented in the financial statements	Note 2.3	194

## ESG Governance

### ESRS 2 GOV-1 SUSTAINABILITY GOVERNANCE

Effective governance mechanisms are essential for managing a business's impacts, risks, and opportunities related to sustainability. As a result, we have established a sustainability governance framework to guide the company's decision-making processes.

#### Roles and responsibilities for managing impacts, risks and opportunities

The Board of Directors oversees and has overall responsibility for managing sustainability-related impacts, risks, and opportunities (IROs), and for sustainability reporting. This includes reviewing and approving sustainability-related business targets.

The Board of Directors has delegated the day-to-day responsibility for managing the organisation's sustainability-related IROs to the CEO. However, the Board of Directors must approve major decisions and investments into climate and energy transition above DKK 5 million.

Responsibility for legal compliance and for reporting of impacts and risks is delegated to the Group Sustainability Director. At every board meeting, the CEO reports to the Board on sustainability-related IROs.

#### G1 Disclosure requirement related to ESRS 2 GOV-1: Role of the Board related to Business Conduct

The Board of Directors has ultimate responsibility for developing, approving, and overseeing the implementation of key policies, including Bakkafrøst's Corporate Governance Principles, which includes Bakkafrøst's Code of Conduct addressing topics such as anti-corruption, tax payments, relations with customers, suppliers, competitors and public authorities, environmental issues, and various other topics.

The Code of Conduct stipulates that Bakkafrøst shall regularly check that all aspects of the Code of Conduct are followed as an integrated part of internal/external auditing, vendor assessment, etc. The results of such evaluations and audits are reported and discussed at Board meetings.

The members of Bakkafrøst's Board of Directors bring extensive expertise in governance, risk management, sustainability, and ethical leadership. Several board members have significant experience in legal compliance, corporate governance, and environmental stewardship within the aquaculture industry and related sectors.

This expertise ensures that our leadership is well-equipped to uphold and promote high standards of business conduct throughout the organisation.

Assessing the level of expertise in business conduct matters is an integrated part of the annual review of the Board's competencies.

#### Risk & impact management

The management of sustainability-related risks and impacts follows our risk management framework. Risks and impacts are identified and reported through group and department forums. If they are assessed to be significant, they are escalated through the reporting hierarchy and eventually reported and discussed at the board level.

Dialogue and transparency with stakeholders or potentially affected communities and authorities are key elements in the process in order to mitigate any impacts caused by the organisation's operations.

The Board has delegated the implementation of stakeholder engagement to the Group Executive Management. Stakeholders are regularly consulted to identify potential risks and concerns. We regularly engage with investors and customers through regular meetings and our biennial events, the Capital Markets Day and the Bakkafrøst Summit. Community stakeholders are regularly consulted through our sustainability materiality assessment, and we partner with community stakeholders to support management in cases of impact.

The Board is responsible for overseeing the organisation's due diligence and the effectiveness of risk management processes. The board reviews the organisation's processes in relation to due diligence on an annual basis.

#### Board composition

The 'Directors' Profiles' section discloses information about the board of directors, including the number of executive and non-executive members, gender distribution, independence, and experience relevant to Bakkafrøst's sectors, products, and geographic locations.

As of the end of the reporting period, no employee representatives were members of the Board of Directors.

## Sustainability Governance in Bakkafrøst

### Board of Directors

Meets around 10 times a year

Responsible for setting the strategic direction for sustainability at Bakkafrøst, including overseeing and having the overall responsibility of sustainability management and reporting at Bakkafrøst. Responsibility of the board in relation to sustainable development includes:

- Approving the Group climate-related targets and monitoring progress against targets.
- Approving annual sustainability report.
- Approving significant sustainability initiatives, including projects and participation in sustainability-related disclosures and initiatives.
- Overall responsibility for the management of risks and opportunities in relation to climate change and sustainability topics in a broader sense.

Chair, **Rúni M. Hansen**, Chairman of the Board

### Group Executive Management

Weekly meetings (or more if relevant)

The Group Executive Management is responsible for the implementation of sustainability programmes, including:

- Monitoring progress against sustainability targets at an operational level.
- Approving sustainability related policies.
- Responsibility for the implementation of sustainable solutions in the value chain.
- Responsibility for reporting operational risks to the board of directors, including climate-related risks.
- Assessing material sustainability topics.

### Group Sustainability Committee

Meets six times a year (or more if relevant)

A board committee appointed by the Group Executive Management to oversee the implementation and performance against the company's sustainability strategy.

- Development and implementation of Bakkafrøst Corporate Responsibility & Sustainability Policy
- Overseeing implementation and performance against Bakkafrøst's sustainability strategy commitments.

Chair, **Regin Jacobsen**, CEO

### Key Executives

Weekly meetings

- Responsible for the everyday implementation of sustainability measures.

**Competence of the Board of Directors**

We are committed to promoting the shift towards a sustainable global food system. We acknowledge that it is essential for our governance bodies to have a deep understanding of sustainability issues. When selecting new Board members, we prioritise individuals who are members of or are affiliated with organisations and associations that are directly involved in promoting sustainability. For example, the chairman of the Board is a member of the UN Global Compact’s Platform for Sustainable Ocean Business, which seeks to leverage ocean-based climate solutions, particularly in four action areas: zero-emission maritime transport, low-carbon blue food, harnessing offshore renewable energy and nature-based solutions.

To ensure decisions on sustainability issues are well-informed and science-based, the Board of Directors is continuously updated on both general as well as company-specific sustainability topics and trends. Where deemed necessary, the Board receives training or briefing on sustainability topics, either through external consultancy or from in-house experts.

The competence of the members of the Board of Directors is reviewed annually. More information on the competence of the members can be found under the section The Board of Directors, found in the Management Report.

**The effectiveness of our sustainability management**

To ensure effective sustainability management in the organisation, including effective due diligence processes and risk management, external independent audits and performance reviews are carried out annually at several levels, including the Board of Directors and the Group Sustainability Committee. In addition, we perform quality assurance through certifications and standards such as the Aquaculture Stewardships Council (ASC) and ISO 9001.

**Process for setting sustainability-related targets**

We have a structured and collaborative process for setting our sustainability targets, which is overseen by the executive management, including the CEO, and the sustainability committee.

The Sustainability department creates a draft long-list of targets based on various parameters, including ambitions to manage impacts, risks, and opportunities assessed to be material via our double materiality assessment and ambitions to comply with

internationally recognised targets such as reducing carbon emissions in line with the Paris Agreement. In creating the long-list, we also investigate sustainability-related trends and demand from consumers and investors, including topics important to the company’s most important stakeholders.

Feedback and input on the long-list are provided by the Group Management and senior executives during a strategy seminar. The final targets are then approved by our Group Management and the Board and communicated to our employees and stakeholders.

The Board and Group Management have established a set of KPIs to provide valid, transparent, and practical information. These KPIs serve as a foundation for monitoring progress against the sustainability targets that address the Group’s key impacts, risks, and opportunities, and they support informed decision-making. The progress is discussed at every board meeting and at weekly Group Management meetings. Progression against the targets is also discussed at our sustainability committee meetings which the CEO chairs.

**Embedding sustainability in the organisation**

Our Healthy Living Sustainability Strategy sets out the aim, the purpose, and our goals. The company policy is to produce healthy salmon with sustainable use of resources, minimum impact on the environment, maximum respect for people, and optimum value for its stakeholders and society. Policy commitments are embedded in the organisation through various mechanisms. Sustainability-related policies are reviewed and approved by the CEO. Each management-level position has sustainability-related responsibilities assigned to it, and these responsibilities are delegated as follows:

- Executive leadership: Ensuring governance of the company’s sustainability ambitions and that sustainability commitments are integrated into corporate strategies and policies.
- Sustainability department: Responsible for driving sustainability in the organisation, ESG reporting, compliance with regulations and sustainability standards, and support for the rest of the organisation to deliver on sustainability targets, including advisory for managers and employees on how to implement policy commitments.

- Quality/Biology department: Responsible for avoiding and/or minimising the environmental and biological impact in operations.
- Finance department: Responsible for corporate governance, business conduct and compliance with legal regulations.
- Human Resources department: Responsible for compliance with human rights, employee engagement
- Health & Safety department: Responsible for health and safety in the organisation.
- Procurement department: Responsible for ensuring a sustainable supply chain.
- The Group Sustainability Committee: Is responsible for assessing the competence needed and for providing necessary training for employees, who are responsible for implementing the policy commitments.

**ESRS 2 GOV-2 SUSTAINABILITY INFORMATION PROVIDED TO THE BOARD OF DIRECTORS**

The Board of Directors is responsible for reviewing and approving reported information regarding the company’s impact on the economy, environment, and people. For every board meeting, the Board receives a report on the management of material impacts, risks, and opportunities as well as the results and effectiveness of policies, actions, metrics and targets adopted to address these.

The Board of Directors regularly receive updated enterprise risk management overviews. Sustainability impacts, risks, and opportunities are integrated into the enterprise risk management framework. The Board of Directors takes these risks into consideration when overseeing the company’s strategy and when making decisions on major transactions. We are, however, still in the process of incorporating sustainability aspects into the procedures for decision-making. This includes quantifying and describing the impacts, risks, and opportunities to ensure that any potential trade-offs are thoroughly outlined.

In 2025, the Board reviewed and approved updated policies covering climate, biodiversity, water management, procurement and resource use, human rights and labour rights, workplace culture and inclusion, tax, and engagement with affected communities. These policy approvals reflect Board-level oversight across the Group’s key environmental, social and governance (ESG) topics.

**Sustainability Topics Discussed by the Board in 2025**

Sustainability Topic	Discussed (✓/X)
<b>Environmental</b>	
Climate change & carbon footprint	✓
Renewable energy & energy efficiency	✓
Water management	✓
Biodiversity & ecosystem impact	✓
Circular economy & waste reduction	✓
Sustainable feed sourcing	✓
Emissions & pollution control	✓
Climate risk assessment & adaptation	✓
<b>Social</b>	
Human rights & supply chain due diligence	✓
Workforce well-being & safety	✓
Diversity, equity & inclusion	✓
Community engagement & social impact	✓
Labour rights & fair wages	✓
Employee training & development	✓
<b>Governance</b>	
ESG reporting & compliance (CSRD/ESRS)	✓
Risk management & sustainability integration	✓
Sustainability-linked executive remuneration	✓
Business ethics & anti-corruption	✓
Stakeholder engagement & transparency	✓

## ESRS 2 GOV-3

### INTEGRATION OF ESG IN REMUNERATION

Our remuneration policy for Board members does not currently incorporate any key performance indicators linked to sustainability. We recognise the importance of such a tool for driving sustainable development and are exploring how to implement it.

We have, however, implemented a bonus scheme for all employees (including the management), which integrates sustainability-linked KPIs.

#### E1 Disclosure requirement related to ESRS 2 GOV-3

Progress towards, or achievement of, climate-related targets has not yet been incorporated into the remuneration policy for Bakkafröst's Board members.

Please refer to our Remuneration Report 2025 (found on our website) for further details on the remuneration of the Board members.

## ESRS 2 GOV-4

### STATEMENT ON DUE DILIGENCE

Core elements of due diligence	Paragraphs in the Sustainability Statement
Embedding due diligence in governance, strategy, and business model	ESRS 2 GOV-2; ESRS 2 GOV-3; ESRS 2 SBM-3
Engaging with affected stakeholders at all key steps	ESRS 2 GOV-2; ESRS 2 SBM-2; ESRS 2 IRO-1; Environment: E3-1; E4-2 Social: S1-1; S1-2; S1-3; S2-2; S3-2; S4-2 Governance: G1-1; G1-2
Identifying and assessing adverse impacts	ESRS 2 IRO-1 Environment: E2-2 Social: S1-3; S2-3; S3-3; S4-3
Taking actions to address those adverse impacts	Environment: E1-3; E2-2; Social: S1-4; S2-4; S3-4; S4-4 Governance: G1-3
Tracking the effectiveness of these efforts	Environment: E1-4; E1-5; E1-6; E3-3; E3-4; E4-4; E5-3; E5-3; E5-5 Social: S1-4; S1-5; S1-8; S1-9; S1-10; S1-12; S1-13; S1-14; S1-16; S1-17; S2-5; S3-5; S4-5 Governance: G1-4; G1-6; Entity-specific metrics

## ESRS 2 GOV-5

### SUSTAINABILITY REPORTING RISK MANAGEMENT

Bakkafröst is actively working to integrate sustainability reporting into the company's corporate reporting governance. As a foundational step, the sustainability department has initiated the development of a formal risk management and internal control system for sustainability reporting, aligned with the COSO 'Achieving Effective Internal Control over Sustainability Reporting (ICSR)' framework.

This control environment is still developing and is not yet at the same maturity level as our financial reporting.

The primary element of this system is an annual risk assessment. In 2025, the prioritisation methodology within the risk assessment process was revised, and it now prioritises topics based on a combination of:

- **Materiality:** The importance of a topic as determined by our Double Materiality Assessment (DMA).
- **Likelihood of Error:** The assessed likelihood of reporting errors, for which last year's revision protocols were a key input. The findings from this assessment will guide the prioritisation of control implementation.

As the framework is still under development, we are yet to perform the first complete annual risk assessment which will determine the areas of reporting with the highest risk of inaccurate reporting.

Once we have performed our first complete reporting risk assessment, we will apply the following process to mitigate risk of reporting errors:

- **Establishing control targets:** Defining the specific objective for each control.
- **Developing control catalogues:** Creating a structured inventory of controlling activities.
- **Creating Standard Operating Procedures (SOPs):** Documenting procedures for executing controls.
- **Controlling and Monitoring:** Implementing and monitoring the effectiveness of control mechanisms.

As we are yet to fully implement a controlling environment for ESG reporting and to mitigate reporting errors, we require complete internal documentation for all reported quantitative data,

and explicit qualitative statements also require full documentation, and other qualitative information is checked for misinformation via proofreading by relevant persons within the organisation.

Also, as a step towards increased data validity, quarterly reporting of ESG datapoints is in the process of being established, and in 2025, greenhouse gas emission reporting was the first area to be integrated into quarterly reporting processes. This has helped us identify some material accounting errors during the year, resulting in an increased validity of the reported scope 1 and 2 GHG emissions.

Bakkafröst's external auditor provides limited assurance on all quantitative data reported in the sustainability statement. Additionally, a third-party consultant is engaged to verify the completeness and accuracy of our GHG emissions data using a risk-based data quality scoring approach.

As the internal control framework matures, a formal process will be established for reporting its status and findings to the governance bodies, ensuring that oversight is progressively integrated at the highest levels of the company.

## ESRS 2 SBM-1

### STRATEGY, BUSINESS MODEL AND VALUE CHAIN

A description of our strategy, business model and value chain, including Bakkafrost's groups of products, revenue, headcount of employees, targets, and key inputs and outputs, is provided in the 'Introduction' section of this Integrated Annual Report in the chapter 'Business Model'.

## ESRS SBM-2

### STAKEHOLDER ENGAGEMENT

As the biggest private employer in the Faroe Islands and among the important employers in the rural regions of Scotland, we recognise our duty to act responsibly and think long-term for the future health of our business and the areas in which we operate. We understand the significance of engaging with stakeholders, and we regularly communicate with our stakeholders on different topics. We actively create opportunities for stakeholders to share their interests and views through regular dialogues, open days, supplier events, local cultural events, employee involvement and sustainability surveys etc. The purpose of this engagement is to ensure that Bakkafrost operates on an informed basis, considering affected stakeholders' views and creating value for all involved.

Each department is responsible for identifying relevant stakeholders and arranging suitable initiatives to ensure that they have regular opportunities to share their views, concerns and expectations regarding our operations.

We use stakeholder input to guide our business strategy and sustainability efforts. A broad range of external stakeholders were engaged in our double materiality assessment to ensure that our ESG reporting reflects their needs and expectations. Based on the input provided by stakeholders through the double materiality assessment, we found that the stakeholders consider nearly all sustainability topics relevant to report on for Bakkafrost. This was expected, given that we operate one of the most extensive and diverse value chains in the industry, operating in different business areas, from the production of feed to salmon farming to being a vessel operator to biogas production to cargo aviation.

The CEO receives reports on stakeholders' opinions and concerns and passes them on to the Board of Directors if they are considered material for the business.

The results from the engagement surveys are presented and discussed at Board level, Group Management level, and key executive level.

## S1-4 DISCLOSURE REQUIREMENTS RELATED TO ESRS 2 SBM-2

### How Bakkafrost's own workforce inform the company's strategy

The employee engagement survey is Bakkafrost's main tool for ensuring that the interests, views, and rights of people in the company's own workforce inform the company's strategy. Input regarding the human rights of the workforce is gathered through a combination of the engagement survey and the internal whistleblower mechanism.

Bakkafrost operates in highly regulated regions with strong labour protections, which minimises the impact of human-rights impacts.

### How value chain workers inform the company's strategy

Bakkafrost takes a preventive approach regarding potential impacts on the human rights of value chain workers. We utilise a selective procurement strategy to avoid negatively impacting these workers' human rights. In practice, we often rely on certifications to verify that value chain workers operate under acceptable conditions that respect their human rights. These certifications are regularly renewed, enabling us to continuously perform due diligence regarding human rights.

### How affected communities inform the company's strategy

Bakkafrost has integrated the views, interests, and rights of affected communities into its strategy by holding and undergoing regular audits for various certifications. These certifications include requirements that pertain to the communities impacted by their operations, such as those set by the Aquaculture Stewardship Council (ASC). For instance, the ASC mandates that the company's marine farming sites engage in regular and meaningful consultations with community representatives and organizations.

In practice, this means that Bakkafrost actively communicates with local stakeholders, including mayors, providing them the opportunity to voice their concerns on various topics, such as environmental and social issues.

Bakkafrost has developed the Policy on Engagement with Affected Communities that mandates the company to hold hearings and other forms of engagement when initiating major new constructions or projects in local communities. Additionally, we will begin mapping all affected communities as part of an initiative designed to ensure that these communities can provide input to the company's strategy.

### How consumers and end-users inform the company's strategy

Consumers and end-users are essential stakeholders for Bakkafrost. Bakkafrost regularly collects input from these stakeholders through customer ratings and net promoter scores. Additionally, they express their opinions via public channels, including social media and the company's own websites.

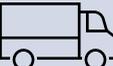
This underscores Bakkafrost's commitment to prioritising the needs, preferences, and expectations of consumers and end-users in its strategic decisions.

### Purpose of stakeholder engagement

The purpose of stakeholder engagement is to establish and maintain meaningful relationships with those impacted by our actions. Understanding stakeholders' perspectives informs our due diligence process and our double materiality assessment, which includes our impacts, risks, and opportunities (IROs). Bakkafrost considers stakeholders' needs, concerns, and feedback to foster mutual understanding, build trust, and achieve successful outcomes.

The table on our next page outlines Bakkafrost's engagement with key stakeholder groups and the outcomes.

**ESRS 2 SBM-2**  
**STAKEHOLDER ENGAGEMENT OVERVIEW**

Group	Engagement mechanisms	Purpose of engagement	Outcome
<b>Employees</b> 	<ul style="list-style-type: none"> <li>• Online whistleblower channel and other internal systems</li> <li>• Employee engagement surveys</li> <li>• Digital Communications Platform and weekly internal newsletter</li> <li>• Toolbox Talks and regular team briefings with a Health &amp; Safety focus</li> <li>• Quarterly meetings with elected employee representatives</li> <li>• Employee events</li> </ul>	<ul style="list-style-type: none"> <li>• To ensure structured two-way communication between management and staff, promoting transparency, gather feedback on workplace culture, health, safety and wellbeing, recognising performance and ensure employee input informs policies and strategic direction.</li> </ul>	<ul style="list-style-type: none"> <li>• Internal policy and system updates.</li> <li>• A more consistent internal management communication</li> <li>• Annual Healthy Living Awards handed to Bakkafrøst employees.</li> <li>• Employees are awarded free bonus shares depending on achieved KPIs.</li> <li>• A Company Day for all Bakkafrøst employees</li> </ul>
<b>Employees Unions</b> 	<ul style="list-style-type: none"> <li>• Regular contact and ongoing meetings with Unions</li> <li>• Regular working group meetings with employees</li> </ul>	<ul style="list-style-type: none"> <li>• To ensure freedom of association and collaboration on labour conditions, remuneration, health and safety and human capital.</li> </ul>	<ul style="list-style-type: none"> <li>• Internal policy updates</li> <li>• Remuneration updates</li> </ul>
<b>Consumers and End-users</b> 	<ul style="list-style-type: none"> <li>• Double materiality assessment every 2-3 years.</li> <li>• Biennial Customer Summit (all customers invited)</li> <li>• Annual online survey and virtual events</li> <li>• Annual engagement at seafood exhibitions including e.g.: Seafood Expo North America (Boston), Seafood Global (Barcelona), World Food Shanghai Exhibition (Shanghai), Ocean Group (California), Seafood Show (San Diego), Wabel Frozen Summit (Paris)</li> <li>• Annual engagement at client summits and annual feedback surveys</li> <li>• Programme for long-term customer partnerships</li> <li>• Customer visits at headquarters</li> </ul>	<ul style="list-style-type: none"> <li>• To maintain strong and long-term customer relationships based on trust, product quality, and shared sustainability goals</li> <li>• To understand evolving customer needs and market trends on certifications, product quality, satisfaction, international relations, packaging, and product development.</li> </ul>	<ul style="list-style-type: none"> <li>• Updating marketing strategies</li> <li>• Increased transparency</li> <li>• Customer relations</li> <li>• We have trialled some changes to our packaging, including reducing plastic on our retail tail bags due to customer feedback.</li> <li>• Obtaining certifications (e.g. ASC)</li> <li>• Adjusting transportation of goods</li> </ul>
<b>Suppliers</b> 	<ul style="list-style-type: none"> <li>• Ongoing engagement through interviews, emails, workshops, and questionnaires</li> <li>• Supplier audits and Sedex</li> <li>• Local Sourcing Policy + Supplier Summit and yearly supplier day</li> <li>• Supplier scoring system</li> </ul>	<ul style="list-style-type: none"> <li>• To ensure responsible sourcing and compliance with Bakkafrøst's Supplier Code of Conduct by upholding ethical, social and environmental standards across the supply chain.</li> <li>• Engagement focuses on certification, quality, company standards (including human rights, health and safety and environmental standards).</li> <li>• To assess and classify suppliers and to strengthen local development through local sourcing.</li> </ul>	<ul style="list-style-type: none"> <li>• Integrating supplier perspectives into the company's double materiality assessment</li> <li>• Supplier queries answered.</li> <li>• Sustainable supply chain</li> </ul>
<b>Certification Bodies</b> 	<ul style="list-style-type: none"> <li>• Ongoing engagement with third-party certification bodies</li> </ul>	<ul style="list-style-type: none"> <li>• To maintain and obtain quality certificates on fish welfare, quality and food safety.</li> </ul>	<ul style="list-style-type: none"> <li>• Product quality secured.</li> <li>• Updating internal risk assessment</li> <li>• Updating policies</li> </ul>

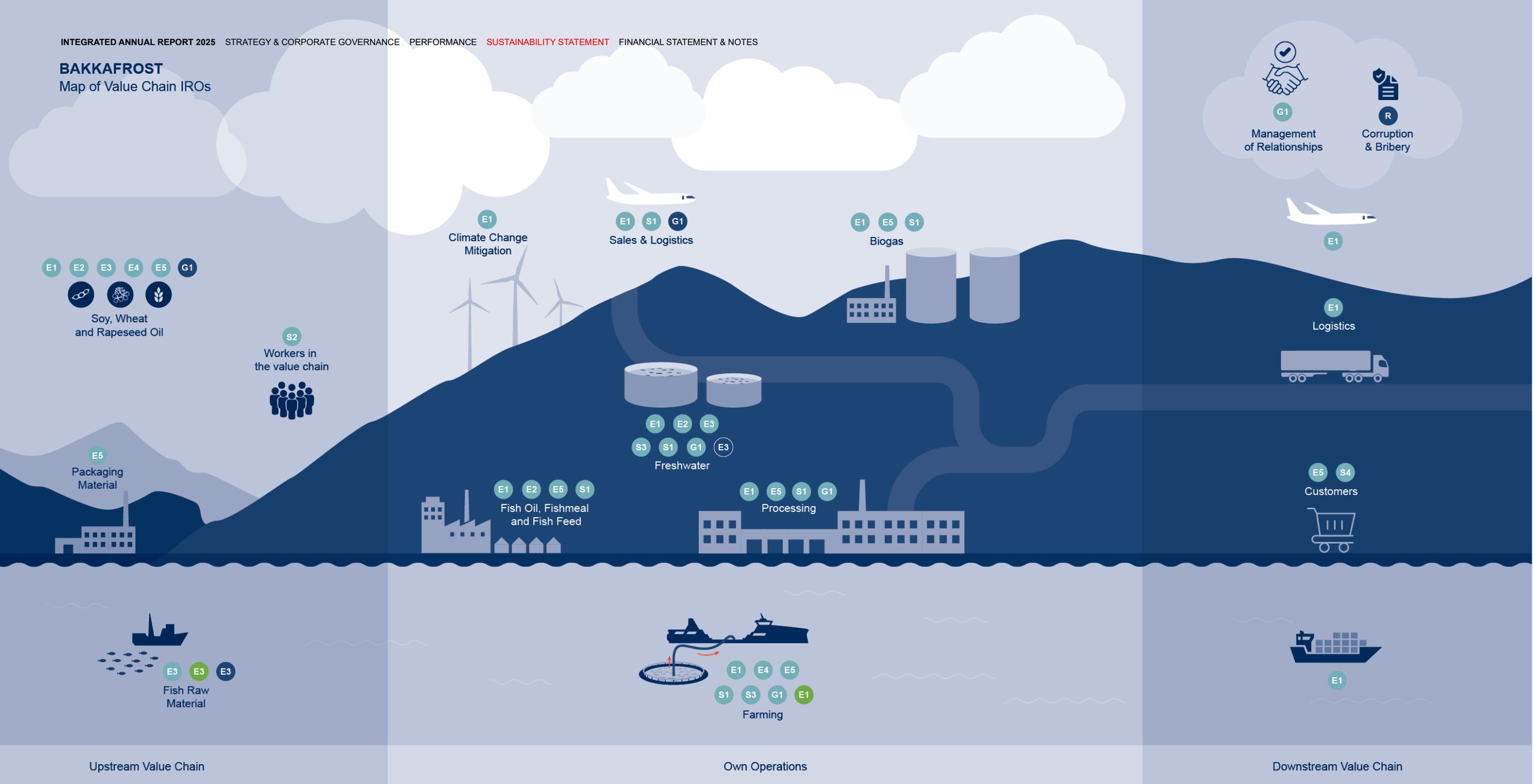
Group	Engagement mechanisms	Purpose of engagement	Outcome
<p><b>Government and regulatory bodies</b></p> 	<ul style="list-style-type: none"> <li>• Regular ongoing engagement</li> <li>• Membership of Salmon Scotland</li> </ul>	<ul style="list-style-type: none"> <li>• Engagement focuses on licences and registration processes, fish health and welfare, pollution, biogas operations, ethical business conduct, international relations, and alignment with the UN Sustainable Development Goals.</li> <li>• Maintaining continuous engagement with government and regulatory bodies to ensure compliance and support sustainable development through trade associations such as Salmon Scotland.</li> <li>• Providing input on industry-related policies when requested e.g. through industry groups</li> </ul>	<ul style="list-style-type: none"> <li>• Hosted visits for political parties to strengthen transparency and cooperation</li> <li>• Aligning Business strategy.</li> </ul>
<p><b>Affected communities</b></p> 	<ul style="list-style-type: none"> <li>• Ongoing engagement with local councils, harbour masters, and interest groups</li> <li>• Periodic engagement at industry events with Faroese business community Annual local events such as Seaman's Day and Day at Sea</li> <li>• Community Charter and Fund supporting local consultations, events, and sponsorships</li> </ul>	<ul style="list-style-type: none"> <li>• Addressing community feedback and concerns related to new building projects, community investment, waste, water, pollution and value creation.</li> <li>• Ensure that community perspectives inform site developments plans</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in annual local events where free salmon meals are handed out.</li> <li>• Educate by hosting visits and teaching in the educational institutions</li> <li>• Local project support, such as major road renovations</li> <li>• Organising events and consultations when relevant</li> </ul>
<p><b>Investors</b></p> 	<ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Quarterly investor roadshows and periodic engagements</li> <li>• Biennial Capital Markets Day</li> <li>• Periodic investor visits and investor queries (ESG ratings)</li> </ul>	<ul style="list-style-type: none"> <li>• To ensure comprehensive and transparent reporting on financial and ESG-related topics</li> <li>• Maintain constructive dialogue and providing responses to investors' queries</li> </ul>	<ul style="list-style-type: none"> <li>• Enhanced and more transparent ESG strategy and communication</li> <li>• Improved ESG rating</li> </ul>
<p><b>Industry groups</b></p> 	<ul style="list-style-type: none"> <li>• Ongoing engagement with groups,</li> <li>• Maritime Authorities, Faroese Employers Association and Faroese Aquaculture Association, Global Salmon Initiative (GSI)</li> <li>• Double materiality assessment every 2-3 years.</li> </ul>	<ul style="list-style-type: none"> <li>• To share best practices and align on sector-wide issues such as fish health and welfare, human rights, innovation, collaboration and certification, international relations, health and safety, pollution, feed ingredients, and transparency.</li> </ul>	<ul style="list-style-type: none"> <li>• Partnerships and collaborations</li> <li>• Sharing expertise through workshops</li> </ul>
<p><b>Industry experts and academics</b></p> 	<ul style="list-style-type: none"> <li>• Ongoing engagement with external veterinarians and researchers</li> <li>• Double materiality assessment every 2-3 years.</li> <li>• Sustainability training with experts</li> <li>• Partnerships and participation in conferences</li> </ul>	<ul style="list-style-type: none"> <li>• To access scientific expertise and research collaborations supporting all material issues, e.g. R&amp;D, fish health and welfare biodiversity, and decarbonisation.</li> </ul>	<ul style="list-style-type: none"> <li>• Updated animal welfare procedures</li> <li>• Reduced carbon emissions</li> <li>• Extended partnership with the University of Faroe Islands on various biological topics, including establishing a baseline for marine biological diversity in the Faroe Islands + participation in research projects</li> <li>• Ongoing partner in long-term carbon capture project involving experts, universities, public institutions, energy suppliers, and private companies (21 collaborators).</li> </ul>

ESRS 2 SBM-3

# Material impacts, risks & opportunities

ESRS Topic	Positive impacts	Negative impacts	Risks	Opportunities
<b>E1 Climate Change</b>	<ul style="list-style-type: none"> <li>• Generation of renewable energy</li> <li>• Producing low-carbon food</li> </ul>	<ul style="list-style-type: none"> <li>• GHG emissions from direct operations and value chain</li> <li>• Energy-intensive operations</li> </ul>		<ul style="list-style-type: none"> <li>• Faster growing fish with higher sea-water temperature</li> </ul>
<b>E2 Pollution</b>		<ul style="list-style-type: none"> <li>• Air pollution from feed production</li> <li>• Pollution from pesticide-use</li> <li>• Pollution of rivers via effluents from freshwater sites</li> </ul>		
<b>E3 Water &amp; Marine Resources</b>		<ul style="list-style-type: none"> <li>• Sourcing of marine resources for feed production potentially leading to overfishing</li> <li>• Freshwater withdrawals for the production of salmon</li> <li>• Freshwater consumption for growing crops</li> </ul>	<ul style="list-style-type: none"> <li>• Shortage in freshwater supply</li> <li>• Reduced availability of the marine stocks we rely on for feed production (primarily Blue Whiting)</li> </ul>	<ul style="list-style-type: none"> <li>• Innovate how to use other marine sources like meso-pelagic species</li> </ul>
<b>E4 Biodiversity &amp; Ecosystems</b>		<ul style="list-style-type: none"> <li>• Impacts on ecosystems and the seabed beneath farming pens</li> <li>• Impact on deforestation</li> <li>• Salmon escape incidents</li> </ul>		
<b>E5 Resource Use &amp; Circular Economy</b>	<ul style="list-style-type: none"> <li>• Organic waste to biogas plant</li> </ul>	<ul style="list-style-type: none"> <li>• Sourcing of packaging materials</li> <li>• Sourcing of commodities for feed production</li> <li>• Recyclability of packaging material</li> <li>• Waste generated in operations</li> </ul>		
<b>S1 Own Workforce</b>	<ul style="list-style-type: none"> <li>• Key driver in establishing vocational education for marine/salmon farmers in the Faroe Islands</li> <li>• Inclusion of people with disabilities</li> </ul>	<ul style="list-style-type: none"> <li>• Work-related incidents</li> <li>• Male-dominated workforce</li> </ul>		
<b>S2 Workers in the Value Chain</b>		<ul style="list-style-type: none"> <li>• Working conditions for value chain-workers</li> </ul>		
<b>S3 Affected Communities</b>	<ul style="list-style-type: none"> <li>• Creating lasting positive impact for rural communities through job creation</li> </ul>			
<b>S4 Consumers &amp; End-users</b>	<ul style="list-style-type: none"> <li>• Producing nutritious food</li> </ul>	<ul style="list-style-type: none"> <li>• Food safety management</li> </ul>		
<b>G1 Business Conduct</b>		<ul style="list-style-type: none"> <li>• Sea lice/parasites</li> <li>• Disease outbreaks</li> </ul>	<ul style="list-style-type: none"> <li>• Corruption and bribery incidents</li> <li>• Fish welfare</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure transparency and honest dialogue with the public and political system</li> </ul>

**BAKKAFROST**  
Map of Value Chain IROs



Positive and Negative Impacts

Risk

Opportunities

E1 Climate Change E2 Pollution E3 Water and Marine Resources E4 Biodiversity and Ecosystems E5 Resource Use and Circular Economy

S1 Own Workforce S2 Workers in the Value Chain S3 Affected Communities G1 Business Conduct / Animal Welfare

ESRS 2 IRO-1

# Double Materiality Assessment

The Double Materiality Assessment (DMA) forms the foundation of Bakkafrost's Sustainability Statement. The DMA determines which impacts, risks, and opportunities (IROs) are material and therefore guides the company's disclosures on policies, actions, targets, and performance metrics.

### METHODOLOGIES, ASSUMPTIONS, AND SCOPE

The DMA applies both impact and financial materiality principles in line with ESRS 1. The process is informed by Bakkafrost's various topic-specific due diligence processes and uses defined methodologies and quantitative thresholds. The assessment covers all operational units over which Bakkafrost holds operational control, and extends to the full value chain, including upstream suppliers and downstream activities.

Key input parameters for the assessment include:

- **Data sources:** A wide range of internal and external data is used. This includes environmental data (e.g., reported GHG emissions, water withdrawals, salmon welfare indicators), social data (e.g., health and safety metrics, employee statistics, complaints), and financial data (e.g., financial statements, market analysis, scenario modelling etc.).
- **Geographic scope:** The assessment covers all geographies where Bakkafrost has direct operations, as well as the global geographies from which it sources or to which it distributes products.
- **Time horizons:** The assessment considers impacts, risks, and opportunities across multiple time horizons: the current reporting year, short-term (0-2 years), medium-term (3-5 years), and long-term (+6 years).

### Process for Impact Materiality

Impacts on people and the environment are identified and assessed across our own operations and the value chain. Impacts are categorised as arising from 'own operations' (units over which Bakkafrost has operational control), the 'upstream value chain'

(suppliers), or the 'downstream value chain'. This distinction allows for a clearer understanding of where impacts occur and the appropriate level of leverage to manage them. The assessment relies on direct data for our own operations and mostly relies on estimates or qualitative assessments for the value chain.

For the 2025 reporting period, the DMA was updated based on the comprehensive assessment from 2023, which included a full value chain mapping and a survey of 144 external stakeholders (including employees, customers, and local communities). It also built on the 2024 DMA update, which provided more detailed descriptions of the identified IROs.

For the 2025 update, internal subject-matter experts reviewed the relevance of all previously identified sustainability matters. No external experts were consulted for this update.

Impacts are prioritised based on severity, which is assessed by rating scale, scope, and irremediability of each impact on a 1 to 5 scale. For potential impacts, this severity score is multiplied by likelihood. For actual impacts (those occurring in the reporting period), likelihood is considered 100%. Negative impacts related to human rights receive an additional 25% weighting. Positive impacts are assessed using the same methodology, with a strong emphasis on ensuring they provide a genuine contribution to the wider community.

An impact is determined to be material if its severity score is 3 or higher on the 5-point scale.

### Process for Financial Materiality

Financial risks and opportunities are identified by analysing the company's exposure to external risk factors as well as the connection between Bakkafrost's impacts and its dependencies on key resources.

Besides relying on shareholder capital and licences, Bakkafrost relies on natural resources (e.g., clean freshwater and seawater, stable ocean temperatures, and the availability of marine and agricultural feed ingredients) and human resources (e.g., skilled labour in biology, marine operations, and management). Financial risks can arise when our impacts affect these resources or when our dependencies are threatened.

The assessment of financial materiality was based on a combination of the likelihood of occurrence (0%-100%) and the

potential magnitude of financial effects, and all matters were considered from a short-, medium- and long-term perspective.

For the assessment of the magnitude of financial effects, the following quantitative thresholds were applied:

Magnitude of financial effects	From mDKK (lower limit)	To mDKK (upper limit)
0	0	10
1	10	30
2	30	100
3	100	200
4	200	500
5	500	99999

The ISA 320 standard was used as a guiding instrument for defining the cut-off level, as it stipulates 1% for revenue and costs, and 5% for profit before tax as relevant materiality levels in the context of financial reporting. When defining financial materiality in accounting processes, companies therefore typically work with a threshold of between 1-3% of annual revenue. Bakkafrost's annual revenue for 2022 (used for the baseline DMA) constituted 7,300 mDKK, and the threshold of 1% is therefore equal to roughly 73 mDKK. Based on this, the estimated financial risk/opportunity for each topical matter is therefore calculated by multiplying the maximum exposure of each scoring level cf. the table above with the likelihood of occurrence.

If a risk or opportunity was scored to exceed 1% of annual revenue (73 mDKK) the topical matter was defined as material from a financial perspective.

However, to further guide the definition of financial materiality in the context of the double materiality assessment, the Pareto principle was applied to understand the total identified risks or opportunities. This principle is used to guide financial decisions, as it is estimated that around 80% of consequences often come from 20% of the causes.

By applying the Pareto principle, it is estimated that risks and/or opportunities with individual maximum exposures of 50 mDKK or above constitute 67.1% of the total identified risks for Bakkafrost. At this level (50 mDKK), the risk exposure of each topical matter represents approximately 0.7% of Bakkafrost's annual revenue.

This (50 mDKK) is defined as the threshold for material financial risk.

As revenue levels have remained stable since applying the thresholds, they remain unchanged.

For the 2025 DMA, the methodology was further developed to also add weight to the time horizons. The weighting applied was as follows:

Timeframes	Time horizon weight
Across all time scales	1
In the current reporting year	1
Long 6+ years	0.85
Medium 3-5 years	0.9
Short 0-2 years	0.95

Effectively this allowed us to include financial risks and opportunities which can have a great financial impact, and which are highly likely to materialize at some point, but if the risk/opportunity was considered lying far in the future, materiality would be rated down with the updated methodology.

With this addition to the methodology, the assessment of financial risks and opportunities was further aligned with our ERM assessment of financial risks.

To strengthen this alignment, mitigation and preventive actions were systematically taken into consideration when scoring the likelihood of risks. This approach was deemed necessary to avoid misleading results, as failing to account for mitigation actions would overstate the actual risk exposure. For example, Bakkafrost faces biology-related risks concerning salmon welfare. The occurrence of external biological factors that may affect fish welfare is highly likely, as biology-related challenges are a natural part of salmon farming, and the potential financial magnitude can be substantial. However, Bakkafrost has invested several billion DKK over recent years in treatment capacity, which has dramatically reduced the risk exposure. Consequently, preventive measures have been systematically incorporated into the double materiality assessment.

### CONSOLIDATION OF THE DOUBLE MATERIALITY ASSESSMENT

During the 2025 DMA update, once subject-matter experts had completed their rating of the identified potential impacts, risks, and opportunities, the results were presented to Bakkafrost's steering committee for the implementation of CSRD/ESRS. The steering committee comprises the CEO, the CFO, the Group Sustainability Director, the QESH Director, and the Group HR Director.

Some changes were made during this session, resulting in **35 IROs being deemed material, compared to 46 material IROs reported for 2024.**

The reduction primarily reflects the consolidation of overlapping IROs, refined severity and likelihood assessments following methodological updates, and the reclassification of certain matters below the materiality thresholds, rather than the emergence of fundamentally new sustainability risks or impacts.

A sustainability matter (an ESRS sub-topic) was deemed material if at least one IRO exceeded either the impact or financial-materiality threshold.

#### Governance, Decision-making, and Integration

The DMA process is managed by the Sustainability department, which is responsible for collecting and validating the underlying data. The process and its outcomes are documented in internal process descriptions with integrated change logs.

Bakkafrost considers the DMA to be of great value and is continually working to integrate the DMA results into the company's overall Enterprise Risk Management framework.

Material opportunities identified in the DMA are integrated into the company's annual strategy reviews and business plans. The Group Executive Management is responsible for deciding which opportunities to pursue, with significant capital expenditures requiring approval from the Board of Directors. Once prioritised based on financial potential and feasibility, opportunities are assigned to an owner within the organisation and monitored through KPIs and regular reviews.

Bakkafrost expects to update its DMA again in 2026.

## Results of DMA - Materiality matrix

### Distribution of ESRS subtopics

#### IMPACT MATERIAL

- Climate Change Mitigation
- Energy
- Pollution of air
- Pollution of water
- Pollution of soil
- Impact on the state of species
- Resource inflows, including resource use
- Impacts on the extend and condition of ecosystems
- Direct impact drivers of biodiversity loss
- Resource outflows related to products and services
- Waste
- Working conditions of own workforce
- Equal treatment and opportunities for all
- Other work-related rights of workers in the value chain
- Entity-specific: Creating jobs in rural communities
- Personal safety of consumers and/or end-users

#### DOUBLE MATERIAL

- Water
- Marine resources
- Animal welfare

#### NOT MATERIAL

- Impacts and dependencies on ecosystem services
- Management of relations with suppliers including payment practices
- Corporate culture
- Protection of whistle-blowers
- Other work-related rights of own workforce
- Equal treatment and opportunities for all of workers in the value chain
- Communities' economic, social and cultural rights
- Communities' civil and political rights
- Rights of indigenous peoples
- Information-related impacts for consumers and/or end-users
- Social inclusion of consumers and/or end-users
- Working conditions of workers in the value chain
- Other work-related rights of own workforce
- Equal treatment and opportunities for all of workers in the value chain
- Communities' economic, social and cultural rights
- Communities' civil and political rights
- Rights of indigenous peoples
- Information-related impacts for consumers and/or end-users
- Social inclusion of consumers and/or end-users
- Working conditions of workers in the value chain

#### FINANCIALLY MATERIAL

- Climate Change Adaptation
- Corruption and bribery
- Political engagement and lobbying activities

## DISCLOSURE REQUIREMENTS RELATED TO ESRs 2 IRO-1

### E1 – CLIMATE CHANGE

#### CLIMATE-RELATED IMPACT ASSESSMENT

To identify and assess Bakkafrost’s climate impacts, live monitoring of the company’s scope 1 and 2 GHG emissions has been established across all sites within Bakkafrost’s own operations. The progress in reducing carbon emissions from direct operations is regularly reported to Group Management and the Board of Directors.

In addition to scope 1 and 2 emissions, scope 3 GHG emissions are identified and assessed across Bakkafrost’s upstream and downstream value chain in line with ESRs E1-6 and the GHG Protocol. Scope 3 emissions are calculated annually using activity data from key suppliers and customers, complemented by sector-specific emission factors. The consolidated Greenhouse Gas (GHG) inventory serves as a critical tool for assessing the organisation’s impact on climate change. This inventory provides a detailed overview of emission sources and types, and further disaggregates the data by geographical regions and operational business units. This granular breakdown enables the precise identification of key areas within Bakkafrost’s value chain that possess the most significant climate impact, thereby facilitating the strategic prioritisation of targeted decarbonisation initiatives.

#### CLIMATE-RELATED FINANCIAL RISK AND OPPORTUNITY ASSESSMENT AND SCENARIO APPLICATION

Bakkafrost’s climate-related risks and opportunities (R&Os) are identified and assessed through our TCFD-aligned climate scenario analysis, which both covers climate-related *physical* R&Os as well as climate-related *transitional* R&Os. The analysis covers both direct operations as well as the company’s upstream and downstream value chain.

When conducting the climate scenario analysis, we applied an approach of including as wide a spectrum of climate scenarios as possible to be sure to also capture the most extreme potential climate-related impacts on Bakkafrost.

Initial screenings against various scenarios suggested that Bakkafrost might potentially be financially exposed in a high-emission world. Therefore, to enable identification and assessment of

the effects of climate-related hazards in a high-emission climate, we included a scenario with the highest projected temperature increase (4.0°C and above), and we combined this with a time horizon that sufficiently captures the full effects of the physical risks of the scenario (2070).

We also included a scenario in which policymakers implement a rapid transition to a 1.5°C pathway with no or limited overshoot. This was done to capture the most extreme transition scenarios, particularly the risk of increased costs through carbon taxes if the business has not timely shifted to renewable energy and the availability of sustainable commodities for feed production.

For the assessment of how assets and business activities may be exposed to climate-related hazards and climate-related transition events, we applied a three-step approach:

- Assess materiality

We screened our entire value chain, including our upstream and downstream value chain and our direct operations. This resulted in a long list of 10 relevant physical risks, 19 relevant transition risks, and 10 relevant climate-related opportunities.

#### 1. Identify scenarios and time horizons

Then, subject matter experts agreed on which scenarios (SSPs and RCPs) and which narratives to apply for the analysis. The agreed scenarios were as follows:

SSP-RCP	Scenario narrative	Estimated warming (2041-2060)	Estimated warming (2081-2100)	Very likely range (2081-2100)
SSP1 RCP1.9 (Early transition)	Very low GHG emissions: CO2 emissions cut to net zero around 2050	1.6 °C	1.4 °C	1.0 – 1.8 °C
SSP2 RCP2.6 (Late transition)	Low GHG emissions: CO2 emissions cut to net zero around 2075	1.7 °C	1.8 °C	1.3 – 2.4 °C
SSP2-5 RCP8.5 (Hot house)	Very high GHG emissions: CO2 emissions triple by 2075	2.4 °C	4.4 °C	3.3 – 5.7 °C

Subject matter experts also agreed on working with the time horizons of 2050 and 2070 which the scenario analysis should be applied against. These time horizons were chosen to reflect a sufficiently long-term timeframe, allowing for the adequate capture of physical risk exposure (2070) while also facilitating cross-comparison with transition risks (2050).

#### 1. Evaluate impacts

During a workshop, the long list of climate risks and opportunities was prioritised based on their gross exposure, i.e., before considering existing mitigation and adaptation measures. Each item was scored for likelihood, gross financial impact, duration (acute or chronic) and geographical exposure under each scenario and time horizon. Only items above the defined materiality thresholds were shortlisted for detailed scenario and financial modelling.

#### APPLICATION OF RESULTS

The findings of the climate scenario analysis — in particular, the most material climate-related risks and opportunities — were incorporated as direct inputs into the Double Materiality Assessment (DMA). These include the identified material risk of carbon tax introduction, as well as risks associated with the sourcing of agricultural commodities for feed production.

It should be noted, however, that the majority of risks quantified through the climate scenario analysis are projected to manifest over the longer term, and therefore fall outside the shorter time horizons applied within the DMA framework. Accordingly, only those climate-related risks and opportunities assessed as likely to exert a material impact within the DMA’s defined time horizons were carried forward into that assessment.

#### Sources for Climate Scenario Analysis

For climate scenarios, we referenced UNFCC’s Shared Socio-Economic Pathways, and to capture physical risks, we used the Representative Concentration Pathways (RCP) adopted by IPCC.

### E2 – POLLUTION

Pollution-related impacts, risks, and opportunities are identified through desktop analysis, regulatory and certification reviews, and interviews with internal and external experts. These experts provide insights from ongoing assessments and continuous reporting on pollution metrics within our operations. Screening of sites within the company’s own value chain is a core element of these assessments and is therefore integral to identifying and evaluating material pollution-related issues. In their analyses, subject matter experts apply various methodologies, assumptions, and tools, including those addressing benthic impacts and risks from natural resource use, such as freshwater.

We did not conduct screening of specific sites in our upstream and downstream value chain.

Engagement with affected communities played a key role in our double materiality assessment. For example, mayors and other council members were invited to participate in an online survey assessing the materiality of various ESG topics related to Bakkafrost's operations.

### E3 – WATER AND MARINE RESOURCES

During the double materiality assessment, we used interviews with internal experts and historical environmental data to capture site-specific water-related impacts, risks, and opportunities (IROs). Metrics analysed during the process included site-level water withdrawals, consumption, discharges, and marine resources used in salmon feed. Materiality was then assessed using tools such as the WRI Aqueduct Water Risk Atlas to evaluate Bakkafrost's contribution to water scarcity, and by analysing the volumes and catch areas of marine resources against quota-based impact thresholds.

For water- and marine resource-related IROs across our upstream and downstream value chain, we conducted desktop research and leveraged continuously collected data. This included using the WRI Aqueduct Water Risk Atlas to assess water stress in regions where we source large quantities of commodities for salmon feed production.

We consulted with local municipalities, councils, and other stakeholders through an online survey to consult the communities potentially affected by our direct operations.

### E4 – BIODIVERSITY AND ECOSYSTEMS

Biodiversity and ecosystem-related impacts, risks, and opportunities (IROs) have been identified through a structured approach that integrated desktop analysis, a review of current regulatory and certification requirements, and interviews with internal and external subject matter experts. Key data insights were also used, including data captured through benthic monitoring at our farming sites in the Faroe Islands and Scotland. This data also includes measurements of benthic fauna and various other biodiversity-related quantitative indicators.

We also regularly conduct Environmental Impact Assessments (EIAs) and regulatory and certification compliance audits at sites across our in-house value chain, which formed the foundation for identifying and evaluating biodiversity-related IROs.

The assessment criteria applied at our own sites included measuring changes in seabed conditions and trends in benthic fauna populations, tracking sea lice occurrence and its potential effects on marine ecosystems, assessing the quality of freshwater withdrawals and discharges to prevent ecosystem degradation, and evaluating land use impacts associated with our aquaculture and processing infrastructure.

To identify and assess biodiversity-related IROs in our upstream and downstream value chain, we did an initial screening of the value chain, revealing that raw material sourcing for salmon feed production represented our most significant engagement with biodiversity-related impacts. As part of our ongoing work to identify and assess site-specific biodiversity-related impacts, risks and opportunities, we use deforestation risk mapping, which also functions as input for the double materiality assessment, as well as using input from various other risk assessments and tools which complement the process, including integration of water risks identified through the WRI Aqueduct Water Risk Atlas.

As part of the process to identify material IROs related to biodiversity, we also considered the dependencies that Bakkafrost has on the services that ecosystems provide. Bakkafrost is particularly dependent on ecosystem services provided by the marine environment in the Faroe Islands and Scotland, which enables Bakkafrost to farm high-quality salmon. In the upstream and downstream value chain, we particularly considered the climate and ecosystem-related conditions that enable the production of agricultural commodities. We also considered the likelihood of these dependencies changing or being disrupted, and none are expected to change within an immediate time range.

In 2024 (and revised in 2025), Bakkafrost conducted TNFD-aligned biodiversity scenario work. Many of the biodiversity-related risks identified during this process were also identified during the company's TCFD-aligned climate scenario analysis, which was conducted in 2022. Biodiversity-related matters identified as posing a material financial risk and/or opportunity include:

- Water scarcity
- Land use/deforestation potential related to sourcing of feed ingredients
- Interactions with protected ecosystems and species
- Seabed degradation risk from organic matter accumulation

- Fish escape risks impacting wild salmon populations in Scotland
- Sea lice impact on wild salmon and marine ecosystems

The scenario analysis results have been incorporated into the double materiality assessment, with relevant IROs identified based on the scenario outcomes. As a result, transition and physical risks and opportunities, along with systemic biodiversity-related risks, are integrated into the overall assessment process.

We have engaged directly with suppliers at heightened risk of having biodiversity-related impacts on affected communities, including soy suppliers. We rely on certifications to ensure free, prior, and informed consent from the communities in the areas where commodities for feed production are produced. Thus, we consider that we have conducted indirect consultations with affected communities.

We continue to be particularly aware of the potential impacts that the production of these raw materials can have on the biodiversity and ecosystems in these areas and, consequently, the potential effects on the affected communities.

Bakkafrost has sites in and near biodiversity-sensitive areas in Scotland. However, as validated by certification bodies that take samples from the areas, none of these sites is assessed to negatively affect biodiversity.

### E5 – RESOURCE USE & CIRCULAR ECONOMY

Resource use and circular economy-related impacts, risks, and opportunities have been identified through a combination of desktop analysis, a review of current regulatory and certification requirements, and interviews with internal and external subject matter experts. These experts provide insights based on ongoing impact and risk assessments and continuous reporting on resource use and circular economy-related metrics within our own operations. Site screening serves as a foundational element of these assessments and monitoring efforts. Therefore, we consider site screening to be an integral part of the process of identifying and evaluating material resource use and circular economy-related impacts, risks, and opportunities.

We did not conduct a screening of specific sites in our upstream and downstream value chain.

Engagement with affected communities played a key role in our double materiality assessment. For example, mayors and other council members were invited to participate in an online survey assessing the materiality of various ESG topics related to Bakkafrost's operations.

## ESRS 2 IRO-2

### Disclosure requirements in ESRS covered by this Sustainability Statement

Standard		Section	Page
<b>ESRS 2 General disclosures</b>			
BP-1	General basis for preparation of the sustainability statement	SUS	58
BP-2	Disclosures in relation to specific circumstances	SUS	58
GOV-1	The role of the administrative, management and supervisory bodies	SUS/MR	60, 25
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	SUS	61
GOV-3	Integration of sustainability-related performance in incentive schemes	SUS	61
GOV-4	Statement on sustainability due diligence	SUS	62
GOV-5	Risk management and internal controls over sustainability reporting	SUS	62
SBM-1	Interests and views of stakeholders	SUS/MR	63, 11
SBM-2	Interests and views of stakeholders	SUS	63
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	SUS	6666
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	SUS	68
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	SUS	72

Standard		Section	Page
<b>E1 Climate Change</b>			
ESRS 2, GOV 3	Integration of sustainability-related performance in incentive schemes	SUS	61
E1-1	Transition plan for climate change mitigation	SUS	85
ESRS 2, SBM-3	Transition plan for climate change mitigation	SUS	77
ESRS 2, IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	SUS	68
E1-2	Policies related to climate change mitigation and adaptation	SUS	83
E1-3	Actions and resources in relation to climate change policies	SUS	85
E1-4	Targets related to climate change mitigation and adaptation	SUS	87
E1-5	Energy consumption and mix	SUS	90
E1-6	Gross Scopes 1, 2, 3 and total GHG emissions	SUS	91
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	SUS	88
E1-8	Internal carbon pricing	SUS	88
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	SUS	88
	EU taxonomy	SUS	94
<b>E2 Pollution</b>			
ESRS 2, SBM-3	Material impacts, risks and opportunities, and their interaction with strategy and business model	SUS	97
ESRS 2, IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	SUS	68
E2-1	Policies related to pollution	SUS	98
E2-2	Actions and resources related to pollution	SUS	98
E2-3	Targets related to pollution	SUS	98
E2-4	Pollution of air, water and soil	SUS	101
E2-5	Substances of concern and substances of very high concern	SUS	100
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	SUS	99
<b>E3 Water and Marine Resources</b>			
ESRS 2, SBM-3	Material impacts, risks and opportunities, and their interaction with strategy and business model	SUS	102
ESRS 2, IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	SUS	68
E3-1	Policies related to water and marine resources	SUS	104
E3-2	Actions and resources related to water and marine resources	SUS	104
E3-3	Targets related to water and marine resources	SUS	105
E3-4	Water consumption	SUS	106
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	SUS	106

Standard		Section Page	
<b>E4 Biodiversity and Ecosystems</b>			
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	SUS	113
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	SUS	109
ESRS 2, IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	SUS	68
E4-2	Policies related to biodiversity and ecosystems	SUS	113
E4-3	Actions and resources related to biodiversity and ecosystems	SUS	114
E4-4	Targets related to biodiversity and ecosystems	SUS	116
E4-5	Impact metrics related to biodiversity and ecosystems change	SUS	116
E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	SUS	116
<b>E5 Resource Use and Circular Economy</b>			
ESRS 2, IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	SUS	68
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	SUS	119
E5-1	Policies related to resource use and circular economy	SUS	121
E5-2	Actions and resources related to resource use and circular economy	SUS	121
E5-3	Targets related to resource use and circular economy	SUS	125
E5-4	Resource inflows	SUS	126
E5-5	Resource outflows	SUS	126
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	SUS	125

Standard		Section Page	
<b>S1 Own workforce</b>			
ESRS 2, SBM-2	Interests and views of stakeholders	SUS	63
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	SUS	131
S1-1	Policies related to own workforce	SUS	134
S1-2	Processes for engaging with own workers and workers' representatives about impacts	SUS	134
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	SUS	134
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	SUS	134
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	SUS	135
S1-6	Characteristics of the undertaking's employees	SUS	136
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	SUS	N/A
S1-8	Collective bargaining coverage and social dialogue	SUS	N/A
S1-9	Diversity metrics	SUS	143
S1-10	Adequate wages	SUS	N/A
S1-11	Social protection	SUS	135
S1-12	Persons with disabilities	SUS	143
S1-13	Training and skills development metrics	SUS	147
S1-14	Health and safety metrics	SUS	140
S1-15	Work-life balance metrics	SUS	143
S1-16	Compensation metrics (pay gap and total compensation)	SUS	145
S1-17	Incidents, complaints and severe human rights impacts	SUS	144
<b>S2 Workers in the Value chain</b>			
ESRS 2, SBM-2	Interests and views of stakeholders	SUS	63
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	SUS	149
S2-1	Policies related to value chain workers	SUS	150
S2-2	Processes for engaging with value chain workers about impacts	SUS	150
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	SUS	150
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	SUS	151
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	SUS	151

Standard		Section	Page
<b>S3 Affected Communities</b>			
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	SUS	155
<b>S4 Consumer and End-users</b>			
S4-1	Policies related to consumers and end-users	SUS	159
S4-2	Processes for engaging with consumers and end-users about impacts	SUS	159
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	SUS	160
S4-5	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	SUS	160
<b>G1 Business Conduct</b>			
ESRS 2, GOV-1	The role of the administrative, supervisory and management bodies	SUS	60
ESRS 2, SBM-3	Material impacts, risks and opportunities in relation to Business conduct	SUS	165
G1-1	Business conduct policies and corporate culture	SUS	168
G1-3	Prevention and detection of corruption and bribery	SUS	168
G1-4	Incidents of corruption or bribery	SUS	169
G1-5	Political influence and lobbying activities	SUS	170

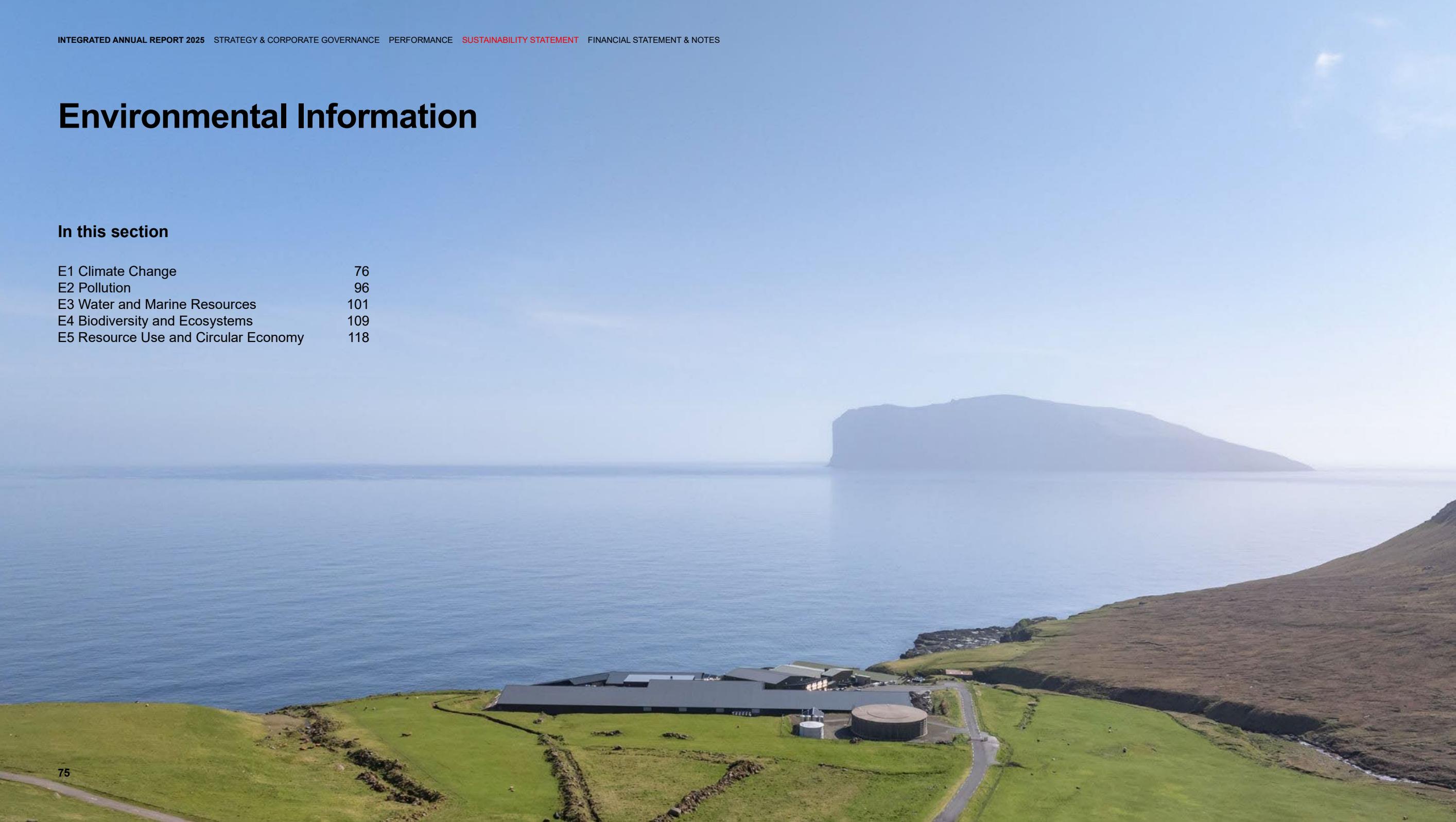
**SUS:** Sustainability Statement

**MR:** Management Report

# Environmental Information

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# E1 Climate Change

List of disclosure requirements		Page reference
<b>E1 – Climate Change</b>		
ESRS 2 GOV-3	Integration of sustainability- related performance in incentive schemes	61
E1-1	Transition plan for climate change mitigation	85
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	77
E1-2	Policies related to climate change mitigation and adaptation	83
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**ESRS-2 SBM-3**

**MATERIAL IMPACTS, RISKS AND OPPORTUNITIES IN  
RELATION TO CLIMATE CHANGE**

CLIMATE CHANGE – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES				Location in Value Chain			Time Horizon		
				Upstream	Own Operation	Downstream	Short-term (1-3 years)	Medium-term (3-8 years)	Long-term (+8 years)
ESRS sub-topic (AR 16)	ESRS sub-sub topic (AR 16)	IRO	Type						
Climate change mitigation	-	Generation of renewable energy	Actual positive impact		•		In the current reporting period		
Climate change mitigation	-	Producing low-carbon food	Actual positive impact		•		In the current reporting period		
Climate change mitigation	-	GHG emissions from direct operations and value chain	Actual negative impact	•	•	•	In the current reporting period		
Energy	-	Energy-intensive operations	Actual negative impact		•		In the current reporting period		
Climate change adaptation	-	Faster-growing fish with higher sea-water temperatures	Opportunity		•				•

## ESRS 2 SBM-3

### IMPACTS, RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE

The materiality assessment described in the disclosure requirement ESRS 2 IRO-1 identified the following material climate-related impacts, risks and opportunities.

Bakkafrost is involved in all impacts through its direct activities unless otherwise specified for each impact.

There are currently no identified risks or opportunities that pose a significant risk of material adjustment to the carrying amounts of assets and liabilities reported in the financial statements in the next financial year.

#### • Generation of renewable energy - Actual positive impact

Bakkafrost contributes to climate change mitigation through its biogas plant, FÖRKA, creating a positive environmental and societal impact. This impact is concentrated in the company's 'Services' segment in the Faroe Islands. The plant converts approximately 50,000 tonnes of biological waste from salmon and dairy farming into renewable energy, providing heat and electricity for hundreds of homes in Tórshavn and with the potential of saving an estimated 11,000 tonnes of CO<sub>2</sub> annually when capacity is fully utilised. Additionally, the facility produces high-quality liquid fertiliser, enabling local farmers to reduce their dependence on energy-intensive imported fertilisers and generating significant annual savings for the Faroese agricultural industry.

This positive impact, which occurs across all time horizons, originates from Bakkafrost's 'Healthy Living' strategy and is integral to the company's long-term decarbonisation goals. The plant's operation aligns with the business model by contributing to the circular economy and lowering costs associated with waste management.

Looking ahead, the facility is expected to play a larger role in integrating renewable energy into Bakkafrost's operations.

The impact is fully covered by the energy-related ESRS disclosure requirements.

#### • Producing low-carbon food – Actual positive impact

Bakkafrost has a demonstrable positive impact on global climate change mitigation by producing food with a lower carbon footprint compared to other animal protein sources, such as beef and pork (source: Global Salmon Initiative). Since food systems are responsible for over one-third of global greenhouse gas (GHG) emissions (source: UN Food and Agriculture Organization), Bakkafrost contributes to the transition toward a less carbon-intensive food system. Although this impact benefits the environment positively, the exact reduction in GHG emissions attributable to Bakkafrost's production of farmed salmon has not been quantified. As a result, it is challenging to assess the extent of the environmental benefit fully.

This impact is directly tied to Bakkafrost's core product and, consequently, relates to the company's entire operations. It occurs across all time horizons, including in the current reporting period.

The identified positive impact has informed Bakkafrost's strategic direction and is therefore also considered to originate from the company's strategy and business model. Farmed salmon is widely recognised as a future-oriented protein source, and this context supports the company's focus on long-term growth. Bakkafrost's strategy builds on the efficient use of local natural resources to help meet global demand for nutritious and lower-impact animal protein. This expectation of continued demand growth, driven by population trends and the shift toward more sustainable food systems, forms a core assumption in the company's long-term strategic planning.

The impact is partially covered by ESRS requirements. To substantiate this positive impact, a counterfactual comparison is necessary. Therefore, we report entity-specific metrics representing the GHG emission factors for various animal proteins. These emission factors are sourced from widely recognised sources to ensure credibility.

#### • GHG emissions from direct operations and value chain – Actual negative impact

Bakkafrost has an actual negative impact on climate change mitigation due to carbon emissions from its own operations as well as from its upstream and downstream value chain. Greenhouse gas emissions contribute to climate change, which consequently will likely result in rising temperatures, sea level rise, drought, flooding and various other climate-related events.

In Bakkafrost's own operations, GHG emissions are especially concentrated at our feed production plant Havsbrún in the town of Fuglafjørður, Faroe Islands. Other GHG-intensive operations include operating the boats (FSVs) that transport, transfer and carry out treatment of the salmon, and Bakkafrost's cargo aeroplane.

The most significant sources of GHG emissions in Bakkafrost's value chain include the embodied emissions in the vast volumes of agricultural and marine commodities that the company sources for feed production as well as downstream transportation of the company's products. These emissions occur worldwide.

The negative impact is already affecting the company's business model, value chain, strategy, and decision-making. The effect of this impact on business decisions is anticipated to intensify as global and regional regulatory frameworks, stakeholder expectations, and market dynamics increasingly demand decarbonisation and climate resilience.

The impact has resulted in Bakkafrost making decarbonisation a strategic priority, as demonstrated by the allocation of 245 million DKK for energy transition in its 2026-2030 investment plan.

The impact is considered to originate from Bakkafrost's strategy and business model, which is centred on the production and processing of farmed salmon — activities that inherently contribute to GHG emissions. Additionally, the current slow pace of energy transition in society, coupled with the company's focus on scaling its operations and its strategic decision to prioritise mitigating biological risks (which requires increased use of large vessels running on fossil fuels), has resulted in a growth in GHG emissions.

The impact is fully covered by ESRS disclosure requirements.

#### • Energy-intensive operations – Actual negative impact

Bakkafrost's growth strategy involves extending the period during which salmon are farmed on land and increasing overall production, which necessitates a larger supply of feed. This approach significantly increases energy demand and consumption within the company's direct operations. The heightened demand may strain the capacity of energy grids in the regions where Bakkafrost operates, potentially requiring the expansion of energy production. Furthermore, if demand exceeds supply capabilities, there is a risk of overdemand, which could cause potential

breakdowns in the energy grid and disrupt both Bakkafrost's operations and the broader regional energy supply.

The added strain on energy grids could result in higher costs for energy companies as they invest in infrastructure upgrades, as well as increasing procurement of fossil fuels for electricity production to maintain a sufficient supply. These costs might eventually be passed on to end-users in the region, leading to increased energy expenses.

To mitigate these challenges, Bakkafrost has adopted a proactive strategy that includes engaging in close dialogue with electricity and infrastructure providers to identify optimal solutions for minimising capacity strain. Additionally, the company is exploring options to become partially self-sufficient in renewable energy for its current and future operations.

The impact is concentrated within Bakkafrost's Freshwater and FOF segments in the Faroe Islands and in Scotland, where expansions are either already underway or planned.

The impact is already evident, as Bakkafrost has significantly expanded its Freshwater operations with new and larger facilities over the last five years or so, and the impact is expected to intensify further in the next few years.

The impact, which Bakkafrost is involved in through its direct activities, is considered to originate from Bakkafrost's strategy, as the increased energy demand is a consequence of the strategic priority to minimise the biological risks that inherently exist with farming in the marine environment by moving more of the production cycle to on-land facilities.

The impact is fully covered by ESRS disclosure requirements.

#### • Faster-growing fish with higher sea-water temperature – Opportunity

Bakkafrost has identified faster-growing fish resulting from higher sea-water temperatures as a material financial opportunity arising from climate change adaptation. As ocean temperatures increase due to climate change, Atlantic salmon exhibit enhanced metabolic rates and accelerated growth within optimal temperature ranges. This biological response creates the potential for shorter production cycles, improved biological performance, and enhanced operational efficiency.

This opportunity is concentrated in Bakkafrost's own operations, specifically within the marine farming segment in the Faroe Islands and Scotland. The opportunity manifests primarily at sea-based farming sites where salmon are reared in open marine environments directly exposed to changing ocean temperatures.

**CURRENT EFFECTS ON BUSINESS MODEL AND STRATEGY**

Currently, Bakkafrost monitors sea temperature trends as part of its operational management and biological performance tracking. While systematic warming trends are emerging, the company has not yet observed material financial effects from temperature-driven growth acceleration. Sea temperature variability remains within historical ranges in most farming locations, though warming signals are increasingly evident in long-term datasets.

Bakkafrost has identified climate adaptation as an essential strategic consideration that will be progressively integrated into core business processes, including site selection, production planning, and investment decisions.

**Anticipated future effects on business model and strategy:**

Over the medium to long term (2030-2050), gradual ocean warming is anticipated to create favourable conditions for accelerated salmon growth in certain farming locations, particularly during spring and autumn periods when temperatures have historically been suboptimal. This could result in:

- **Shorter production cycles:**  
Reduced time from smolt transfer to harvest weight, improving capital efficiency and site utilisation.
- **Enhanced biological performance:**  
Improved feed conversion ratios and growth rates within optimal temperature ranges.

**Increased production flexibility:**

Greater ability to optimise harvest timing and product specifications.

**Current financial effects:**

As of the 2025 reporting period, the financial opportunity of faster-growing fish due to higher sea-water temperatures has not yet resulted in material financial effects on Bakkafrost's financial position, financial performance, or cash flows. Though higher sea temperatures were observed during 2025, market conditions such as low salmon prices make it difficult to quantify the financial effects within the reporting year.

**Anticipated financial effects:**

The anticipated financial effects of faster-growing fish due to higher sea-water temperatures are expected to emerge gradually across short-, medium-, and long-term time horizons, with increasing magnitude over time as ocean warming trends become more pronounced.

Over the short term, financial effects are anticipated to be limited and not material. Sea temperature changes are expected to remain within historical variability ranges, with gradual warming trends emerging but not yet significantly affecting production cycles or biological performance. Potential marginal profits could be realised.

Over the medium to long term, as ocean warming trends become more established, financial effects are anticipated to become increasingly material and positive, particularly under moderate warming scenarios. This is anticipated to result in:

- **Revenue growth:**  
Potential for increased harvest volumes due to shorter production cycles and improved site utilisation, contributing to growth.
- **Cost efficiency:**  
Improved feed conversion ratios and reduced time to harvest may lower production costs per unit.
- **Profitability:**  
Enhanced biological performance is expected to contribute positively to EBITDA margins.

Long-term financial effects are subject to significant uncertainty due to the wide range of potential climate scenarios and the complex, non-linear relationship between temperature and salmon growth. If temperatures stay within a moderate warming range, there is potential for sustained positive effects.

However, under high warming scenarios there is an increasing risk that temperatures may exceed optimal ranges, reversing positive effects, and increasing the need for implementing adaptation measures.

The opportunity is partially covered by ESRS disclosure requirements. Bakkafrost is still considering quantitative KPIs that reflect the company's ability to take advantage of this opportunity.



**ESRS 2 SBM-3**

**RESILIENCE OF BAKKAFROST’S STRATEGY AND BUSINESS MODEL IN RELATION TO CLIMATE CHANGE**

The effects of climate change are becoming increasingly visible, and to assess and manage the company’s exposure to climate-related risks and to seize climate-related opportunities, Bakkafrost completed a climate scenario analysis in 2022. The analysis covered Bakkafrost’s direct operations (all Bakkafrost units and the subsidiaries over which Bakkafrost has a controlling influence either by shareholding or by agreement) and its upstream and downstream value chain. No organisational units or climate-related aspects were excluded.

The analysis considered multiple scenarios, including a 1.5°C-aligned transition scenario and a business-as-usual scenario with temperature increases exceeding 4°C by 2100.

We have applied an approach of including as wide a spectrum of scenarios as possible to ensure that we capture the most extreme potential climate-related impacts on Bakkafrost.

In the analysis, the following three scenarios were applied, as summarised in the table below:

**Scenarios and timeframes**

Scenario	Description	Reference data
<b>Early transition</b>	Gradual and deliberate shift towards a low carbon economy with the outcome of successfully limiting global average temperature within 2°C by 2100.	SSP1 (UNFCCC) RCP1.9 (IPCC)
<b>Late transition</b>	Sudden shift towards a low carbon economy with governments making dramatic policy interventions to make up for a late start. Global average temperature increase to be kept within 2°C by 2100 with possible overshoot.	SSP1-2 (UNFCCC) RCP2.6 (IPCC)
<b>Hot house</b>	Continuation of current projection of carbon emissions without any significant abatement or mitigation. Likely to result in temperature increases in excess of 4°C by 2100.	SSP2-5 (UNFCCC) RCP 8.5 (IPCC)

**Low-carbon economy assumptions applied**

The analysis includes critical macro-economic, energy-related and technology-related assumptions. The analysis assumes that a transition to a lower-carbon economy will lead to increased regulatory costs (e.g. carbon taxes and reduced support from national governments) and changing consumer preferences where consumers transition towards lower carbon diet and value full traceability of their food sources, choosing options that are more responsibly sourced.

Regarding energy consumption, energy mix and technology deployment, our analysis assumes that the electricity grids in the Faroe Islands and Scotland continue to decarbonise and there is an orderly transition to low-carbon infrastructure. Standing charges for fuels are increased to fund infrastructure upgrades.

**Time horizons**

Bakkafrost’s climate scenario analysis incorporates two time horizons:

**2050:** Represents the medium-term horizon, aligned with global and regional climate goals (e.g., the Paris Agreement) and

transition pathways toward net-zero emissions. This time horizon was primarily applied to capture transition risks.

**2070:** Reflects the long-term horizon, focusing on the cumulative effects of physical climate risks, such as ocean acidification and changes to marine ecosystems, under high-emission scenarios. This time horizon was primarily applied to capture physical risks.

Bakkafrost did not apply climate-related and business scenarios when setting GHG emissions reduction targets, and thus, the time horizons above have not been aligned with these targets.

**Methodology for considering financial effects**

The anticipated financial effects of climate-related risks, as well as mitigation actions and resources, were evaluated using a combination of factors. These include projected output growth based on Bakkafrost’s investment and growth strategy, company-specific data such as historical figures from previous incidents, and publicly available datasets like the NGFS series (e.g., population changes, GDP trends, carbon prices, and agricultural commodity costs). Where applicable, the analysis also considers potential inflationary pressures.

**Results of resilience analysis**

The analysis identifies the late transition scenario as presenting the most significant financial concerns for Bakkafrost. A key area of concern is procurement for feed operations, where the anticipated introduction of stringent regulations on agricultural commodities and the reduced availability of wild-caught marine proteins pose substantial financial risks. Additionally, a significant portion of this scenario’s risk exposure stems from carbon taxes, with the peak financial impact expected to occur before 2050.

In contrast, the early transition scenario is associated with less severe potential financial impacts, with approximately 50% of the financial risk exposure within this scenario being linked to source-regulated agricultural commodities for feed operations.

Climate scenario analysis is inherently subject to uncertainties, particularly regarding how meteorological and oceanic interactions will evolve. While the exact financial figures calculated in the analysis are uncertain, the findings clearly indicate that

Bakkafrost is financially exposed to rising carbon taxes and potential regulatory changes in the supply chain.

Bakkafrost has already begun addressing some of these risks through its strategic and investment decisions. Resources have been allocated to decarbonization efforts, as well as to research and development aimed at identifying new or alternative feed ingredients and increasing flexibility in feed composition.

**Ability of the company to adjust to climate change**

Overall, across the three scenarios, the introduction and potential increase of carbon pricing rates represent a significant climate-related financial risk going forward. Bakkafrost is in a moderate position to be able to adjust or adapt its strategy and business model to mitigate the exposure to this risk.

Bakkafrost has good access to finance at an affordable cost of capital, last demonstrated in March 2022, when Bakkafrost signed a facility agreement for a sustainability-linked EUR 700 million multicurrency revolving credit facility with a tenor of five years with a possibility of prolonging it two times with one year each. The Group has used both extension options and extended the facility until February 2029.

As carbon pricing represents the greatest climate-related risk exposure for Bakkafrost, the company’s primary objective to mitigate this risk is to decouple business growth from greenhouse gas emissions.

Bakkafrost is in a moderate position in terms of its ability to re-deploy, upgrade, or decommission existing assets. Bakkafrost operates a significant number of large, often energy-intensive assets, such as vessels and factories. This creates exceptionally high requirements for the availability of renewable energy. The scale and energy demands of these assets present significant challenges in transitioning to more climate-friendly energy solutions, as existing renewable energy technologies often lack the capacity or efficiency needed to meet these requirements without compromising operational feasibility. Technology is available, but the challenge is to secure the availability of the required amounts of energy.

Regulatory restrictions, such as restrictions on generating renewable energy, also pose challenges in implementing an energy transition.

Bakkafrost specialises in raising Atlantic salmon, a highly capital-intensive industry requiring significant investment in essential assets. This deep commitment to the sector limits the company's flexibility to diversify its product and service portfolio. However, aquaculture - including farmed salmon - has been recognised by organisations such as the UN as a sustainable solution to meet the growing global protein demand while operating within planetary boundaries. As a result, Bakkafrost does not anticipate a decline in demand for its products or the need to shift its portfolio due to climate change effects. Consequently, there is no immediate need to reskill the workforce.

### Priority risks in 2050

Value chain stage	Risk description	Early transition	Late transition	Hot house
Upstream	Sourcing feed inputs for Havsbrún (soy and marine proteins)	■	■	■
	Electricity supply	■	■	■
Direct operations	Carbon pricing	■	■	■
	Harmful algal blooms	■	■	■
	Extreme weather events	■	■	■
Downstream	Use of air transportation	■	■	■

## Management of impacts, risks and opportunities

### E1-2

#### OUR APPROACH

Policy	Climate Policy
<b>Purpose</b>	Ensure a streamlined approach within Bakkafrost to managing climate-related impacts, risks and opportunities
<b>Scope</b>	All units over which Bakkafrost has a direct controlling influence, either through shareholding or agreement
<b>Most senior level accountable</b>	Board of Directors + Chief Executive Officer (CEO)
<b>Availability</b>	Internal handbook + webpage
<b>Third-party standards referenced in policy</b>	Science-based targets initiative (SBTi)

Bakkafrost's Climate Policy addresses the company's approach to working with climate change mitigation, adaptation, energy efficiency and renewable energy deployment.

#### CLIMATE CHANGE MITIGATION

Bakkafrost uses transition planning as the tool of choice to address future efforts. The objective of our climate mitigation efforts is to ensure that Bakkafrost's strategy and business model are compatible with a sustainable economy where global warming is limited to 1.5C in line with the Paris Agreement and with the objective of achieving climate neutrality in 2050.

##### Approach

To ensure that Bakkafrost fulfils its commitments, we employ a multifaceted strategy that addresses material impacts within the value chain as well as directs operations.

##### Fish feed

- Low-carbon feed:

Feed production is one of Bakkafrost's key climate impacts. The company is dedicated to ongoing research and development (R&D) into feed composition to minimise climate impact. One of the approaches is using locally caught marine raw material with low food value in the feed, as it is considered a low-carbon solution. Bakkafrost is committed to continuous R&D into the feed composition to constantly optimise feed to ensure a feed with as low a carbon footprint as possible. This also includes a commitment to the responsible sourcing of other commodities for feed production, including agricultural commodities. Bakkafrost's commitment to sustainability extends beyond ingredient selection. The company continually explores alternative energy sources to mitigate its carbon footprint further when producing fishmeal, fish oil, and feed.

##### Energy efficiency

Electrification:  
Bakkafrost is committed to electrifying its facilities as much as possible through investment, supplier engagement and collaboration.

##### Efficiency

Bakkafrost is dedicated to maximising energy efficiency. For several years, Bakkafrost has actively worked on reducing energy demand by adjusting procedures in our operations, such as sailing speeds and utilising excess heat. Bakkafrost will continue engaging with suppliers to discuss topics such as improved primary data, CO2e emission factors, and GHG reductions. Bakkafrost maintains constant oversight of energy consumption and reports

annual energy consumption and energy mix in the Integrated Annual Report.

##### • Renewable energy

Bakkafrost is dedicated to utilising 100% renewable energy in the Faroe Islands and Scotland. Embracing innovative developments to reduce carbon footprints is crucial for promoting sustainable development in our local communities. Bakkafrost is progressively transitioning to renewable energy through self-generation and energy supplier agreements, and we are committed to constantly exploring new ways of sourcing renewable energy. Resource use and the implementation of circular economy solutions are also considered material.

Bakkafrost is committed to identifying and implementing circular economy solutions and using resources to generate renewable energy where deemed the most sustainable solution. We are committed to assessing new business cases and exploring participation in pilot projects that support an increased share of renewable energy for the company, provided they align with our strategic ambitions for expanding the use of renewables in our operations.

##### Transportation

- Transportation accounts for a significant share of Bakkafrost's climate impact, both in the company's direct Scope 1 GHG emissions and indirect Scope 3 GHG emissions. Bakkafrost will continue to explore new opportunities for low-carbon transportation modes. This is achieved by exploring new electrical solutions and environmentally friendly fuels for all our types of transportation, as technology and market conditions permit. We are committed to working closely with our logistics providers to promote the shift to low-carbon transportation methods further.

#### CLIMATE CHANGE ADAPTATION

Bakkafrost has identified and assessed physical and transition risks through a TCFD-aligned climate scenario analysis. We developed our climate change adaptation strategy based on the risks identified as having a potentially substantive financial impact on the business. The adaptation actions aim to mitigate the exposure to these climate-related risks.

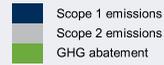
Current strategic adaptation measures include:

##### Response to physical risks:

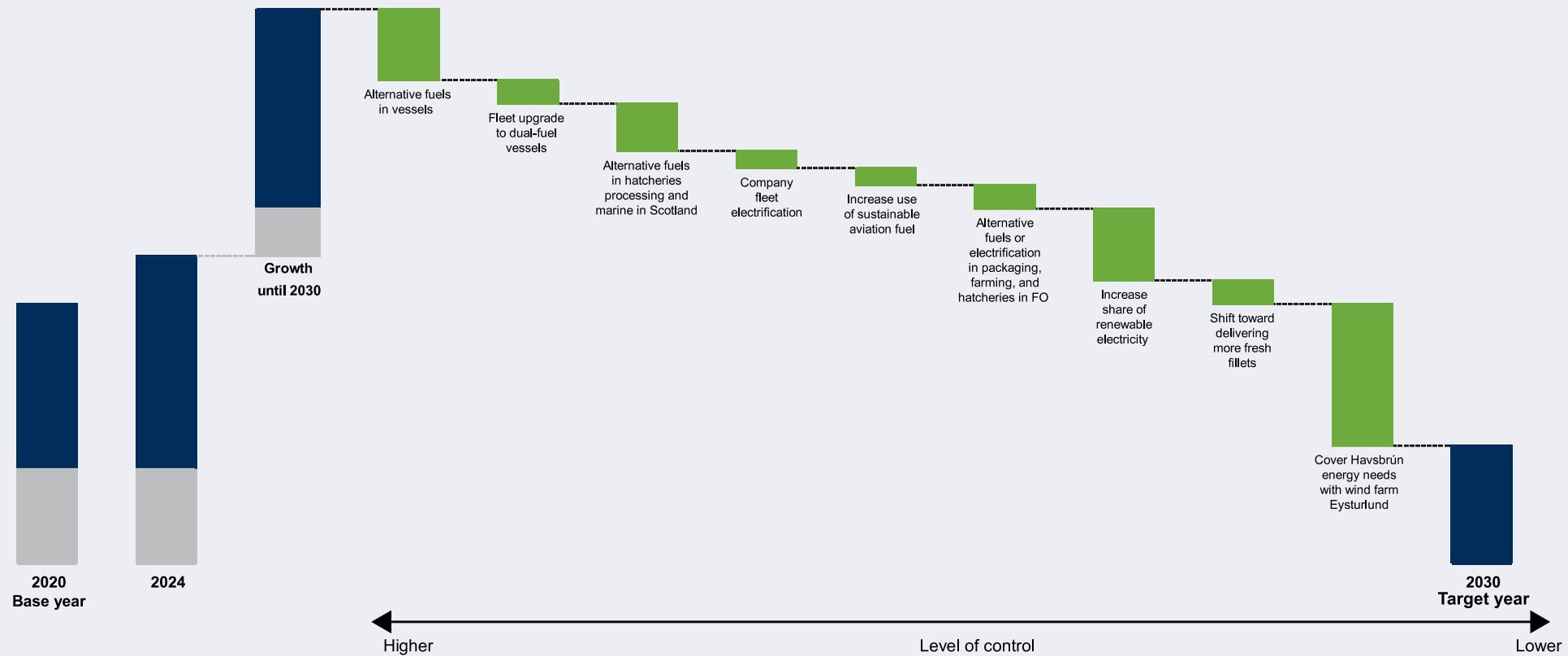
- Investment in more robust equipment
- Implementing actions to mitigate the impact of rising ocean temperatures, including extending the rearing period on land, enhancing the salmon's robustness and resilience to biological challenges associated with warmer waters
- Maintaining high inclusion of marine raw materials in feed

##### Response to transition risks:

- Trials of alternative feed ingredients as part of the effort to minimise the risk of financial impact through increased prices on agri-commodities
- Forecasting potential fluctuations in energy prices
- Decarbonisation to avoid substantial financial effects of potential carbon pricing



## Climate Transition Plan towards 2030 - Scope 1 & 2



## Strategy

### E1-1

#### TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

Bakkafrost has finalised its transition plan for climate change mitigation to align its business model with a 1.5°C pathway and reduce greenhouse gas emissions in line with its validated science-based targets. The plan defines the key decarbonisation levers across Scope 1 and 2 emissions and incorporates the most material Scope 3 categories, including feed raw materials and downstream logistics.

The transition plan has been developed following extensive scenario analysis and climate-risk work carried out in collaboration with external consultants. While the plan is not submitted to the Science Based Targets initiative (SBTi) as a long-term Net Zero plan, it serves as a foundational framework for future alignment with a 2050 Net Zero trajectory.

The plan is now undergoing internal review and integration, where actions are being prioritised, sequenced, and embedded into strategic, operational and financial planning.

#### ALIGNMENT WITH THE PARIS AGREEMENT

The transition plan is designed to support Bakkafrost's validated science-based targets, which include:

A 50% absolute reduction of scope 1 and 2 emissions by 2030, from a 2020 baseline.

A 52% reduction in scope 3 emissions intensity per tonne of product sold by 2030.

The long-term ambition to reach Net Zero by 2050

The transition plan is designed to support delivery of these near-term targets and to prepare the company for long-term decarbonisation. Although Bakkafrost has not submitted a Net Zero 2050 target, the plan explores long-term pathways consistent with a 1.5°C trajectory.

#### SCOPE OF THE TRANSITION PLAN

The transition plan includes:

Scope 1 & 2: Full decarbonisation pathway, abatement levers, sequencing, and relative abatement potential.

Scope 3: Focus on the most material categories, including:

- Agricultural raw materials for feed production (soy protein concentrate, wheat, rapeseed oil)
- Marine ingredients
- Downstream logistics (air freight, vessels, trucking)
- Packaging
- Refrigeration and cooking of the end product

These categories were identified as material transition-risk drivers through our climate scenario analysis and our GHG inventory and value-chain assessment and therefore incorporated into the transition plan.

#### DECARBONISATION LEVERS AND EXPECTED EFFECTS

The transition plan identifies a set of potential decarbonisation levers across operations and the wider value chain. The prioritisation of the energy-related levers is based on a qualitative assessment of abatement potential, implementation cost and degree of control, including technical feasibility.

Scope 1 and 2 decarbonisation levers identified during the work to create a transition plan include:

- **Electrification:** Electrification across Bakkafrost's operations has been identified as being of vital importance to achieving the science-based target of reducing scope 1 & 2 GHG emissions by 50% in 2030, and the 'Eysturlund' wind farm project in particular has been identified as crucial, as it will replace fuel oil-based steam production at the company's feed production site with renewable electricity.
- **Fuel-switching:** The possible adoption of alternative, low-carbon fuels for vessels (e.g. Hydrotreated Vegetable Oil) was identified to be able to deliver important emission reductions.
- **Use of renewable energy:** Though increasing the share of renewable energy on the Faroese electricity grid has proven highly challenging so far since the national grid company set a target of 100% renewable electricity in 2030, an increased share of renewable energy on the Faroese grid is inarguably crucial for Bakkafrost to achieve its 2030 GHG reduction target.

The identified scope 1 and 2 decarbonisation levers are assessed to be sufficient to meet the near-term target.

Although the transition plan has not been finalised yet, Bakkafrost has already commenced the implementation of some key actions related to the identified decarbonisation levers, including the construction of a wind farm to supply Bakkafrost's feed production with renewable electricity. Please refer to section E1-3 for further information on current climate-related actions.

Potential locked-in GHG emissions have not been identified during the process, but the current 2030 scope 1 & 2 GHG reduction target has been assessed to be achievable without considering any locked-in emissions.

- **Supplier engagement:** Bakkafrost sources large volumes of commodities for salmon feed production. GHG reductions achieved by suppliers in producing these commodities will materially lower Bakkafrost's Scope 3 footprint.

- **Transport fuel-switching:** Transitioning to lower-emission fuels in both the upstream transportation of goods that Bakkafrost purchases and in the downstream distribution of sold products will materially lower Bakkafrost's Scope 3 footprint.

#### Investments and funding

The current transition plan for climate change mitigation includes indicative assessments of the costs associated with implementing the identified decarbonisation initiatives. However, as the transition plan is still in draft form and has not yet been fully integrated into the company's business model, we will wait to disclose any quantified financial information until the plan has been finalised.

Bakkafrost has, however, already set aside 245 mDKK for energy transition in its 2026-2030 investment plan.

For further information on the spending in the reporting year on climate-related initiatives, please refer to Bakkafrost's EU Taxonomy reporting found in the Appendix of this report.

#### Approval and governance

The transition plan has not yet received its final approval, as investments and supporting funding for the plan's implementation are still to be discussed and incorporated into Bakkafrost's general financial planning.

## Impacts, Risks and Opportunities

### E1-3

#### ACTIONS

The decarbonisation of operations ranks among Bakkafrost's key business priorities, and the company has launched several initiatives to achieve the objectives set out in the company's climate policy. Bakkafrost has compiled a transition plan which sets out future initiatives to be implemented.

Carbon-reduction projects are CAPEX-intensive. In its 2024-2028 investment programme, Bakkafrost earmarked 350 mDKK for energy transition. Following the scheduled biennial review in 2025, the investment plan spans from 2026 to 2030 with an allocation to energy transition of 245 mDKK, which primarily reflects the unspent portion of the original 350 mDKK. 135 mDKK was spent during 2024 and 2025.

In March 2022, Bakkafrost entered a new sustainability-linked EUR 700 million credit facility with a 5-year term and 2-year extension options, which have been exercised. This loan serves as a robust and flexible financial framework for the company's investment plans aimed at significant sustainable growth. Importantly, the margin payable is linked to Bakkafrost's performance against the following sustainability KPIs, which are consistent with our overall sustainability targets and ambitions:

- Own generation of renewable electricity
- Feed conversion ratio
- Survival rate

In 2025, the following key carbon reduction actions were taken and/or were in the process of implementation to support the achievement of the objectives set out in Bakkafrost's Climate Policy:

- **Construction of 350 GWh of renewable energy per annum wind farm in the Faroe Islands - Decarbonisation lever: Electrification**

To manage the identified negative impact of GHG emissions from Bakkafrost's direct operations, the company has partnered with Faroese energy provider EFFE to launch an advanced project aimed at significantly boosting renewable energy production. The project involves establishing the largest wind farm in the Faroe Islands, capable of generating power

equivalent to 10% of the collective oil consumption across the islands - both on land and at sea. Initially, the project will supply renewable energy to Bakkafrost's FOF segment in Fuglafjørður, covering the facility's energy demand, which is currently met through fuel oil consumption.

The project was initially expected to be completed in 2027. However, the project is still pending necessary approvals. In 2025, Bakkafrost put resources into advocating for the project's approval.

In drafting the company's climate transition plan, the project was identified as the key enabler for meeting Bakkafrost's 2030 climate targets.

The energy generated by a wind farm can be utilised in various ways, and the carbon savings achieved from this project largely depend on the efficiency of capturing and utilising the wind energy produced. As a result, predicting the exact impact is challenging. However, estimates suggest potential savings of at least 40,000 tCO<sub>2</sub> per year. Since the project is still in development, there are currently no capital expenditures (CapEx) or operating expenditures (OpEx) to report.

• **Renewables at Applecross hatchery – Decarbonisation lever: Fuel-switching**

In connection with the construction of the newly developed Applecross hatchery in Scotland, the facility is supplied with renewable energy from a hydro scheme and will also be supplemented with photovoltaic renewable energy, with PV cells on a number of the buildings on site. There is also ongoing work to supply the site with a second hydro supply, which is expected to be implemented within the next two years.

This action pertains to Applecross, our largest hatchery in Scotland. Hatcheries are energy-intensive, so it is considered a high priority that the energy consumed at the site is derived from renewables.

In 2025, 2,371 MWh was supplied through the hydro supply. We expect the PV cells to supply 1,234 MWh per annum, and the second hydro supply is expected to supply 13,521 MWh per annum. The work of completing these projects has been ongoing during 2025, and they are expected to be completed in mid-2026.

The expected outcome is a reduction of approximately 4,000 tCO<sub>2</sub>e.

Implementing this initiative has required substantial capital (CapEx) and operational (OpEx) expenditures, which have been funded through the company's regular operational financial resources.

The total CapEx required to implement this action (including expenses from 2022 to 2025) has amounted to a cost of 85 mDKK, and the total OpEx amounts to around 3.2 mDKK.

• **Electricity-sourcing through 'Renewable Energy Guarantees of Origin' (REGOs) and 'Power Purchase Agreement' (PPA) – Decarbonisation lever: Use of renewable energy**

In 2025, the company continued to source electricity for all Scottish sites through market-based energy contracts underpinned by Renewable Energy Guarantees of Origin (REGO). Applecross hatchery also sourced renewable electricity through a Power Purchase Agreement (PPA). These initiatives ensured that all contracted electricity used came from renewable sources, resulting in a saving of 1,707 tCO<sub>2</sub>e in 2025 under a market-based reporting approach.

This initiative, which pertains to the segments: Freshwater SCT, Farming SCT, and the Service segment, contributes to the policy objective of decarbonising Bakkafrost's operations. We expect to continue sourcing electricity through REGO-backed schemes and PPAs in the coming years.

Implementing this initiative has required significant OpEx, which cannot be disclosed due to contractual restrictions.

The OpEx in the reporting year is included in the total 'Operating expenses' related to 'Freshwater Scotland', 'Farming Scotland', and 'Services' provided in Note 2.3 of the Management Statement in this report.

• **Carbon capture project – Decarbonisation lever: Carbon capture and storage (CCS)**

Bakkafrost continues its participation in the DecarbFaroe project, a new carbon capture project in the Faroe Island, with preparatory activities commencing in late 2024 and the formal pilot phase progressing through 2025. The DecarbFaroe project is a pilot initiative in the Faroe Islands focused on carbon capture and storage (CCS) technology. It aims to test the feasibility of storing carbon in basalt rock, a process where

the carbon, combined with water, transforms into stable mineral form (tinna, solid carbonate minerals) within a few years – significantly faster and safer than using sandstone or depleted oil and gas reservoirs. This approach minimises the risk of leaks.

The project is a collaboration between Jarðfeingi (the Faroese Geological Survey), SEV (the national energy provider), FÖRKA (Bakkafrost's biogas subsidiary), and international partners including Equinor (Norway) and 44.01 (UK), alongside academic partners from Europe and India. The project has received approval for co-funding from the EU's Clean Energy Transition Partnership (CETP) under its 2025 funding round, enabling scale-up of the pilot phase and the first on-site water injection tests at the FÖRKA biogas facility.

The project directly supports Bakkafrost's Climate Policy and SBTi-approved decarbonisation pathway by addressing biogenic CO<sub>2</sub> emissions from FÖRKA's operations. Any future use of verified carbon removal credits would be disclosed separately and does not substitute for direct emissions reductions within the Group's value chain. Successful implementation would allow FÖRKA to operate as a net-negative energy facility with respect to biogenic CO<sub>2</sub> emissions, through permanent geological storage enabled by BECCS, strengthening Bakkafrost's climate reduction commitments.

During 2025, preparatory works were completed at FÖRKA to integrate a CO<sub>2</sub> capture unit and temporary storage infrastructure. Engineering assessments for permanent mineralisation wells are in progress and expected to conclude in early 2026. The long-term ambition is to establish a scalable BECCS model at FÖRKA. Based on current assessments, the pilot phase is expected to enable the permanent storage of up to approximately 2,000 tonnes of biogenic CO<sub>2</sub> per year, subject to successful testing, regulatory approvals and final investment decisions.

The initiative currently remains in the pilot and design phase, with initial water injection testing and associated monitoring ongoing, while CO<sub>2</sub> injection is planned for a later phase of the project. The project involves new fixed assets at FÖRKA, though the related capital expenditure and financing structure are not yet disclosed. Funding commitments are being

structured through CETP, Bakkafrost's internal Green Transition budget and potential Faroese innovation grants. If successful, the project will mark a milestone in regional carbon management and offer a transferable model for low-carbon aquaculture and feed operations across the North Atlantic region.

The initiative relates to Bakkafrost's Service segment, in which FÖRKA is located, but the project also reaches beyond this, potentially affecting Bakkafrost's upstream and downstream suppliers in the Faroe Islands, who might benefit from the project in the future.

• **Electrification of operations – Decarbonisation lever: Fuel-switching**

Electrification is a core pillar of our decarbonisation strategy, enabling the replacement of fossil-fuel systems with renewable solutions to reduce Scope 1 and Scope 2 emissions.

In 2025, we advanced this programme by replacing some of the fossil-fuel space-heating boilers in our Freshwater and Farming buildings with electric heat pumps, and by continuing the transition of our fleet from fossil-fuel cars to electric vehicles.

While large projects, such as the wind farm referenced above, are central to meeting our GHG-reduction targets, these distributed initiatives also deliver meaningful emissions reductions. Combined Capital expenditures related to these initiatives for 2025 amounted to around 2.5 mDKK.

• **Supplier Day 2025 – Decarbonisation lever: Supply chain management**

As part of the work to reduce scope 3 GHG emissions, in 2025 Bakkafrost hosted a workshop for Varandi Vinna, the Faroese sustainability network. The focus was on how companies can measure and report their greenhouse gas emissions using international standards such as the GHG Protocol.

Held at Bakkafrost's headquarters in Glyvrar, the workshop gathered member companies from across the Faroe Islands, reflecting growing interest in structured climate reporting and green transition. As host, Bakkafrost was pleased to share the knowledge built over many years of working with sustainability reporting and CO<sub>2</sub> emissions management.

## Metrics and targets

### E1-4

#### TARGETS AND PERFORMANCE

Bakkafrost has established the following near-term climate-related targets, which cover emissions from the company's own operations as well as its supply-chain emissions. These emission reduction targets have been verified by the Science Based Targets initiative as being in line with limiting global warming to 1.5°C:

##### Reduce Scope 1 and 2

Bakkafrost has committed to reducing absolute Scope 1 and 2 GHG emissions by 50% by 2030 from a 2020 base year (2020: 119,061 tCO<sub>2</sub>e). The target is measured in tCO<sub>2</sub>e. The target covers 100% of emissions from sites over which Bakkafrost has operational control.

##### Reduce Scope 3

Bakkafrost has also committed to reducing Scope 3 GHG emissions by 52% per tonne of product sold by 2030 from a 2020 base year (2020: 4.17 tCO<sub>2</sub>e/tonne of product) from purchased goods and services, fuel and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, downstream transportation and distribution and end-of-life treatment of sold products.

The target is relative and measured in tCO<sub>2</sub>e/tonne of product sold. The target covers 85.9% of the scope 3 emissions in the baseline year from sites over which Bakkafrost has operational control.

##### GHG Targets validated by SBTi

The GHG reduction targets have been externally assured in conjunction with the submission process to be approved by the Science Based Targets (SBTi). The targets have been derived using cross-sectoral decarbonisation pathways.

Bakkafrost has voluntarily decided to set targets aligning with the goal of limiting global warming to 1.5°C.

When setting the targets, Bakkafrost has included the assumptions of significant future growth. Nevertheless, the scope 1 and 2 targets have been maintained in absolute value, and thus, the

SBTi considers the targets as 'ambitious', and the same applies to the scope 3 target, as increased activity levels usually lead to higher greenhouse gas (GHG) emissions.

FLAG-related emissions are below 20% of total emissions and included in Scope 3, so no separate FLAG target is required.

##### Tracking progress against targets

Bakkafrost tracks its progress in reducing greenhouse gas (GHG) emissions by continuously collecting data for scope 1 and 2 emissions. This data is accessible in real-time through an internal business intelligence dashboard. Progress is regularly reviewed by our Sustainability Committee, led by the CEO, and also during Board meetings.

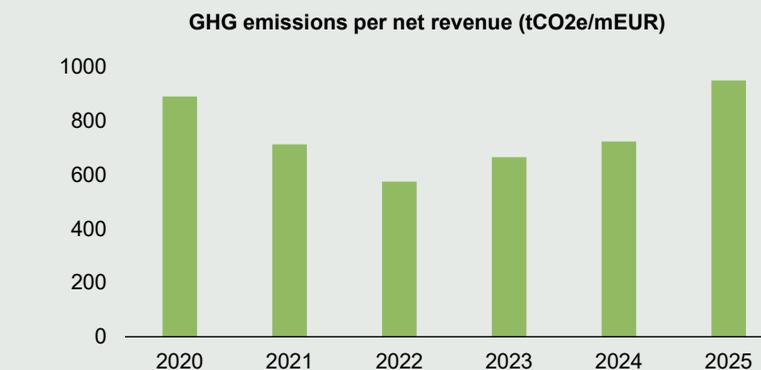
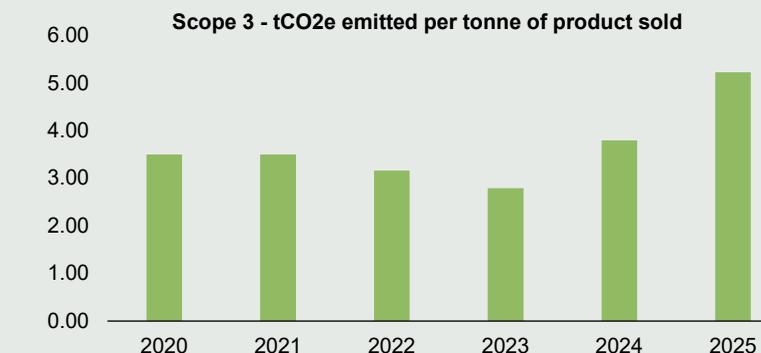
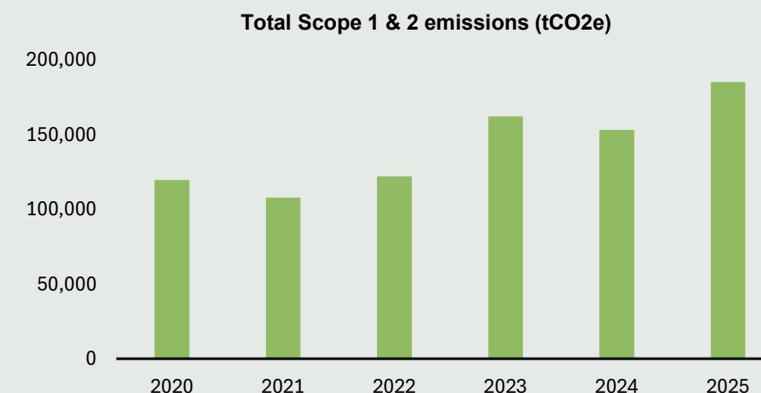
While we have made significant strides in collecting scope 1 and 2 emission data, we still use a combination of supplier-specific emission factors and factors from databases for our scope 3 GHG calculations. However, there has been progress in collecting scope 3 data as the calculations are based on activities rather than expenditures, resulting in a more accurate estimate. Also, in 2025, progress was made in collecting even more supplier/product specific emission factors, resulting in a decrease in GHG emissions for some purchased products. The scope 3 emissions calculations are performed annually.

##### GHG performance and plans for reduction

Five years into the target period, the company still has a long way to go to achieve its GHG emission reduction targets. In 2025, the company's Scope 1 and 2 GHG emissions increased due to general increased operational activity across all segments, especially Bakkafrost's feed production facilities, air freight operations, and fuel consumption for farming service vessels.

Bakkafrost has tangible plans in place to reduce the carbon footprint of our feed production facility and other key drivers of GHG emissions. The success of these carbon reduction initiatives largely depends on authorities granting Bakkafrost permission to generate its own renewable energy.

Scope 3 emissions increased in 2025, primarily due to an increase in sourced volumes of commodities for feed production, as well as an increase in emissions from downstream transportation by air, as more volumes were sold to China and USA compared to 2024.



In addition to the near-term, SBTi-validated targets, and to support the achievement of the objectives set out in the Climate Policy, Bakkafrost has committed to:

• **Sourcing 100% renewable energy for direct operations by 2050 (from a 2024 base year and a base value of 4.21%)**

The target is absolute, expressed as a percentage, and covers Bakkafrost’s entire direct operations. It is considered aligned with the scientifically based targets outlined in the Paris Agreement, meaning it is based on conclusive scientific evidence.

Stakeholders have not been involved in setting this target. Monitoring is conducted through the annual GHG emissions account, which includes data collection and analysis related to the share of renewable energy.

In 2025, the share of renewable energy consumed in Bakkafrost’s direct operations was 3.13%.

In the Faroe Islands, companies are currently prohibited from producing renewable electricity independently and feeding it into the grid for subsequent use at their facilities. Additionally, Power Purchase Agreements (PPAs) are not currently an option in the Faroe Islands. As a result, Bakkafrost is currently relying on the national grid to increase its share of renewables to achieve this target. Even if Bakkafrost electrifies its operations locally, the renewable electricity rate will remain unchanged under the existing regulatory and infrastructural conditions.

In 2025, the average share of renewable electricity provided through the Faroese grid was 51%, from 57% in 2024.

In addition, Bakkafrost operates a significant number of large, often energy-intensive assets, such as vessels and factories. This creates exceptionally high requirements for the availability of renewable energy. The scale and energy use of these assets present significant challenges for transitioning to more climate-friendly energy solutions, as existing renewable energy technologies often lack the capacity or efficiency needed to meet these requirements without compromising operational feasibility.

As mentioned, we purchase renewable electricity in Scotland through a combination of Renewable Energy Guarantees of Origin (REGOs) and Power Purchase Agreements (PPAs), which support our efforts to achieve 100% renewable energy. However, we remain dependent on fossil fuels for assets such as vessels.

**E1-7**

**GHG REMOVALS AND GHG MITIGATION PROJECTS FINANCED THROUGH CARBON CREDITS**

Bakkafrost has not implemented any GHG removals, nor has it financed any GHG mitigation projects through carbon credits.

**E1-8**

**INTERNAL CARBON PRICING**

Bakkafrost has not applied internal carbon pricing.

**E1-9**

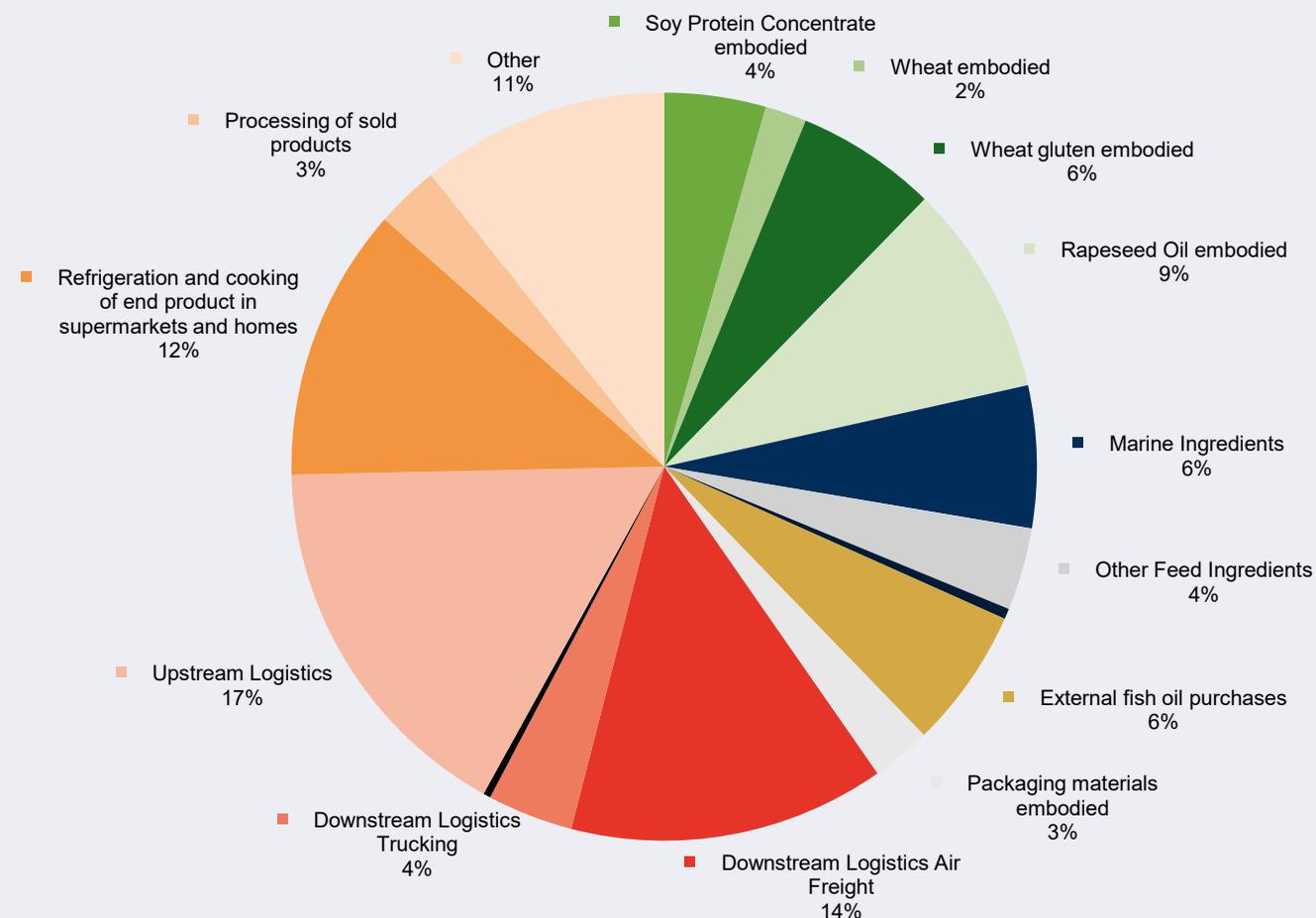
**CLIMATE-RELATED PHYSICAL AND TRANSITION RISKS AND OPPORTUNITIES**

Bakkafrost has conducted a TCFD-aligned scenario analysis to identify and assess climate-related risks and opportunities. While this analysis identified potential long-term risks, their extended time horizons mean they do not translate into material financial impacts for the company within the reporting period, as determined by our double materiality assessment.

Given that the identified risks and opportunities are not expected to have a material financial effect within the time horizons of this report, Bakkafrost has not, at this stage, completed the detailed identification of specific assets subject to climate-related physical and transition risks, as required under E1-9. This approach is supported by the Commission Delegated Regulation (EU) 2025/4812 (the “CSRD Quick Fix” delegated act), which provides the option to omit this specific disclosure. The combination of our scenario analysis findings and this regulatory provision allows Bakkafrost to defer this disclosure.

For more information about financial effects and opportunities, please refer to Bakkafrost’s TCFD report, which is available on Bakkafrost’s webpage.

**2025 Scope 3 GHG emissions breakdown**



# Understanding our emissions development

The development in Bakkafrost's greenhouse gas emissions since the 2020 base year reflects a combination of operational growth, structural characteristics of the company's value chain, and the methodological design of intensity-based targets. This section provides additional context to support the interpretation of the figures presented above.

## STRUCTURAL CHARACTERISTICS OF BAKKAFROST'S EMISSIONS PROFILE

Bakkafrost operates the most vertically integrated value chains in the salmon industry, including in-house production of fishmeal, fish oil and feed at Havsbrún.

The conversion of marine raw materials into fishmeal and fish oil is energy-intensive and requires significant steam production, heat generation, electricity use, and drying and processing capacity.

Unlike other salmon producers, Bakkafrost produces fishmeal and oil in-house. For other producers, these activities are typically performed by third-party suppliers and are therefore reported under Scope 3. At Bakkafrost, these emissions are reported under Scope 1 and Scope 2.

This structural difference materially affects the distribution of emissions between scopes and means that Bakkafrost's Scope 1 & 2 emissions are comparatively higher than peers who outsource fish meal and oil production.

When comparing emissions across the sector, differences in value chain structure and reporting boundaries must therefore be considered.

## ABSOLUTE SCOPE 1 & 2 TARGET VERSUS INTENSITY-BASED TARGETS

Bakkafrost's Scope 1 and 2 reduction target is absolute: a 50% reduction from the 2020 base year by 2030.

This includes emissions from fishmeal and fish oil production, feed production, processing, farming service vessels, and freshwater facilities.

Unlike intensity-based targets, absolute reduction targets cannot be diluted by production growth.

As production volumes increase, energy demand in fish meal, oil and feed production and farming activities also increases. Under an absolute reduction framework, total emissions must decline regardless of growth.

In contrast, all other industry peers report a larger share of feed-related emissions under Scope 3 and apply intensity-based reduction targets to these categories. This structural difference affects comparability and should be taken into account when assessing industry performance.

In addition, Bakkafrost operates its own cargo aircraft through FarCargo. Fuel consumption from these operations is therefore reported under Scope 1. In contrast, many industry peers rely on third-party air freight providers, where emissions are typically reported under Scope 3. This structural difference also affects the distribution of emissions between scopes.

## SCOPE 3 INTENSITY METRIC – INVENTORY EFFECTS

Bakkafrost's Scope 3 target is measured as tCO<sub>2</sub>e per tonne of product sold. This creates inventory-related effects in periods of biomass growth.

In 2025, Bakkafrost has historically high volumes of smolt in the sea. These fish contribute to emissions through feed production, vessel operations, freshwater treatment and supporting services. However, these fish are not yet harvested and sold, meaning the denominator (tonnes sold) does not yet reflect the full biomass under production.

This creates an inventory effect, whereby emissions are recognised before the associated revenue-generating product enters the denominator.

As Bakkafrost continues to expand production, the biomass under production is expected to grow alongside harvest volumes. This means that inventory effects may persist during periods of sustained growth, as emissions related to fish under production

are recognised before the associated volumes are harvested and sold.

## Biogas plant and fertiliser production

Bakkafrost's biogas facility produces approximately 30,000 tonnes of organic fertiliser annually. The production of this fertiliser requires energy and operational activity. These emissions are included in Scope 1 and Scope 2.

However, the fertiliser is not sold as part of the salmon product. It is provided free of charge to local farmers and is therefore not included in the "tonne of product sold" denominator.

From a circular economy perspective, the fertiliser reduces the need for imported, energy-intensive fertilisers. However, under current reporting rules, these system-level benefits cannot be credited in the emissions intensity calculation.

As a result, fertiliser-related emissions contribute to the numerator but have no corresponding denominator effect.

## Drivers behind Scope 1, 2 and 3 emissions development

The observed increase in emissions since the 2020 base year is primarily driven by operational growth and increased activity levels across the value chain.

### Scope 1 emissions increased mainly due to:

- Higher fuel consumption at Havsbrún related to fishmeal, fish oil and feed production
- Increased fuel use in farming service vessels
- Air freight operations under operational control

The increase reflects higher production volumes and expanded operational activity.

### Scope 2 emissions increased due to:

- Higher electricity demand in feed production
- Increased electricity consumption in freshwater facilities, including RAS operations
- Increased processing activity

Electricity consumption is closely linked to biomass under production and value chain expansion.

### Scope 3 emissions increased primarily due to:

- Increased sourcing volumes of feed raw materials
- Expanded downstream air freight activity
- Increased upstream logistics volumes
- Higher volumes of product requiring refrigeration and end-use energy

Feed raw materials remain the single largest contributor to Scope 3 emissions.

The increase in total Scope 3 emissions reflects production growth and biomass timing effects rather than structural inefficiency in raw material sourcing.

Performance must therefore be assessed by distinguishing between:

- Total emissions
- Emissions per tonne of feed produced
- Emissions per tonne of product sold

While supplier engagement and improved data quality continue to develop, the recent increase in total emissions primarily reflects production growth and inventory effects associated with biomass under production, rather than a structural deterioration in raw material efficiency.

## Outlook

Bakkafrost acknowledges that the current emissions trajectory is not yet aligned with the required 2030 reduction pathway. Execution of the climate transition plan, including renewable energy deployment (including the Eysturlund wind project), alternative fuels in vessels, electrification where feasible, and supplier engagement on feed raw material decarbonisation, is critical to achieving both absolute and intensity-based targets. The company remains committed to aligning sustainable growth with decarbonisation.

As part of the continued development of its climate transition plan, Bakkafrost will review the alignment between its climate targets and its growth trajectory in the coming years.

E1-5

## Energy consumption and mix

1 January 2025 – 31 December 2025

Energy consumption and mix	Unit	Target	2025	2024 (comparative)	2020 (base year)
(1) Fuel consumption from coal and coal products	MWh		0	0	0
(2) Fuel consumption from crude oil and petroleum products	MWh		564,604	472,929	336,733
(3) Fuel consumption from natural gas	MWh		1,016	392	337
(4) Fuel consumption from other fossil sources	MWh		0	0	0
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	MWh		114,675	103,985	74,706
<b>(6) Total fossil energy consumption (calculated as the sum of lines 1 to 5)</b>	<b>MWh</b>		<b>680,295</b>	<b>577,329</b>	<b>411,776</b>
<b>Share of fossil sources in total energy consumption</b>	<b>%</b>	<b>0</b>	<b>98.27%</b>	<b>95.79%</b>	<b>99.25%</b>
<b>(7) Consumption from nuclear sources (MWh)</b>	<b>MWh</b>		<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)</b>	<b>MWh</b>		<b>18,686</b>	<b>22,434</b>	<b>4,329</b>
<b>(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources</b>	<b>MWh</b>		<b>3,286</b>	<b>2,863</b>	<b>2,914</b>
<b>(10) The consumption of self-generated non-fuel renewable energy</b>	<b>MWh</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>(11) Total renewable energy consumption (calculated as the sum of lines 8 to 10)</b>	<b>MWh</b>		<b>21,971</b>	<b>25,381</b>	<b>7,242</b>
<b>Share of renewable sources in total energy consumption</b>	<b>%</b>	<b>100</b>	<b>3.13%</b>	<b>4.21%</b>	<b>1.73%</b>
<b>Total energy consumption (calculated as the sum of lines 6, 7 and 11)</b>	<b>MWh</b>		<b>702,266</b>	<b>602,489</b>	<b>414,878</b>
<b>Total energy consumption per net revenue</b>	<b>MWh/mDKK</b>		<b>100</b>	<b>82</b>	<b>89</b>



### Accounting Policies

#### Energy consumption and mix

Previous years' figures have been slightly amended due to improved data quality.

Total energy consumption related to our own operations includes fuel consumption at sites where Bakkafrost has operational control.

Fuel consumption from crude oil and petroleum products includes consumption of Diesel, Heavy Fuel Oil, Gas oil, Jet A-1 fuel, Marine gas oil, Kerosene, and Unleaded petrol fuel. Compared to last year, consumption of Used Cooking Oil (SAF) is not included in 2025, as this is no longer a standalone product that can be purchased, but is blended into Jet fuels in the EU by default. As we cannot guarantee the actual SAF blend, 100% of the Jet fuel has been accounted for as non-renewable.

Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources includes non-renewable electricity. Consumption/leaks of F-gases have been excluded from this table, though they are used for cooling purposes, but these are not accounted for as an energy source.

Quantity of renewable fuel sources reported include district heating, as this is assumed renewable.

Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources includes only electricity whose renewable origin can be verified — for example, through guarantees of origin certificates provided as part of a Power Purchase Agreement. Accordingly, electricity supplied via the national grid is accounted for as entirely non-renewable unless it is verified as 100% renewable.

'Fuel consumption for renewable sources' includes Bakkafrost's consumption of electricity and heating generated at our biogas plant as well as consumption of electricity generated from our solar panels at the freshwater facility Applecross.

Energy consumption per net revenue is calculated by dividing the quantity reported under Total Energy Consumption with the Operating Revenue reported in the Financial Statement Note 2.3

E1-6

## Gross Scope 1 & 2 GHG emissions

1 January 2025 – 31 December 2025

		Retrospective				Milestones and target years	
		2025	2024 (comparative)	2020 (base year)	% 2025/2024	2030	Reporting year (2025) vs. base year (2020)
Scope 1 GHG emissions	Unit						
Gross Scope 1 GHG emissions	tCO2eq	147,663	123,840	89,105	19%	-	66%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	%	11.90%	8.29%	0	n/a	-	-
Scope 2 GHG emissions							
Gross location-based Scope 2 GHG emissions	tCO2eq	37,483	29,328	30,467	28%	-	23%
Gross market-based Scope 2 GHG emissions	tCO2eq	37,636	29,112	29,367	29%	-	28%
<b>Total scope 1 &amp; 2 GHG emissions (location-based)</b>	<b>tCO2eq</b>	<b>185,146</b>	<b>153,168</b>	<b>119,572</b>	<b>21%</b>	<b>-50%</b>	<b>+55%</b>



### Accounting Policies

#### Scope 1 GHG emissions

Scope 1 GHG emissions are reported based on the GHG Protocol and cover all direct greenhouse gas emissions from fuel combustion and fugitive emissions, including CO2 released from business units over which Bakkafrost has operational control. These emissions are calculated by multiplying the energy consumption by the applicable emission factors.

Scope 1 emissions are reported on a consolidated basis which means that figures include emissions for Bakkafrost Faroe Islands, Bakkafrost USA, Bakkafrost France, Bakkafrost Scotland and Munkebo Seafood.

Compared to last year, consumption of Sustainable Aviation Fuel (SAF) is not included, as this is no longer a standalone product that can be purchased, but is blended into Jet fuel in the EU by default. As we cannot guarantee the actual SAF blend, 100% of the Jet fuel has been multiplied by the emission factor for Jet A-1 fuel.

To determine the percentage of scope 1 emissions covered by regulated emissions trading schemes, the total emissions from markets subject to such regulations are divided by the total scope 1 emissions.

#### Scope 2 GHG emissions

Scope 2 GHG emissions are reported based on the GHG Protocol and cover all indirect greenhouse gas emissions from the generation of purchased electricity and heat consumed by business units over which Bakkafrost has operational control. Emissions are calculated using both the location-based and the market-based approach by multiplying the amount of energy purchased by country-specific emission factors. The market-based method accounts for renewable electricity procurement through Power Purchase Agreements (PPAs), Renewable Energy Certificates (RECs), or Renewable Energy Guarantees of Origin (REGOs). As no such schemes are available in the Faroe Islands, scope 2 emissions remain the same regardless of whether they are location-based or market-based.

In the absence of actual energy consumption data, as was the case for Bakkafrost France, a sales office in Boulogne, France, we estimated consumption based on the energy consumption of a sales office of ours in Scotland.

E1-6

# Gross Scope 3 and Total GHG emissions

1 January 2025 – 31 December 2025

		Retrospective				Milestones and target years	
		2025	2024	2020 (base year)	% 2025/2024	2030	Reporting year (2025) vs. base year (2020)
Significant scope 3 GHG emissions	Unit						
<b>Total Gross indirect (Scope 3) GHG emissions</b>	<b>tCO2eq</b>	<b>708,179</b>	<b>570,827</b>	<b>525,648</b>	<b>24%</b>		
1.Purchased goods and services	tCO2eq	280,291	226,435	253,660	24%		
2.Capital goods	tCO2eq	48,686	30,346	39,296	60%		
3.Fuel and energy-related Activities (not included in Scope1 or Scope 2)	tCO2eq	47,513	37,450	25,735	27%		
4.Upstream transportation and distribution	tCO2eq	109,500	93,108	36,133	18%		
5.Waste generated in operations	tCO2eq	618	1,349	2,149	-54%		
6.Business travel	tCO2eq	807	900	308	-10%		
7.Employee commuting	tCO2eq	1,889	1,943	1,292	-3%		
8.Upstream leased assets	tCO2eq	0	0	0	-		
9.Downstream transportation and distribution	tCO2eq	117,069	99,602	97,500	18%		
10.Processing of sold product	tCO2eq	18,029	11,103	12,405	62%		
11.Use of sold products	tCO2eq	79,128	63,993	53,174	24%		
12.End-of-life treatment of sold products	tCO2eq	5,193	4,486	3,996	16%		
13.Downstream leased assets	tCO2eq	456	114	0	300%		
14.Franchises	tCO2eq	n/a	n/a	n/a	-		
15.Investments	tCO2eq	n/a	n/a	n/a	-		
<b>Product sold</b>	<b>Tonnes</b>	<b>135,462</b>	<b>137,182</b>	<b>127,658</b>	<b>-1%</b>		
<b>Scope 3 GHG Emissions per tonne product sold</b>	<b>tCO2eq / tonne</b>	<b>5.23</b>	<b>3.98</b>	<b>4.17</b>		<b>-52% per kg sold product</b>	<b>+25% per kg sold product</b>
<b>Total scope 1, 2 &amp; 3 GHG emissions (location-based) (tCO2eq)</b>	<b>tCO2eq</b>	<b>893,325</b>	<b>723,995</b>	<b>645,220</b>	<b>23%</b>		
<b>GHG Intensity based on net revenue</b>	<b>tCO2eq / mDKK</b>	<b>127</b>	<b>99</b>	<b>139</b>	<b>29%</b>		

## § Accounting Policies

### Scope 3 GHG emissions

#### Category 1: Purchased Goods and Services

Covers upstream (cradle-to-gate) emissions from the production of purchased goods and services, including raw material extraction, processing, and upstream transportation to tier 1 suppliers. Emissions from transportation between tier 1 suppliers and the company are reported under Category 4. Calculation is based on multiplying purchased quantities by applicable emission factors (CO<sub>2</sub>/kg). Supplier-specific factors are used for soy protein concentrate and wheat gluten, with the remainder based on validated databases. The spend-based method is applied where quantity data is unavailable.

Category 2: Includes upstream emissions from capital expenditure on construction, installation, maintenance, and repair. The spend-based method was applied due to a lack of primary data.

Category 3: Accounts for upstream well-to-tank (WTT) emissions from purchased fuel and energy during the reporting year.

Category 4: Covers emissions related to the inbound transportation of purchased goods and services as well as the transportation of products between internal business units. Emissions from transportation are calculated using the distance-based method. The calculation is based on the mass of goods transported, the distance of each shipment, and mode-specific emission factors sourced from internationally recognised and validated databases. The emission factors are expressed in kilograms of carbon dioxide equivalent per tonne-kilometre (kgCO<sub>2</sub>e/tonne-km).

In 2025, we improved the accuracy of distances applied to locations in China, which, due to the vast volumes sold to China, has improved the overall accuracy of reported scope 3 emissions.

Category 5: Includes emissions generated from the handling of different types of waste from Bakkafrost's operations in the reporting period.

Category 6: Emissions from employee business travel paid for by Bakkafrost. Calculations are based on actual fuel consumption, kilometres by transport mode, or the spend-based method.

Category 7: Emissions from employee transportation to and from their worksite. The 2025 calculations are based on a 2023 survey, with assumptions adjusted for the 2025 employee count.

Category 9: Emissions related to outbound distribution of sold products performed by third parties. Emissions are calculated based on the mass of goods transported, the distance of each shipment, and mode-specific emission factors sourced from internationally recognised and validated databases. The emission factors are expressed in kilograms of carbon dioxide equivalent per tonne-kilometre (kgCO<sub>2</sub>e/tonne-km).

In 2025, we have also included emissions generated from transportation to supermarkets. This was calculated based on assumed distances, as we don't have information about the actual transportation from wholesalers to supermarkets.

Category 10: Covers emissions from the further processing of Bakkafrost's sold products.

Category 11: Includes emissions from the use of Bakkafrost's products, mainly refrigeration and cooking of salmon. Emissions are calculated by multiplying sales volumes by the assumed energy required for storage and cooking, multiplied by the applicable country-specific emission factor.

Category 12: Downstream emissions from the waste treatment of packaging. Calculated by multiplying the volume of product distributed by a database value for emissions from waste handling.

Category 13: Covers emissions from Bakkafrost vessels during periods they were leased to third parties.

ENTITY-SPECIFIC

## Comparison of climate footprint of different sources of animal protein

Product	Functional unit*	Mean GHG emissions (kg CO <sub>2</sub> eq/Functional Unit, IPCC 2013 incl. CC feedbacks)
Bovine Meat (beef herd)	1 kg of fat and bone-free meat and edible offal	99.5
Bovine Meat (dairy herd)	1 kg of fat and bone-free meat and edible offal	33.3
Lamb & Mutton	1 kg of fat and bone-free meat and edible offal	39.7
Pig Meat	1 kg of fat and bone-free meat and edible offal	12.3
Poultry Meat	1 kg of fat and bone-free meat and edible offal	9.9
Fish (farmed)*	1 kg of edible fish	13.6
Crustaceans (farmed)	1 kg of head-free meat (shell-free for large shrimp)	26.9

\* Includes various fish species and may be slightly higher than expected for a salmon reference product, as the data does not allow for a distinction specific to salmon.

### § Accounting Policies

#### Comparison of climate footprint of different sources of animal protein

To ensure transparency and consistency in reporting the climate footprint of various sources of animal protein, we base our calculations on the study by Poore & Nemecek (2018), titled "Reducing food's environmental impacts through producers and consumers," published in Science (Vol. 360, Issue 6392, pp. 987-992). This study consolidates data on the multiple environmental impacts of approximately 38,000 farms producing 40 different agricultural goods worldwide. The dataset underlying this study provides emission factors aligned with a standardised methodological approach, making it a reliable source for our reporting purposes.

#### Scope of the Data Used

In line with the methodology presented in Poore & Nemecek (2018), we adopt the following scope definitions:

- Temporal Scope: The data includes studies published online between 2000 and June 2016. Observations are approximately centered on the year 2010, with external data sources primarily from 2009-2011. This timeframe ensures consistency with internationally recognised Life Cycle Assessment (LCA) standards (ISO 14040:1997, ISO 14041:1999, ISO 14042:2000, ISO 14043:2000).
- Production Practices: Only commercially viable and currently existing production systems were included, excluding foraged foods and subsistence farming.
- System Boundary: The supply chain is assessed from resource extraction for agricultural production inputs to the retail stage, where consumers make purchasing decisions. Post-retail activities (cooking, consumer losses) are excluded due to high variability and limited data availability.

#### Emission Factor Selection and Interpretation

We use the emission factors reported in the Results – Retail Weight sheet of the dataset supporting Poore & Nemecek (2018). This dataset provides emissions (expressed in kgCO<sub>2</sub>e per functional unit) based on multiple percentiles (5th, 10th, 90th, 95th), along with median and mean values. For consistency and comparability, we report mean values (kgCO<sub>2</sub>e per functional unit) as the standard emission factors for various animal protein sources. These values represent the average emissions calculated across the different production systems studied.



# E2 Pollution

List of disclosure requirements	Page reference
<b>E2 – Pollution</b>	
ESRS 2 SBM-3 Material impact, risks, and opportunities in relation to pollution	97
E2-1 Policies related to pollution	98
E2-2 Actions and resources related to pollution	98
E2-3 Targets related to pollution	99
E2-4 Pollution of air, water and soil	101
E2-5 Substances of concern and substances of very high concern	100
E2-6 Anticipated financial effects from material pollution-related risks and opportunities	99

**ESRS 2 SBM-3**

**MATERIAL IMPACTS, RISKS AND OPPORTUNITIES IN RELATION TO POLLUTION**

POLLUTION – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES					Location in Value Chain			Time Horizon		
					Upstream	Own Operation	Downstream	Short-term (1-3 years)	Medium-term (3-8 years)	Long-term (+8 years)
ESRS sub-topic (AR 16)	ESRS sub-sub topic (AR 16)	IRO	Type							
Pollution of air	-	Air pollution from feed production	Actual negative impact		●				Current reporting period	
Pollution of soil	-	Pollution from pesticide-use	Actual negative impact	●					Current reporting period	
Pollution of water	-	Pollution of rivers via effluents from freshwater sites	Actual negative impact		●				Current reporting period	

## ESRS 2 SBM-3

### IMPACTS, RISKS AND OPPORTUNITIES RELATED TO POLLUTION

The materiality assessment described in disclosure requirement IRO-1 identified the following material pollution-related impacts.

While Bakkafrost has not conducted a formal quantitative resilience analysis for pollution-related matters, a qualitative assessment indicates the company's strategy is resilient and has the capacity to address the identified impacts, supported by its strong financial position and demonstrated adaptability.

- **Air pollution from feed production (odour) – Actual negative impact**

The processing of marine raw materials at the Havsbrún feed facility in the Faroe Islands emits odours, which have had an actual negative impact on the surrounding community in the reporting period. This impact affects Bakkafrost's social licence to operate. In response, the company has demonstrated the resilience and adaptability of its business model by investing in significant mitigation measures, including a new 75-meter chimney and a 14-meter 'air cleaner' designed to reduce odour by over 95%. The company's strong financial position enables such capital-intensive environmental improvements, and initial reports from the community indicate a reduction in odour since the installations were commissioned in 2025.

The impact is covered by ESRS disclosure requirements.

- **Pollution from pesticide use – Actual negative impact**

An actual negative impact on the environment has been identified within the upstream value chain, related to pesticide use in the cultivation of soy for salmon feed production. In line with Bakkafrost's commitment to environmental responsibility and its "Healthy Environment" strategy, the company has adopted a policy to manage this impact. This includes a commitment to source only Proterra-certified (or equivalent) soy protein concentrate, a standard which requires the minimisation of pesticide use. This action is part of the company's due diligence process to address its environmental impacts and reflects its strategy of promoting more sustainable practices within its supply chain.

The impact is partially covered by ESRS disclosure requirements. Bakkafrost has chosen to exercise the Transitional Provision provided by ESRS to omit this value chain metric, as per ESRS 1 10.2.

- **Pollution of rivers via effluents from freshwater sites – Actual negative impact**

In Scotland, the discharge of treated effluent from freshwater facilities into local rivers (permitted by and under the monitoring of the Scottish Environment Protection Agency) constitutes an actual negative impact, as it introduces nutrients and organic matter into the water system. This impact is linked to the company's strategy of extending the on-land production cycle. The resilience of the business model is demonstrated by the installation of monitoring systems, some of which are voluntary. As Bakkafrost plans to increase production output, the company anticipates that further mitigation action will be necessary, likely resulting in increased pollution-prevention capital expenditures to manage this impact effectively.

The impact is covered by ESRS disclosure requirements

## Management of impacts, risks and opportunities

### E2-1

#### OUR APPROACH

Policy	Environmental Management Policy
<b>Purpose</b>	Outlines Bakkafrost's approach to addressing impacts, risks and opportunities related to pollution and establishes guidelines and targets for pollution prevention and control
<b>Scope</b>	Board of Directors + Chief Executive Officer (CEO)
<b>Most senior level accountable</b>	Board of Directors + Chief Executive Officer (CEO)
<b>Availability</b>	Internal distribution + webpage
<b>Third-party standards referenced in policy</b>	ISO 14001 EU Zero Pollution Action Plan

At Bakkafrost, we prioritise responsible management of substances potentially harmful to the environment and take our responsibility seriously. Through preventive measures and ongoing monitoring, we strive to prevent and minimise pollution-related impacts.

Bakkafrost has developed a comprehensive Environmental Management Policy, which was adopted in March 2025. The policy explicitly includes commitments to pollution prevention and control and commits us to mitigate the negative effects through effective prevention and control measures.

We commit to substitute and minimise the use of harmful substances and phasing out substances of very high concern, and we have established target to support this commitment.

The policy stipulates that the company has procedures in place to avoid pollution-related incidents and emergency situations and, if and when they occur, control and limit their impact on the environment and/or civil society through notification and dialogue with all relevant stakeholders.

Bakkafrost mainly utilises its Environmental Management System and certification schemes and similar frameworks as measures to ensure that the commitments in the policy are fulfilled.

Pollution-related aspects are integrated across several of our policies. The Biodiversity Policy includes our commitment to monitor effluent discharges to protect water ecosystems. The Freshwater Use Policy further outlines our commitment to control and prevent water pollution. Additionally, the Corporate Responsibility & Sustainability Policy addresses pollution reduction throughout our entire value chain.

### E2-2

#### ACTIONS

- **Air quality improvements at FOF site**

Bakkafrost continues to implement targeted measures to reduce odour and air emissions from production activities. In 2024, Bakkafrost completed the first stage of its odour reduction project at the Feed department in Fuglafjørður, Faroe Islands. This included constructing a 14-meter-tall air cleaner with an integrated scrubber system designed to purify air and reduce odorous emissions. Furthermore, a 75-meter chimney was installed to disperse remaining emissions higher into the air, minimising their impact on nearby communities and human health. These initiatives were commissioned in 2025.

Throughout 2025, Bakkafrost has continued to work on additional air cleaning systems, expected to be operational in 2026, further strengthening the company's effort to mitigate air pollution and improve local odour quality.

The initiative, which is a direct action to provide remedy for the impact of 'Air pollution from feed production (odour)', is considered to lie within the 'minimise'-layer of the mitigation hierarchy.

• **Sourcing certified commodities to avoid pesticide use**

Bakkafrost has applied the approach of only sourcing soy that is certified against the Proterra standard or similar. These certifications ensure that good agricultural practices are upheld and support organisations in reducing the use of toxic and polluting materials, particularly pesticides while managing the potential impact of their agricultural activities. The Proterra certification ensures that pesticides listed as forbidden by WHO, Rotterdam Convention, Stockholm Convention, local, national, and regional law may not be used.

This is a continuous action that will support our commitment to minimising the use of substances of high concern. This action relates to the upstream value chain of our feed facility, Havsbrún. We consider this action to lie within the 'minimise'-layer of the mitigation hierarchy.

• **Water Quality Management**

Bakkafrost continues to strengthen water quality management to minimise the impact on the freshwater environment from its hatchery operations. In Scotland, since July 2025, we have increased our routine influent and effluent water quality monitoring frequency from quarterly to monthly sampling.

Our effluent treatment systems across our freshwater operations have been upgraded, incorporating enhanced filtration. At Applecross, we are in the process of installing additional filtration, mitigating the risk of releasing larger particles.

The Scottish Environment Protection Agency (SEPA) sets water abstraction and discharge limits. Bakkafrost conducts monthly tests of incoming and outgoing water at the Freshwater facilities in Scotland to ensure compliance.

Each site has specific discharge limits, and water must be treated before release. For example, our Kinlochmoidart site's (KLM) discharge permit includes a prohibition of discharge of wastewater containing certain chemicals to ensure protection of freshwater mussels in the river.

We consider this initiative to lie within the 'avoid'-layer of the mitigation hierarchy.

## Metrics and targets

### E2-3

#### TARGETS AND PERFORMANCE

Bakkafrost operates according to its Corporate Responsibility and Sustainability Policy Statement which stipulates that the company seeks to minimise environmental pollution at each stage of the value chain.

• **Decrease the odour from the production at our feed production facility Havsbrún**

The Bakkafrost Environmental Management Policy commits the Fishmeal, Oil and Feed (FOF) operation to mitigate negative impacts related to pollution to air. To support this commitment, Bakkafrost has set a target to decrease the odour from the production at our FOF facility, Havsbrún, which is in Fuglafjørður, Faroe Islands.

This is a rolling target with no specific time horizon or end date. We have not established a base year or a baseline value for this target, and it is not considered to be based on conclusive scientific evidence. The target relates to the prevention and control of air pollutants. As the target does not yet include quantitative indicators, it is neither absolute nor relative. Bakkafrost has not engaged directly with stakeholders in setting the target.

This target has been established in line with Bakkafrost's commitment to the local communities surrounding its facilities, where odour pollution has been an ongoing issue. While a specific quantitative performance metric is not yet in place, performance is qualitatively assessed through the significant investments in odour-reduction initiatives. Prior to the project, testing was conducted to identify effective initiatives and their potential impact. The new system, which includes an air chimney and scrubbers, is targeted to reduce odour by as much as 95%.

The expenses for implementing these initiatives have amounted to 44 million DKK. The project, which the first stage was completed in 2024, has significantly increased the odour with implementing air chimney and scrubbers.

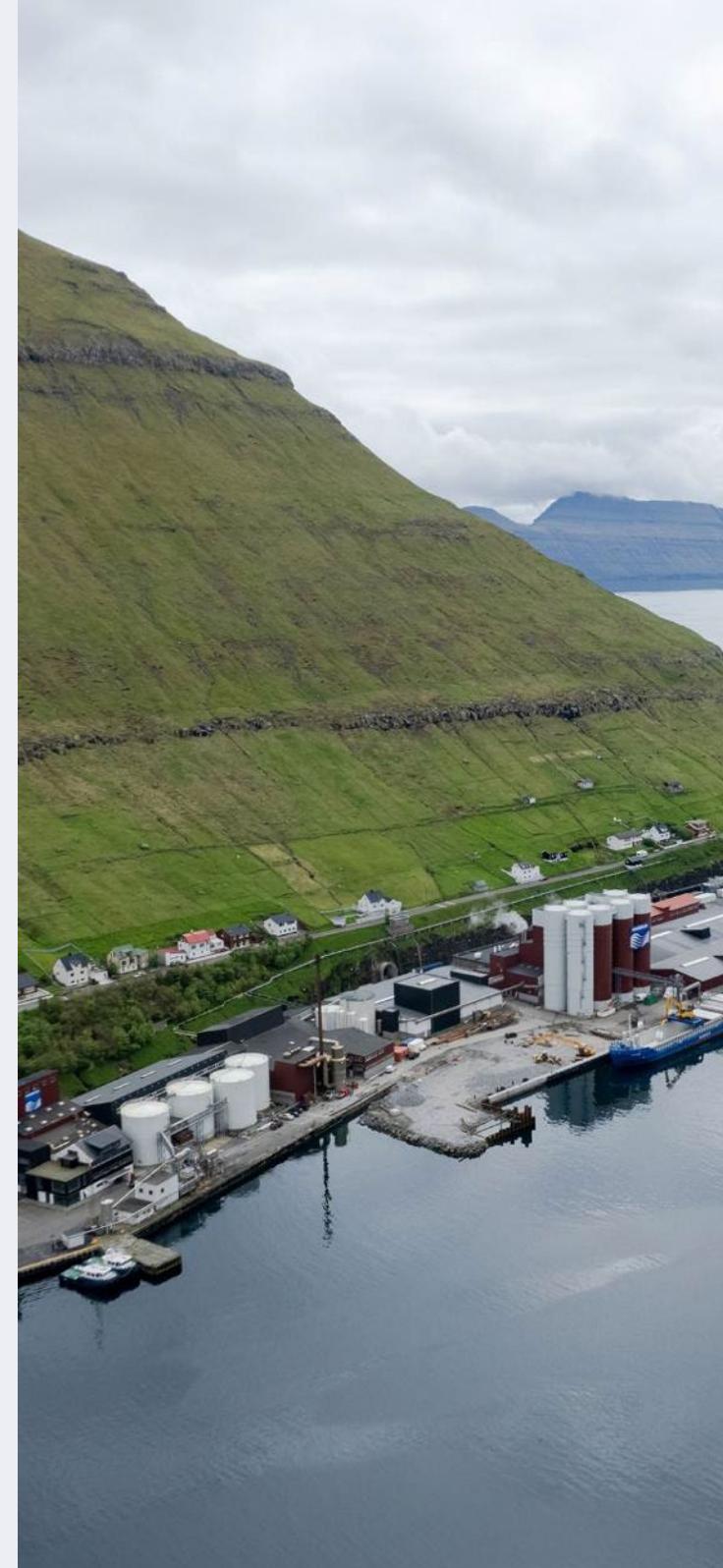
• **Achieve 100% monitoring of all substances in water discharged from Bakkafrost sites, measured as the share of total discharged volume (m<sup>3</sup>) covered by substance monitoring**

The Freshwater Use Policy commits Bakkafrost's to control water pollution and prevent the pollution of any freshwater resources. To support this commitment, Bakkafrost has set a target to establish full monitoring of the substances in discharged water at all sites with water discharges.

This is an absolute target with no specific time horizons assigned, and it applies to all Bakkafrost units that discharge freshwater related to operations. Bakkafrost has not engaged directly with stakeholders in setting the target.

In 2025, an overview of monitoring practices across all sites was completed. This overview established the baseline for the target.

The base year is 2025, and the baseline value (which is also the reported value for 2025) is that 99.76% of all discharged water was covered by some kind of substance monitoring.



**E2-4**

**POLLUTION OF AIR, WATER AND SOIL**

In accordance with ESRS E2-4, Bakkafrost reports on emissions of pollutants to water that have been assessed as material.

As a result of our materiality assessment, we have identified the discharge of substances from some of our Scottish freshwater facilities into local river systems as an actual negative material impact. While these emissions are permitted and regulated, and while the freshwater facilities are among the smallest volume-wise in the company (for context, our Applecross freshwater facility has a capacity of 29,620 m3), we acknowledge the impact on the local ecosystems that substances in the discharged water may have.

To provide further contextual information on the emissions from our Scottish freshwater facilities, which discharge directly back into river systems, we also report the effluent quality from Scottish Freshwater Facilities in a separate table.

Bakkafrost's operations result in the emission of different substances throughout the value chain. While we monitor and report on all material emissions, we also recognise that other substances, including nitrogen and phosphorus from fish feed, are released in the course of our activities. Based on our current assessments, the environmental impact of these substances has not been determined to be material. Bakkafrost remains committed to continuously improving our practices to prevent and minimise emissions to air, water, and soil.

**E2-5**

**SUBSTANCES OF CONCERN AND SUBSTANCES OF VERY HIGH CONCERN**

Bakkafrost has not identified any material impacts related to emissions of substances of concern or substances of very high concern.

**E2-6**

**ANTICIPATED FINANCIAL EFFECTS FROM MATERIAL POLLUTION-RELATED RISKS AND OPPORTUNITIES**

Bakkafrost has not identified any material pollution-related risks or opportunities in the Double Materiality Assessment. Therefore, no disclosure on anticipated financial effects will be disclosed

**Water discharge from Bakkafrost Scotland freshwater facilities that discharge directly to rivers**

1 January 2025 – 31 December 2025

		Dissolved Oxygen Saturation %	PH	BOD (mg O2 / l)	Total Ammonia Nitrogen (mg / l)	Suspended Solids (mg / l)	Soluble Phosphorus (mg / l)	Chloride (mg / l)
<b>Kinlochmoidart (Capacity: 1,150 m3)</b>	Bakkafrost's Average discharge	96.09	6.67	3.40	0.54	2.62	0.19	
	SEPA Discharge limits	> 60%	5 to 9	10 to 40	1.4 – 5.6	100	None	None
<b>Langass (Capacity: 330 m3)</b>	Bakkafrost's Average discharge	94.36	6.52	4.08	0.15	2.65	0.11	
	SEPA Discharge limits	> 60%	5 to 9	5 to 20	0.8 – 3.2	100	0.2 – 0.8	None
<b>Couldoran (Capacity: 1,166 m3)</b>	Bakkafrost's Average discharge	93.28	7.32	3.00	0.49	7.53	0.99	16.11
	SEPA Discharge limits	> 60%	5 to 9	5 to 20	1 to 4	100	None	500 - 1000



**Accounting Policies**

The reported figures only cover emissions to water from Bakkafrost's Freshwater segment in Scotland. For our freshwater facilities in Scotland, effluent quality is monitored in accordance with the limits set by the Scottish Environment Protection Agency (SEPA).

All of the results are from our internal monitoring only and not from regulatory authority monitoring.

# E3 Water and Marine Resources

List of disclosure requirements	Page reference
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**ESRS 2 SBM-3**

**MATERIAL IMPACTS, RISKS AND OPPORTUNITIES IN  
RELATION TO WATER AND MARINE RESOURCES**

WATER AND MARINE RESOURCES – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES				Location in Value Chain			Time Horizon		
				Upstream	Own Operation	Downstream	Short-term (1-3 years)	Medium-term (3-8 years)	Long-term (+8 years)
ESRS sub-topic (AR 16)	ESRS sub-sub topic (AR 16)	IRO	Type						
Marine resources	Extraction and use of marine resources	Sourcing of marine resources for feed production potentially leading to overfishing	Potential negative impact	●					●
Water	Water withdrawals	Freshwater withdrawals for production of salmon	Actual negative impact		●		In the current reporting year		
Water	Water consumption	Freshwater consumption for growing crops	Potential negative impact	●					●
Water	Water withdrawals	Shortage in freshwater supply	Risk		●		●		
Marine resources	Extraction and use of marine resources	Reduced availability of the marine stocks Bak-kafrost relies on for feed production	Risk	●					●
Marine resources	Extraction and use of marine resources	Innovate how to use other marine sources like mesopelagic species	Opportunity		●				●

## ESRS 2 SBM-3

### IMPACTS, RISKS AND OPPORTUNITIES RELATED TO WATER AND MARINE RESOURCES

The materiality assessment described in disclosure requirement IRO-1 identified the following material impacts related to water and marine resources.

Bakkafrost has not conducted a formal resilience analysis for water and marine resources. However, qualitative assessment indicates the company is well-positioned to manage these matters due to its strong financial position, which enables agility and a flexible business model.

- **Sourcing of marine resources for feed production, potentially leading to overfishing - Potential negative impact**

This potential long-term impact is concentrated in the upstream value chain of the FOF segment, where the sourcing of marine raw materials for feed could contribute to the depletion of fish stocks, specifically Blue Whiting. The impact originates from the business model's reliance on marine ingredients. In response, Bakkafrost's strategy includes sourcing certified raw materials and maintaining a versatile feed composition. This demonstrates resilience by allowing for the rapid substitution of ingredients, supported by ongoing R&D and the company's strong financial position.

The impact is partially covered by ESRS disclosure requirements. We report entity-specific metrics, specifically the percentage of marine material sourced for the production of fish meal and fish oil that is certified as responsibly caught or part of an improver program.

- **Freshwater withdrawals for the production of salmon - Actual negative impact**

This actual impact is located in the company's own operations in the Faroe Islands and Scotland, where large freshwater withdrawals can affect resource availability, particularly during droughts. The impact primarily originates from the strategy to extend the on-land production cycle, but vast amounts of freshwater are also used in our Processing segment.

While our operations are located in low water-stress regions, the business model's resilience is demonstrated by its financial capacity to fund mitigation actions, such as developing diverse

freshwater sources and implementing water recirculation systems, which are incorporated into new and ongoing projects.

The impact is covered by ESRS disclosure requirements.

- **Freshwater consumption for growing crops - Potential negative impact**

This potential long-term impact is located in the upstream value chain, where the sourcing of agricultural commodities for feed can contribute to freshwater stress in growing regions. While not originating directly from Bakkafrost's strategy, the company is involved through its purchasing relationships. Resilience is demonstrated through a flexible business model that allows for ingredient substitution and a procurement policy mandating certified commodities to mitigate such indirect impacts.

The impact is partially covered by the ESRS disclosure requirements. We plan to report entity-specific metrics to provide insights into the impact on freshwater availability in the regions where the crops are grown. Additionally, we have set a target to collect water-intensity data from our suppliers. Efforts have been made in the reporting year to collect this data, but many suppliers lack robust data systems, and thus, we opt for the option provided in *ESRS 1 10.2* to omit this data.

- **Shortage in freshwater supply - Risk**

This medium-term financial risk is located in the Freshwater segment, where a shortage could halt production, subsequently resulting in a decrease in salmon output and, consequently, a decline in financial revenue. It is driven by the strategy to increase land-based farming. No material financial effects occurred in the reporting year.

Resilience is demonstrated through proactive capital investments in mitigation, including the implementation of water recirculation systems across all facilities and the identification of diverse water sources. The company has elected to omit the disclosure of anticipated financial effects as permitted by the "CSRD Quick Fix" delegated act.

The risk is partially covered by ESRS disclosure requirements. To indicate the potential for the risk's materialisation, we report the water stress status of the countries where we operate.

- **Reduced availability of the marine stocks that Bakkafrost relies on for feed production (primarily Blue Whiting) - Risk**

This material financial risk is concentrated in the upstream value chain (dependency on external fisheries) and in our own operations (FOF segment). It stems from the potential for reduced availability of marine raw materials, primarily Blue Whiting, due to fishery quota cuts advised by the International Council for the Exploration of the Sea (ICES). Such cuts could constrain production volumes, affecting both internal feed supply and external sales revenue, while also increasing procurement costs. While no material financial effects occurred in 2025, the risk is anticipated to become increasingly relevant, with potential material effects from 2026 onwards due to pressures on fish stocks from fishing intensity and climate-driven changes.

The company's resilience to this risk is demonstrated through a multifaceted strategy designed to ensure a stable feed supply. This includes:

- 1) Strategic Inventory Management to buffer against short-term disruptions
- 2) Feed Formulation Flexibility to substitute ingredients based on availability, supported by ongoing R&D;
- 3) Diversified Sourcing through multiple channels, species, and partnerships; and
- 4) Investment in R&D to reduce overall dependency on marine raw materials.

These measures provide the business model with the agility to adapt to raw material constraints, although alternative ingredients may increase feed costs.

The risk is partially covered by ESRS disclosure requirements. To show trends and flexibility in feed composition, the marine raw material inclusion in the feed, expressed as a % of the feed, is reported as an entity-specific metric.

- **Using alternative marine resources for feed production – Opportunity**

This financial opportunity is located in the FOF segment and involves sourcing alternative marine resources, such as mesopelagic species, for feed production. This could reduce dependency on traditional fish stocks, lower costs, and create new revenue streams from external sales. The opportunity has

already influenced strategy, with Bakkafrost allocating capital (CAPEX) to participate in trials for catching and utilising these resources actively. While the investment has not significantly impacted financial statements to date, it represents a strategic move to enhance long-term supply chain security.

The business model's resilience is demonstrated by its financial capacity to fund such R&D initiatives to explore and de-risk future raw material sources. However, the opportunity carries uncertainty regarding the capital required and the ultimate success of the trials. Bakkafrost closely monitors these efforts to ensure financial viability. The company has elected to omit the disclosure of anticipated financial effects for this opportunity.

## Management of impacts, risks and opportunities

### E3-1

#### OUR APPROACH – FRESHWATER

Policy	Freshwater Use Policy
<b>Purpose</b>	Outlines Bakkafrøst’s approach to addressing impacts, risks and opportunities related to freshwater use and establishes guidelines for managing freshwater availability, quality, withdrawals, consumption, and discharges
<b>Scope</b>	All units over which Bakkafrøst has a direct controlling influence, either through shareholding or agreement. Also addresses freshwater management in the company’s wider value chain
<b>Most senior level accountable</b>	Board of Directors + Chief Executive Officer (CEO)
<b>Availability</b>	Internal distribution + webpage
<b>Third-party standards referenced in policy</b>	Alliance for Water Stewardship (AWS) WRI Aqueduct Water Risk Atlas WHO/UNICEF JMP database

Freshwater plays a vital role in Bakkafrøst’s business model. The company relies on vast amounts of high-quality freshwater in different parts of its direct operations, but it is especially important in producing high-quality and robust smolt (juvenile salmon).

Given our reliance on this essential resource, we recognise that effective freshwater management is crucial for our company. To address this, we have developed a freshwater policy.

Bakkafrøst’s Freshwater Policy stipulates the company’s commitment to secure a high rate of freshwater recycling across its freshwater sites, control and prevent water pollution, conserve the freshwater ecosystems that the company is at risk of directly or indirectly affecting, and conduct water stewardship through action plans in alignment with the guidelines set out by the Alliance for Water Stewardship (AWS). Bakkafrøst is committed to using the WRI Aqueduct Water Risk Atlas to guide its procurement of agricultural commodities, ensuring that sourcing practices do not contribute to water stress.

Bakkafrøst considered stakeholders such as investors, customers, and financial institutions when establishing the policy. Input from these stakeholders has been collected mainly via ratings, investor and financing meetings, and sales expos, which has informed the policy creation process.

To support the monitoring of the implementation of this policy, Bakkafrøst has established freshwater targets, including targets on the recirculation rate at our Freshwater facilities, which are our most demanding facilities. Also, in Scotland, where freshwater is being taken from a natural source, we have abstraction licences which set limits on the abstraction rate of water from these sources. It may differ from source to source but typically prevents us from abstracting more than 25% of the normally available water; the limit set is usually more stringent than this.

These licence conditions restrict us from using freshwater for operations over and above the volume required for the natural water system from which we are taking it from. These licences reduce the impact of our operations on freshwater withdrawal, and the requirements necessitate ongoing monitoring.

Bakkafrøst has not identified significant direct water consumption in its operations or substantial water use within its upstream value chain in areas at risk of water scarcity. For this reason, the policy does not place specific emphasis on product and service design in relation to water, or on commitments to reduce material water consumption in such areas. Instead, the policy focuses on ensuring that water is managed responsibly where relevant.

#### OUR APPROACH - MARINE RESOURCES

Bakkafrøst uses marine resources in its upstream value chain to produce salmon feed. Marine resources typically account for around 50% of the feed ingredients used in feed production. Bakkafrøst is committed to responsible sourcing of these resources, and the company’s management approach is outlined in the Bakkafrøst Feed Policy Statement. The policy addresses the potential negative impact identified in the DMA related to sourcing marine resources for feed production, which might cause the depletion of stocks. The policy does, however, not address the identified opportunity to discover alternative marine resources for inclusion in feed production.

The policy addresses the use and sourcing of marine resources but does not currently include a formal objective. It includes Bakkafrøst’s commitment to sourcing all marine raw materials from fish species certified as sustainable according to standards such as MarinTrust IP, MSC, or similar standards. Additionally, the policy emphasises that these marine raw materials should preferably come from fish species with low food value and low market demand for human consumption.

We are also dedicated to using a high proportion of co-products, including trimmings and offcuts. These key procurement commitments help ensure minimal impact on marine resources that are viable for human consumption.

Bakkafrøst is committed to ensuring the full traceability of marine raw materials and applying a zero-tolerance commitment to using species classified as Critically Endangered or Endangered in the IUCN Red List for feed production.

Our commitment to responsible marine resource management is reinforced through the ASC Feed certification achieved by Bakkafrøst’s FOF segment in 2025. The certification includes requirements to prevent sourcing from Illegal, Unreported, and Unregulated (IUU) fishing. This ensures that all marine ingredients used in our feed are traceable to responsible fisheries, protecting marine ecosystems and supporting the long-term health of ocean resources.

The policy is overseen by the Board of Directors, the CEO, and the COO. The FOF segment is responsible for ensuring compliance with this policy.

The policy applies to all of Bakkafrøst’s raw materials suppliers for feed production, who must comply with the Bakkafrøst Feed Policy Statement.

The Bakkafrøst Feed Policy Statement is shared with relevant internal stakeholders at the feed production facility, and it is also accessible to external stakeholders through our website.

The policy is regarded as related to sustainable oceans and seas.

When creating the policy, Bakkafrøst primarily considered input from investors, ESG ratings, and customers who continuously expressed their requirements through demands for various certifications.

### E3-2

#### ACTIONS

Bakkafrøst currently addresses its material impacts, risks and opportunities related to water and marine resources through the following initiatives:

- Increased flexibility in the production of salmon feed**  
 Bakkafrøst has launched a significant expansion at Havsbrún, the company’s feed production facility in the Faroe Islands, to support future growth in the company’s salmon farming. The project adds a third feed line to the existing two and significantly expands storage capacity, including an increase in the number of ingredient silos to 27.

This capacity unlocks greater flexibility in feed formulation: we can trial and adopt new ingredients and adjust recipes in line with raw-material availability and sustainability considerations. For example, we will be able to temporarily lower the share of marine inputs — without operational disruption — when fish stocks require time to regenerate or when the International Council for the Exploration of the Sea (ICES) advises reduced catches (e.g., blue whiting). More broadly, the expansion ensures our formulations are not structurally dependent on marine ingredients; we can maintain performance using alternative inputs as availability and sustainability require. By avoiding this dependence, we strengthen supply resilience, support responsible sourcing, and materially reduce the risk of contributing to overfishing.

• **Collecting data from suppliers**

Bakkafrost's Freshwater Use Policy commits us to tracking annual water-intensity data for key suppliers of agricultural commodities used in feed production. Because some crops are highly water-intensive, inadequate stewardship can drive freshwater depletion with broader consequences for local communities.

In 2025, we engaged with all suppliers whose products were included in one of the product category groups that represented 15% or more of the total purchases of agricultural raw materials in the reporting year. However, identifying the water footprint and analysing the trend in crop water-intensity remains challenging, primarily because many suppliers lack robust data systems. Thus, we are not yet able to report quantitative metrics addressing the potential negative water-related impact of sourcing agricultural commodities.

• **Improved water supply security for Freshwater operations**

As a mitigation action addressing the identified financial risk of a 'shortage in freshwater supply', Bakkafrost continues to focus on improving water supply security, especially for our Freshwater sites, where limited water availability can have significant financial implications.

Initiatives include a range of actions, such as improving the water supply systems at freshwater sites by installing larger pipes and fitting new ones. Capital expenditures for such initiatives in the Faroe Islands totalled approximately 2 million Danish kroner (DKK) in 2025.

We have also initiated several projects in our Scottish operations during 2025, including investments in the Langass and Couldoran dams, which will enhance water security at the dams, thereby increasing water security for these two freshwater sites in Scotland.

Continuous assessments and reviews of contingency measures for drought conditions are also carried out, and appropriate measures are initiated based on the outcome of these reviews.

• **FOF segment certified against the ASC Feed certification**

In 2025, Bakkafrost's FOF segment achieved the ASC Feed certification, which requires responsible water use at the feed mill and due diligence to prevent sourcing from Illegal, Unreported, and Unregulated (IUU) fishing. The certification

ensures traceability of all marine ingredients to their fishery of origin, protecting marine ecosystems.

Resources allocated to this action include personnel time for implementation and compliance, as well as third-party audit and certification costs.

## Metrics and targets

### E3-3

#### TARGETS AND PERFORMANCE

Bakkafrost has set targets related to water and marine resources to support the implementation of the Freshwater Use Policy and the Bakkafrost Feed Policy Statement. These include supporting the objectives to minimise water withdrawals and consumption through recycling, and to ensure responsible sourcing of feed ingredients.

Bakkafrost has not engaged directly with stakeholders in setting targets, but has used relevant sources, such as ESG ratings, as input.

All water and marine resources-related targets presented have been established voluntarily.

Bakkafrost has set targets to:

• **Annual total water recirculation rate of >97% across Bakkafrost hatcheries**

The target is rolling and absolute and covers Bakkafrost's Freshwater segment. It has no baseline value or base year and no end date. The target is not considered to be based on conclusive scientific evidence.

The 2025 recirculation rate at Bakkafrost's hatcheries was 98.6%. Due to Bakkafrost's implementation of RAS (Recirculating Aquaculture Systems) and the inherent stability of such systems, the freshwater recirculation rate at Bakkafrost's hatcheries remains consistently stable year over year. Thus, the progress is in line with expectations. Progress is monitored through water meters fitted at the sites, which collect data hourly.

• **Ensure that agri-commodities for feed production are sourced from suppliers located in areas classified as 'Low' or 'Low-medium' in 'water stress' according to WRI Aqueduct Water Risk Atlas on an annual basis**

To mitigate water-related impacts in the value chain, Bakkafrost has established a target for the procurement of agri-commodities used in feed production. The target is to ensure that all such commodities are sourced annually from suppliers located in areas classified as 'Low' or 'Low-medium' in water stress according to the World Resources Institute (WRI) Aqueduct Water Risk Atlas.

Full traceability for all agri-commodities down to the specific growing area remains a capability under development. However, for soy protein concentrate sourced in 2025, the company has achieved a high degree of traceability, with approximately 98% of volumes originating from areas classified with 'Low' or 'Low-medium' water stress. The company is actively working to extend this level of traceability to all other agri-commodities in the supply chain to ensure full alignment with our target. Until then, we will use the phase-in allowance provided in the ESRS to collect value chain data.

• **Collect annual water-intensity data (measured as m3 per tonne) for key suppliers of agri-commodities used in producing salmon feed. Key suppliers are defined as those providing products that account for more than 15% of total raw materials purchased**

To support the Freshwater Use Policy's commitment to managing water-related issues in the upstream value chain, Bakkafrost has established a target of collecting water-intensity data from key agri-commodity suppliers.

The target is absolute as it states that Bakkafrost needs to collect water-intensity data from key suppliers of products accounting for more than 15% of total raw materials purchased for feed production. There is no time horizon assigned to the target. It applies to Bakkafrost's upstream value chain, specifically suppliers of agri-commodities for our FOF segment.

The base year is 2024, and the baseline value is 0%. The target is not considered to be based on scientific evidence.

In 2025, Bakkafrost contacted its suppliers to request water-intensity data. Although some suppliers responded with

figures, the dataset remains incomplete. Therefore, we rely on the phase-in allowance outlined in the ESRS to gather data across the value chain.

• **Measure freshwater withdrawals per tonne of fish harvested by 2026**

To support the ambition set out in Bakkafrost's Freshwater Use Policy to ensure responsible freshwater use in our direct operations, Bakkafrost has set a target to capture the data needed to measure freshwater withdrawals per tonne of fish harvested.

The target, which applies to Bakkafrost's entire direct operations, is absolute and should be achieved by 2026. No base year or baseline value has been established for the target. The target is not considered to be based on conclusive scientific evidence.

In 2025, the freshwater withdrawals per tonne of fish harvested were 243 m3 per tonne, from 263 m3 per tonne in 2024.

• **Continue research and investigation of new sustainable sources for marine ingredients**

Marine raw materials are an important ingredient in Bakkafrost's production of salmon feed. Although most of the marine resources that Bakkafrost uses are unviable for human consumption and thus already considered responsibly sourced and used, the company is committed to continuing research and investigation of new sustainable marine sources for producing high-quality fishmeal and fish oil to include in the salmon feed.

This is an annual rolling target without a base year and baseline value, and no end-date. It applies to Bakkafrost's FOF segment (Fish meal, Oil and Feed).

Bakkafrost consider this target related to the responsible management of marine resource impacts, risks, and opportunities. It is specifically related to potentially reducing the volumes of the species currently used for production.

In 2025, Bakkafrost did not have any expenses related to the research of new alternative marine resources. However, trials in this area, which were initiated in 2024, were still ongoing in 2025.

E3-5

**FINANCIAL EFFECTS FROM WATER AND MARINE RESOURCES-RELATED RISKS AND OPPORTUNITIES**

Bakkafrost has not, at this stage, completed the quantification of the anticipated financial effects from water and marine resources-related risks and opportunities, as stipulated in E3-5. Pursuant to Commission Delegated Regulation (EU) 2025/4812 (the “CSRD Quick Fix” delegated act), the Company has elected to apply the option to omit this disclosure

E3-4 & ENTITY-SPECIFIC

**Water consumption**

1 January 2025 – 31 December 2025

	Unit	Target	2025	2024
Total water consumption*	m3		1,367,150	1,144,923
- Of which is consumption in areas of high water stress	m3		0	0
Total water recycled and reused	m3		1,027,866,364	1,181,848,976
Total water recycled and reused at Bakkafrost hatcheries	%	>97%	98.59	98.87
Water intensity	m3 per million EUR net revenue		1,456	1,165
Water withdrawals	m3		25,958,697	23,852,876
Water discharges	m3		24,581,589	23,447,828

*\*Consumption does not always equal withdrawals minus discharges due to some discharge pipes being open so that rainwater can add to the discharged amounts. Thus, the consumption figure does not fully reflect actual consumption*

**§ Accounting Policies**

**Water consumption**

Water consumption is calculated as total water withdrawn within the business boundary minus discharged water. In some cases, discharged volumes may exceed withdrawals — either because certain discharge pipes are open to external water ingress, or because water enters the facility during the transfer of salmon from vessels to the factory, both of which can affect the overall water balance. The prior year figure has been restated to reflect improvements in data quality and dataset completeness

**High water stress**

Defined as regions classified with water stress exceeding 40% in the WRI Aqueduct Water Risk Atlas.

**Water recycled and reused**

Defined as water used more than once in the production phase. Recycled water is calculated as total annual water flow in the facility minus the water withdrawals divided by the total annual water flow.

**Water intensity**

Water intensity is based on water consumption in m3 per DKKm revenue as specified in the financial statements. The prior year figure has been restated due to the restatement of total water consumption for this year.

**Water withdrawals**

The volume of water drawn into the business boundary from groundwater, surface water, public water supply, and seawater sources. Withdrawals have been estimated for marine shore bases, reflecting those of a regular household. The figure for 2024 has been restated to include withdrawals of seawater for all sites.

**Water discharge**

Water leaving the boundaries of the business and released to surface water, groundwater, seawater or third parties. The figure for 2024 has been restated to include the discharge of seawater at all sites.

**Contextual information**

In 2025, 94% of the volumes withdrawn were measured by direct measurement + calculation, and 6% were measured directly. Of the volume discharged, 35% of the volumes were measured directly, and 65% of the volumes were assumed.

ENTITY-SPECIFIC

## Marine resources certified/part of improver programs

1 January 2025 – 31 December 2025

	Unit	Target	2025	2024
Share of marine raw materials sourced for production of fish meal and fish oil that are certified or part of improver programs	%		99.9	99.8

ENTITY-SPECIFIC

## Inclusion of marine-based ingredients in feed

1 January 2025 – 31 December 2025

	Unit	2025	2024
Inclusion of marine-based ingredients in the feed produced	%	51.2	50.3

### § Accounting Policies

#### Share of sourced marine raw materials that were certified

Calculated as the percentage of the total marine raw material sourced for production of salmon feed that are caught under a certification or an improver program. These programs include: MSC, Marin Trust, Marin Trust Improver Programs, and FIP NAPA.

### § Accounting Policies

#### Inclusion of marine-based ingredients in feed

Calculated as the share of the total ingredients used in the production of salmon feed in the reporting year that derived from marine species. The figure includes both self-produced marine-based ingredients at our FOF production site as well as marine products externally sourced.

ENTITY-SPECIFIC

## Water withdrawals by Water Stress level

As per 31 December 2025

Water withdrawals in Bakkafrost's direct operations by water stress level according to WRI Aqueduct Water Risk Atlas (%)

	Unit	Target	2025	2024
Low (<10%)	%		99.9	99.8
Low-medium (10-20%)	%		0.1	0.2
Medium-high (20-40%)	%		0	0
High (40-80%)	%		0	0
Extremely high (>80%)	%		0	0



### Accounting Policies

#### Water withdrawals by water stress levels

The reported figures represent the proportion of water withdrawn for Bakkafrost's direct operations, categorised by water stress level as defined in the WRI Aqueduct Water Risk Atlas at the end of the reporting period.

# E4 Biodiversity and Ecosystems

List of disclosure requirements	Page reference
<b>E4 – Biodiversity and Ecosystems</b>	
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**ESRS 2 SBM-3**

**MATERIAL IMPACTS, RISKS AND OPPORTUNITIES IN  
RELATION TO BIODIVERSITY AND ECOSYSTEMS**

BIODIVERSITY AND ECOSYSTEMS – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES				Location in Value Chain			Time Horizon			
				Upstream	Own Operation	Downstream	Short-term (1-3 years)	Medium-term (3-8 years)	Long-term (+8 years)	
ESRS sub-topic (AR 16)	ESRS sub-sub topic (AR 16)	IRO	Type							
Impacts on the extent and condition of ecosystems	-	Impacts on ecosystems and the seabed beneath farming pens	Actual negative impact		●			Current reporting period		
Direct impact drivers of biodiversity loss	Land-use change, fresh water-use change and sea-use change	Impact on deforestation	Potential negative impact	●			●			
Impacts on the state of species	Species population size	Salmon escape incidents	Potential negative impact		●			Current reporting period		

## ESRS 2 SBM-3

### IMPACTS, RISKS AND OPPORTUNITIES RELATED TO BIODIVERSITY AND ECOSYSTEMS

The materiality assessment described under disclosure requirement IRO-1 identified the following material impacts related to biodiversity and ecosystems.

- **Impacts on ecosystems and the seabed beneath farming pens - Actual negative impact**

Emissions into the marine environment inherent in salmon farming may negatively affect the seabed and surrounding ecosystems. Organic pollution from uneaten feed and salmon faeces can accumulate on the seafloor, impacting benthic habitats and species at or near Bakkafrost's marine sites. This impact occurs at and near Bakkafrost's sites in the fjords of the Faroe Islands and the lochs of Scotland and is primarily associated with the Farming segment of Bakkafrost's business model.

This impact constitutes core Bakkafrost operations and has been identified as one of the factors influencing Bakkafrost's strategy and decision-making. The impact not only negatively affects farming conditions but also poses a financial risk, as failing benthic assessments or results could lead to negative changes to operational licences and public opposition to the environmental consequences of salmon farming emissions, affecting Bakkafrost's licence to operate. Regulatory authorities have already incorporated benthic performance as a key parameter when evaluating permit renewals and variations, with potential adjustment of stocking allowances that could limit the number of fish permitted at farming sites if performance standards are not met, eventually leading to reduced salmon output and decreased revenues.

Bakkafrost has taken strategic measures to address this issue. These include moving farming sites to areas with stronger currents (Faroes only) to disperse organic matter more effectively, extending fallow time to allow seabed regeneration, and optimising feeding strategies using advanced site cameras that detect uneaten feed and integrated software that adjusts feeding levels in real time. Additional adaptive management strategies have been implemented to strengthen resilience, including investing in relocating farming pens (applicable to

operations in the Faroe Islands), adopting new technologies, and transitioning more biomass to on-land facilities to shorten the period during which salmon are farmed in the marine environment, thereby reducing benthic impacts.

This impact is partially covered by ESRS disclosure requirements through the reporting on policies, actions and targets. Bakkafrost reports an entity-specific metric on benthic impact to reflect the current status of the seabed beneath the farming pens.

- **Impact on deforestation – Potential negative impact**

Bakkafrost has a potential negative impact on land-use change due to the inherent possibility of demand for soy, a key ingredient in salmon feed, potentially contributing to deforestation and land conversion. As forests are home to more than half of the world's terrestrial species, deforestation contributes to biodiversity loss and the potential extinction of species. The risk of contributing to deforestation mainly lies in the areas in which Bakkafrost sources soy, which in 2025 was Brazil. The impact pertains to Bakkafrost's FOF segment and lies in the upstream value chain, meaning that Bakkafrost is involved in the impact through its business relationships.

Addressing the risk of deforestation is a priority for Bakkafrost, as it is also a growing concern among investors and customers. In response, the company has made a strategic commitment to source only certified soy. However, this choice comes with higher costs, reflected in the premium Bakkafrost pays for certified commodities. With a strong financial position, Bakkafrost is well-equipped to manage current risks related to the sourcing of soy by prioritising certified soy through selective sourcing, even at a premium cost. Should future regulations lead to significant increases in the cost of soy, Bakkafrost's flexible feed strategy enables adjustments to ingredient composition as necessary. As the company continues to expand, with feed requirements projected to double, ongoing research and development efforts remain focused on identifying and utilising alternative feed ingredients with lower environmental impacts.

If no proactive measures are taken to mitigate contributions to deforestation, this impact is expected to manifest in the short term (0-2 years). The global demand for soy could lead agricultural companies to clear new land for crop production,

resulting in increased deforestation risks. The anticipated effects of the potential impact will depend on the ongoing availability of certified soy. If availability decreases, it could lead to heightened concerns among customers and investors, potentially resulting in reduced access to capital and negative impacts on revenue streams. The impact is considered to potentially contribute to land degradation and can affect the status of threatened species.

The impact is partially covered by ESRS disclosure requirements. Bakkafrost discloses the entity-specific metric percentage of soy sourced during the reporting year that is certified under ProTerra or other standards that include deforestation and land-conversion requirements.

- **Salmon escape incidents – Potential negative impact**

Bakkafrost can have a negative impact on the state of wild salmon stocks due to potential incidents in the company's Farming segment where farmed salmon can potentially escape from their pens due to storms, predator interactions (e.g., seals), or damaged equipment. These escapes can potentially result in farmed salmon being vehicles for the transfer of biological vectors to wild populations. Additionally, if farmed salmon interbreed with wild salmon, they might weaken the wild population because hybrids are less adapted to the natural environment and have lower reproductive success. The effects that fish escapes could have on wild populations include genetic introgression, increased competition, the reduction of disease resistance, behavioural change, and mortality and population decline. It is important to note that the Faroe Islands do not have a wild salmon population, and thus, the impacts described above only relate to Scottish operations.

The protection of wild salmon populations and ecosystems is essential, but the risk of escape incidents still exists. However, Bakkafrost did not have any salmon escapes during the reporting year. This impact is linked to the company's strategy and business model, which occasionally faces scrutiny regarding its effects on local ecosystems. As consumer and public awareness of the environmental impacts of salmon farming continues to grow, areas such as salmon escapes are expected to receive increased focus. In response, Bakkafrost has adjusted its strategy by enhancing its farming equipment across all sites, including investments in more durable nets. The company's adaptive and preventative management

strategies, including transitioning more biomass to on-land facilities, also contribute to mitigating the risk of salmon escapes by shortening the period during which salmon are farmed in the marine environment.

The impact is partially covered by ESRS disclosure requirements. Bakkafrost reports the entity-specific metric of the number of incidents of salmon escapes and the number of salmon that escaped during the reporting year to ensure a full description of the impact.

### LIST OF MATERIAL SITES IN OWN OPERATIONS WITH ACTUAL OR POTENTIAL IMPACTS ON BIODIVERSITY

Bakkafrost has identified marine farming sites located within or near biodiversity-sensitive regions. These sites are primarily located within Scottish operations and are subject to enhanced environmental monitoring and regulatory oversight. None of these sites have had a negative impact to date based on benthic monitoring results, regulatory assessments and third-party certification audits.

Bakkafrost has conducted biodiversity-sensitive area screening across all marine farming sites in both the Faroe Islands and Scotland. The same mapping methodology and assessment framework are applied consistently at Group level.

The table below highlights sites located within or near formally designated conservation areas (e.g. Natura 2000, SAC, SPA, Ramsar, MPAs). In the Faroe Islands, while certain sites are located within or near designated areas, including Ramsar sites, none are assessed to negatively impact biodiversity-sensitive areas based on benthic monitoring, regulatory review and third-party certification assessments.

The screening framework applies to all of Bakkafrost's marine farming sites across both geographies.

Site Owned/Leased/Managed	Business Segment	Special Areas of Conservation (SAC) (Natura 2000)	Special Protection Areas (SPA) (Natura 2000)	Ramsar	Marine Protected Areas (MPA)	Sites of Special Scientific Interest (SSSI)	Negatively affecting biodiversity-sensitive areas
Aird	Farming SCT	N/A	N/A	N/A	Loch Torridon Marine Consultation Area part of wider Wester Ross MPA	N/A	No
Ardcastle	Farming SCT	N/A	N/A	N/A	Upper Loch Fyne and Loch Goil	N/A	No
Druimyeon Bay	Farming SCT	N/A	Sound of Gigha	N/A	N/A	N/A	No
East Tarbert Bay	Farming SCT	N/A	Sound of Gigha	N/A	N/A	N/A	No
Furnace	Farming SCT	N/A	N/A	N/A	Upper Loch Fyne and Loch Goil	N/A	No
Gometra	Farming SCT	Inner Hebrides and the Minches	N/A	N/A	Sea of the Hebrides	N/A	No
Lamlash	Farming SCT	N/A	N/A	N/A	South Arran	N/A	No
Portree	Farming SCT	Inner Hebrides and the Minches	N/A	N/A	N/A	N/A	No
Portree Outer	Farming SCT	Inner Hebrides and the Minches	N/A	N/A	N/A	N/A	No
Quarry Point	Farming SCT	N/A	N/A	N/A	Upper Loch Fyne and Loch Goil	N/A	No
Sgeir Dughall	Farming SCT	Inner Hebrides and the Minches	N/A	N/A	N/A	N/A	No
West Strome	Farming SCT	N/A	N/A	N/A	Loch Carron	N/A	No

**E4-1**

**TRANSITION PLAN ON BIODIVERSITY AND ECOSYSTEMS**

Bakkafrost is committed to the long-term goals for 2050 set by the Kunming-Montreal Global Biodiversity Framework and the 23 action-oriented global targets for urgent action over the decade to 2030.

**Resilience of the company’s strategy and business model**

In 2024, Bakkafrost conducted a biodiversity scenario analysis to assess the resilience of its strategy and business model. This work builds upon a TCFD-aligned climate scenario analysis conducted in 2022, strengthening its understanding of how interconnected climate and nature-related risks could affect the company’s business under different global futures.

**Scope and time horizons applied in the resilience analysis**

The analysis encompassed Bakkafrost’s own operations and the entire value chain, including an examination of Bakkafrost’s upstream and downstream key biodiversity risks and opportunities. The time horizons considered in the analysis are short-term (0-2 years), medium-term (to 2030), and long-term (to 2050).

**Results of the resilience analysis**

The analysis was conducted in line with the guidance provided by the Taskforce for Nature-related Financial Disclosures (TNFD), and identified risks and opportunities were modelled against the four nature scenarios outlined by TNFD:

1. **Ahead of the game:** Rapid policy and financial shifts towards nature-positive outcomes.
2. **Go Fast or Go Home:** Public and regulatory pressure drives a radical shift, making nature a priority.
3. **Sand in the Gears:** Worsening biodiversity risks with fragmented and slow policy responses.
4. **Back of the List:** Climate action dominates, while nature-related action stagnates

The key biodiversity-related risks and their potential financial impact are outlined in the table below.

**Stakeholder involvement**

The analysis builds on Bakkafrost’s climate-related scenario analysis, which involved broad stakeholder engagement, including engagement with experts from research institutions in the

Faroe Islands. The nature-related scenario analysis further builds on this foundation by incorporating internal subject matter expert insights, which include site-specific information such as benthic impacts and other nature-related dependencies and impacts.

Key biodiversity-related risks and their potential financial impact			
Risk category	Nature-related risk	Potential financial impact	Mitigation strategy
Regulatory Risk	Stricter seabed health regulations	Moderate	Advanced benthic monitoring, seabed regeneration initiatives, e.g. enhanced fallow periods, advanced feed control
Supply Chain Risk	Deforestation-related feed ingredient restrictions (e.g. Ban on non-certified soy)	Moderate	Sourcing 100% Proterra-certified soy, commitment to zero deforestation, sustainable feed initiatives
Physical Risk	Marine ecosystem degradation (algal blooms, extreme weather)	Moderate to High	Investment in ecosystem restoration and resilient aquaculture practices
Market Risk	Consumer shift to biodiversity-friendly seafood	Low to Moderate	Transparent biodiversity reporting, ASC certification, stakeholder engagement
Reputational Risk	Negative public perception of biodiversity impact	Moderate to High	Strengthening biodiversity commitments, proactive regulatory compliance

## Management of impacts, risks and opportunities

### E4-2

#### OUR APPROACH

Policy	Biodiversity Policy
<b>Purpose</b>	Defines the company's approach to managing biodiversity-related impacts, risks, and opportunities in alignment with its sustainability strategy and its environmental responsibilities.
<b>Scope</b>	All units over which Bakkafrost has a direct controlling influence, either through shareholding or agreement. It also addresses material IROs in the company's upstream value chain
<b>Most senior level accountable</b>	Board of Directors + Chief Executive Officer (CEO)
<b>Availability</b>	Internal distribution + webpage
<b>Third-party standards referenced in policy</b>	Science-Based Nature Targets (SBTN) Taskforce for Nature-related Financial Disclosures (TNFD) Kunming-Montreal Global Biodiversity Framework LEAP Aquaculture Stewardship Council (ASC) United Nations Global Compact (UNGC) ProTerra Non-GMO UN SDGs

Bakkafrost is committed to maintaining the highest standards of biodiversity stewardship and aims to surpass established standards.

Implementing the Biodiversity policy is essential for the company to succeed in achieving its goals. The policy's main objective is to help achieve Bakkafrost's 2030 goal of becoming net-positive in its impact on both the marine environment from farming operations and the land environment from onshore operations in the Faroe Islands and Scotland.

Bakkafrost will ensure that its operations are consistently covered by third-party certifications, demonstrating adherence to international biodiversity standards. This approach guarantees that customers receive products reflecting the company's commitment to biodiversity conservation and full compliance with relevant environmental legislation.

The Biodiversity Policy applies to all aspects of Bakkafrost's direct operations. Bakkafrost's farming activities take place in natural fjords and lochs rich in wildlife, making a proactive approach essential to preserve biodiversity and protect ecosystems. Safeguarding the environments surrounding the farms is a core priority, as is conserving biodiversity beyond immediate operations — including in the regions where feed ingredients are sourced. Bakkafrost acknowledges its current dependence on natural resources, particularly related to sourcing key agricultural commodities for feed production. The company's strategy for managing these dependencies is detailed in the Biodiversity Policy, which includes a commitment to avoid contributing to deforestation or land conversion. The strategy includes a commitment to sourcing plant-based commodities in alignment with a zero-deforestation and zero-conversion approach.

The policy does, however, not address the social consequences of biodiversity and ecosystem-related impacts. Bakkafrost has neither conducted a scenario analysis to evaluate the physical and transition risks and opportunities related to biodiversity and ecosystems. As a result, these aspects are not addressed in the current Biodiversity Policy.

Bakkafrost is committed to working toward the long-term goals for 2050 set by the Kunming-Montreal Global Biodiversity Framework and the relevant 23 action-oriented global targets for urgent action over the decade to 2030.

Bakkafrost fully acknowledges the significance of biodiversity for ecosystems' overall health and longevity. The company places a

heightened emphasis on areas where operations can directly impact biodiversity. Benthic fauna is a critical component in maintaining good ecological and biodiversity status in these areas.

By regularly assessing suppliers against the Bakkafrost Feed Policy Statement and Freshwater Policy, Bakkafrost proactively ensure raw materials for salmon feed are sourced responsibly and sustainably, focusing on minimising Bakkafrost's impact on land-use change.

Bakkafrost adheres to third-party standards, including the Aquaculture Stewardship Council (ASC) standard for marine operations, which imposes significantly stricter requirements if farming operations occur in High Conservation Value Areas (HCVA).

The Biodiversity Policy commits to aligning with UN Sustainable Development Goals 14 Life Below Water and 15 Life on Land, and the UN Sustainable Ocean Principles. Bakkafrost is also working on setting SBTN-validated targets and employing the TNFD recommendations to meet the goals set by the Kunming-Montreal Global Biodiversity Framework.

Bakkafrost conducts due diligence and monitoring processes to identify and manage impact risks promptly. This includes regularly monitoring and assessing the benthic environment and marine wildlife beneath the farming pens by collecting seabed samples.

Some of Bakkafrost's sites in Scotland are located in or near biodiversity-sensitive areas. The Biodiversity Policy also covers these operational sites.

### E4-3

#### ACTIONS

Bakkafrost takes a proactive and systematic approach to safeguarding biodiversity and ecosystems, with actions aligned with the mitigation hierarchy. This includes efforts to avoid, minimise, and reduce negative impacts, as well as to support restoration and rehabilitation where applicable. The company's biodiversity initiatives are not one-time efforts but are systematically integrated into Bakkafrost's operations and sustainability disclosures, ensuring alignment with multiple standards and best practices. Below are the key initiatives undertaken:

- **Benthic monitoring and seabed protection**

To protect marine ecosystems beneath and around farming sites, Bakkafrost conducts regular environmental sampling and hydrographic modelling to monitor organic matter deposition and identify necessary corrective actions. For instance, in the Faroe Islands, farming pens have been relocated to areas with stronger currents, which facilitates natural dispersion and reduces environmental impacts. These efforts are central to the company's strategy to actively reduce and minimise seabed impacts while ensuring regulatory compliance.

Bakkafrost has a multifaceted monitoring programme to get a comprehensive understanding of benthic ecosystem conditions. This includes sampling benthic fauna to assess biodiversity, monitoring organic load and metal concentrations (e.g., copper and zinc), and water quality assessments for oxygen, salinity, and temperature levels. As required by the national authorities and the Aquaculture Stewardship Council (ASC) standards, inspections are conducted at all marine sites during periods of peak biomass.

Bakkafrost discontinued the use of copper-treated nets in 2018 in the Faroe Islands and in 2020 in Scotland. Continuous benthic monitoring has shown that copper levels have since decreased at the sites. Since 2023, Econe antifouling coatings have been applied at selected sites in the Faroes. This is a chemical agent used to control harmful organisms, which is degraded much quicker in the natural environment compared to more traditional anti-foulants such as copper.

Bakkafrost continues to invest in research and development to enhance environmental sustainability, including the use of eDNA analysis to deepen our understanding of marine ecosystems. Collaborative projects in the Faroese fjords aim to establish baseline data and classification systems for marine biodiversity states unaffected by human activity. All benthic monitoring and protection activities are funded through the Quality, Environment, Safety, and Health (QESH) department's annual budget, with regulatory authorities as key stakeholders.

- **Protecting forests and biodiversity in the supply chain**

As a key component of Bakkafrost's salmon feed, soy presents a potential risk due to its association with deforestation in regions where it is produced. To mitigate this, Bakkafrost has

implemented a strict sustainable sourcing policy to ensure that all soy is sourced from deforestation-free supply chains. Bakkafrost exclusively procures soy certified under recognised sustainability standards, such as Proterra and Europe Soya, which include robust criteria for preventing deforestation and habitat conversion.

The ASC Feed certification obtained by Bakkafrost's FOF segment in 2025 further strengthens the company's commitment to deforestation and conversion-free sourcing. The certification requires systematic due diligence on all plant-based ingredients, including soy, to assess and mitigate risks of deforestation and land conversion at the origin. This provides an additional layer of assurance beyond individual ingredient certifications, as it establishes a comprehensive management system for monitoring and addressing biodiversity risks across the entire feed ingredient supply chain.

Bakkafrost acknowledges the financial impact of sourcing certified soy, which comes with a premium cost compared to non-certified alternatives. This premium reflects the company's dedication to biodiversity conservation and reinforces its commitment to ethical sourcing.

There are certain risks associated with sourcing soy (and other commodities for feed production), such as supply shortages and stricter regulations on commodities, which can result in increased costs. To mitigate these, Bakkafrost actively invests in research and development to explore alternative feed ingredients while maintaining the nutritional quality of the feed.

In 2025, Bakkafrost spent around 113 mDKK in total on the procurement of certified soy, which is included under the financial line item 'Operating expenses' for 'Fishmeal, oil, and feed', as detailed in Note 2.3 of the Management Statement in this report. These expenses demonstrate the proactive approach to mitigating deforestation-related risks and maintaining sustainable sourcing practices, and these actions align with the avoidance layer of the mitigation hierarchy.

• **Prevention of fish escapes**

Bakkafrost prioritises the prevention of fish escapes to protect wild salmon populations and surrounding ecosystems. Although the Faroe Islands do not have wild salmon populations, mitigating escape risks remains a priority to

minimise ecological impact. In Scotland, where wild salmon populations are present, Bakkafrost has implemented a strict zero-tolerance policy for escapes. This includes significant investments in enhanced containment systems, such as reinforced nets, mooring upgrades, and continuous monitoring technology. Bakkafrost continuously evaluates these measures to ensure they align with the company's zero-tolerance policy.

These measures fall under the avoidance layer of the mitigation hierarchy, reflecting Bakkafrost's proactive approach to mitigating risks associated with the escape of farmed fish. In 2025, the company allocated 98 mDKK toward cage infrastructure improvements, and operational upgrades to ensure the security of farming operations. These costs are included under the financial line item 'Operating expenses' for Farming Operations, as outlined in Note 2.3 of the Management Statement in this report.

In the event of an escape, regulatory authorities and other relevant stakeholders are immediately notified as part of Bakkafrost's incident response protocol.

• **Biodiversity projects and collaboration**

Bakkafrost is actively involved in restoration and rehabilitation efforts, as well as the monitoring of hydrozoa and plankton. These initiatives are driven by the company's QESH department, and the initiative spans across Bakkafrost's operations in Scotland and the Faroe Islands. The projects focus on enhancing local ecosystems, promoting biodiversity awareness, and fostering sustainable practices. Collaboration with schools, research institutions, and community organisations ensures the integration of local and indigenous knowledge with scientific expertise, creating holistic and impactful outcomes.

In 2025, 5% of the Healthy Living Fund was allocated to environmental and biodiversity projects. This funding supported various initiatives, including habitat restoration, biodiversity monitoring, and educational outreach programs. These efforts align with Bakkafrost's broader sustainability strategy and are detailed in the Healthy Living Fund Policy, which is available on the company's [website](#).

Furthermore, biodiversity considerations are systematically integrated into planning conditions for new fish farm sites, which ensures compliance with regulatory requirements.

Biodiversity offsetting is not currently employed as part of Bakkafrost's strategy. However, biodiversity forms a significant part of the company's sustainability disclosures, covering topics like deforestation, land use, and water efficiency.

• **Assessments of Endangered, Threatened and Protected (ETP) Species**

Bakkafrost systematically assesses potential interactions with Endangered, Threatened and Protected (ETP) species as part of its biodiversity risk management framework and TNFD-aligned scenario analysis. The assessment framework is aligned with ASC certification requirements and applicable national environmental legislation in both the Faroe Islands and Scotland.

ETP species are identified with reference to:

- Species protected under national legislation in the Faroe Islands and Scotland
- Species listed under relevant international conservation frameworks, including IUCN Red List categories
- Species protected under EU Habitats and Birds Directives
- Species and habitat types designated under protected area frameworks (e.g., MPAs, Ramsar, Natura 2000, SSSIs)
- Species covered by ASC certification requirements

The assessment includes potential impacts related to fish escape incidents and potential genetic interaction with wild salmon populations (Scotland) and salmonoids (Faroe Islands), interactions with marine mammals and birds, seabed impacts affecting benthic species and habitat quality and sea lice transmission risks potentially affecting wild salmonid populations.

Monitoring mechanisms include mandatory regulatory reporting of fish escapes, recording of accidental and intentional bird and marine mammal mortalities, benthic biodiversity sampling and seabed condition assessments and compliance audits under ASC certification.

Results of these assessments directly inform operational decision-making, including fallow periods, site selection and

relocation, containment investments, predator net use, and zero-tolerance policies for wildlife harm.

In addition, Bakkafrost's feed sourcing policy requires that marine ingredients must not contain fishmeal or fish oil derived from fish species categorized as Vulnerable, Endangered, or Critically Endangered on the IUCN Red List.

All marine farming sites in the Faroe Islands and Scotland are covered by this framework.

• **Exploration of novel feed ingredients**

To reduce dependency on traditional fishmeal and support sustainable feed production, Bakkafrost is actively exploring alternative raw materials for salmon feed, including mesopelagic species and other protein sources. This research and development initiative aims to alleviate pressure on wild fish stocks while maintaining the nutritional quality of the feed. These actions are aligned with the reduction layer of the mitigation hierarchy.

Bakkafrost did not incur any expenses related to novel feed ingredients in 2025. However, trials were still ongoing during the reporting year, as salmon that had been part of earlier trials were harvested and the results analysed. Although the initial results did not show improvements, Bakkafrost has provided suppliers of novel ingredients with valuable feedback to support further product development and improvements going forward.

## Metrics and targets

### E4-4

#### TARGETS AND PERFORMANCE

Bakkafrost has set targets to address material biodiversity-related impacts, risks, and opportunities identified through its double materiality assessment. These targets aim to mitigate negative impacts, manage risks, and capitalise on opportunities across the value chain.

Input from multiple stakeholder groups has been incorporated in setting the targets related to biodiversity and ecosystems. Regular engagement is conducted with customers, consumers, investors, authorities, and employees. Feedback is gathered through various channels, including surveys, ESG ratings, and ongoing dialogue. Additionally, some targets have been informed by the results of the Double Materiality Assessments conducted by the company. This collected input serves as the foundation for establishing the targets, ensuring they reflect a broad range of perspectives and align with stakeholder expectations.

When working with biodiversity, Bakkafrost applies various frameworks that include ecological thresholds, including fauna indexes such as the Shannon-Wiener Index (Shannon Diversity Index), the Marine Biotic Index (AMBI), and the Faroese fauna index. Targets have been set using these ecological thresholds in the process.

Building on the engagement described above and Bakkafrost's internal biodiversity-related work, the company is confident that the targets are grounded in conclusive scientific evidence.

Bakkafrost is committed to working towards the biodiversity-related targets outlined in the Kunming-Montreal Global Biodiversity Framework. The targets are informed by this framework, ensuring alignment with its principles and objectives.

Bakkafrost measures its progress on targets by tracking performance through various metrics calculated annually and plans to increase the frequency of reporting progress towards the targets going forward.

Bakkafrost has not used biodiversity offsets in setting any of the following targets:

- Benthic monitoring: Full compliance with ASC standards**  
 Bakkafrost is committed to minimising its impact on the seabed below the marine farming pens, and the ASC certification scheme is widely considered as one of the strictest aquaculture standards which includes strict benthic requirements. Thus, we use this scheme as a benchmark to ensure that we conduct responsible ocean stewardship.

In 2025, Bakkafrost upheld its ASC certifications for all marine sites in the Faroe Islands, and the share of marine sites in Scotland which are certified against ASC increased from 75% in 2024 to 97% in 2025. Thus, we consider the target to be on track.

- Zero fish escapes**  
 Bakkafrost is committed to achieving zero fish escapes across its marine farming operations in the Faroe Islands and Scotland. This target supports the policy objectives by reflecting the company's zero-tolerance policy for escapes and recognising the potential negative impacts on wild salmon populations in Scotland. The target relates to the impact 'Salmon escape incidents'.

The base year is 2016, with a baseline value of 0. This is a rolling and absolute target and is measured in the number of fish that escaped during the year, with progress monitored through continuous inspections and incident records. Any escapes are reported to regulatory authorities, and financial and operational resources are allocated to enhance containment measures.

The target can be allocated to the 'avoidance' layer of the mitigation hierarchy.

In 2025, Bakkafrost reported 0 incidents of fish escapes from 3 in 2024, and 0 fish in total from 303 fish in 2024. Thus, the performance was on track in 2025.

- Sourcing deforestation-free soy**  
 Bakkafrost is committed to sourcing 100% of its soy from certified suppliers under Proterra, Europe Soy, or similar standards to ensure zero deforestation and prevent land-use change. The target relates to the impact 'Impact on deforestation' and affects the regions in which Bakkafrost sources its soy commodities. The target can be allocated to the 'avoidance' layer of the mitigation hierarchy.

The base year is 2016 with a base value of 100%.

This absolute rolling target applies to the upstream value chain and ensures that all soy used in feed production meets stringent sustainability criteria. Compliance is verified through certifications provided by suppliers.

In 2025, 100% of soy was sourced from certified suppliers, demonstrating Bakkafrost's commitment to sustainable sourcing.

### E4-5

#### IMPACT METRICS RELATED TO BIODIVERSITY AND ECOSYSTEMS CHANGE

Bakkafrost has mapped its sites located in or near (1km buffer) biodiversity-sensitive areas, and none are considered to be negatively affecting these areas. The sites identified within the company's direct operations that are situated in or near sensitive areas are all marine farming sites in Scotland.

Most protected sites have designations related to mammal or bird species, with some related to woodland, coastal and benthic habitats.

All new sites are assessed as part of the planning process, which typically includes an EIA (Environmental Impact Assessment), which covers an assessment of risk to protected/ biodiversity-sensitive areas.

### E4-6

#### ANTICIPATED FINANCIAL EFFECTS FROM BIODIVERSITY AND ECOSYSTEMS-RELATED RISKS AND OPPORTUNITIES

Bakkafrost has not identified any material risks and opportunities related to biodiversity.

## Performance



### Zero Fish Escapes

0

(2024: 303 fish, 3 escapes)



### 100% Certified Soy

100%

(2024: 100%)

ENTITY-SPECIFIC

# Biodiversity-related entity-specific measures

1 January 2025 – 31 December 2025

<b>Benthic impact – Faroe Islands (using MOM-B methodology)</b>	<b>Unit</b>	<b>Target</b>	<b>2025</b>	<b>2024</b>
Low/medium impact (no measures needed or taken)	%		76.5	82
High organic loading (measures taken to minimise impact)	%		23.5	18
<b>Benthic impact – Scotland (using SEPA methodology)</b>				
Low/medium impact (no measures needed or taken)	%		92.5	100
High organic loading (measures taken to minimise impact)	%		7.5	0
<b>Portion of soy sourced that was certified against Proterra or similar</b>				
	%	100	100	100
<b>Fish escape incidents (Number)</b>				
	Number	0	0	3
<b>Escaped fish (Number)</b>				
	Number	0	0	303



## Accounting Policies

### Benthic impact

Faroe Islands: Benthic impact is measured using the MOM-B methodology, which assesses conditions on the seabed beneath farming pens. Results are reported as the proportion of farming frames/cages classified as either low/medium or high impact. Assessments are conducted at peak biomass, within one month of reaching 75% of peak biomass.

Scotland: Bakkafrost uses the Scottish Environment Protection Agency (SEPA) scoring system, which assesses sites based on their adherence to environmental regulations. Assessments are conducted at peak biomass, within one month of reaching 75% of peak biomass.

### Soy sourced that was certified against Proterra or similar

The percentage of total soy purchased that was certified against the Proterra standard or similar.

### Fish escape incidents

Defined as the total number of unique incidents where fish escaped the farming pens.

### Escaped fish

Defined as the total number of fish that escaped during the reporting year (net after recapturing fish).

# E5 Resource Use and Circular Economy

List of disclosure requirements	Page reference
<b>E5 – Resource Use and Circular Economy</b>	
ESRS 2 SBM-3 Material impacts, risks, and opportunities in relation to resource use and circular economy	119
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**ESRS 2 SBM-3**

**MATERIAL IMPACTS, RISKS AND OPPORTUNITIES IN  
RELATION TO RESOURCE USE AND CIRCULAR  
ECONOMY**

RESOURCE USE AND CIRCULAR ECONOMY – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES					Location in Value Chain			Time Horizon		
					Upstream	Own Operation	Downstream	Short-term (1-3 years)	Medium-term (3-8 years)	Long-term (+8 years)
ESRS sub-topic (AR 16)	ESRS sub-sub topic (AR 16)	IRO	Type							
Resource inflows, including resource use	-	Sourcing of packaging materials	Actual negative impact	●				Current reporting period		
Resource inflows, including resource use	-	Sourcing of commodities for feed production	Actual negative impact	●				Current reporting period		
Resource outflows related to products and services	-	Recyclability of packaging material	Actual negative impact			●		Current reporting period		
Waste	-	Organic waste to biogas plant	Actual positive impact		●			Current reporting period		
Waste	-	Waste generated in operations	Actual negative impact		●			Current reporting period		

## ESRS 2 SBM-3

### IMPACTS, RISKS AND OPPORTUNITIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

The materiality assessment described in disclosure requirement IRO-1 identified the following material impacts related to Bakkafrost's resource use and circular economy.

- **Sourcing of packaging materials - Actual negative impact**

To ensure product quality and safety, Bakkafrost relies on packaging materials such as plastic and polystyrene. The sourcing of these materials, however, results in an actual negative environmental impact.

This impact is concentrated in the upstream value chain of our Services and Sales & Other segments and is linked to us through our business relationships.

The extraction and production of these fossil-fuel-based materials, which occurred in the current reporting period, contribute to resource depletion and potential habitat destruction. This impact originates from our business model, as these materials are currently necessary to maintain product quality.

In response, our strategy is to allocate R&D resources to investigate more sustainable solutions. While we have not yet found a suitable alternative that can handle the moisture from salmon, our strong financial position provides the resilience to change to an alternative when the right packaging is available, although this could result in OpEx for new equipment.

This impact is fully covered by ESRS disclosure requirements.

- **Sourcing of commodities for feed production - Actual negative impact**

Producing high-quality, proprietary feed is a cornerstone of our salmon farming operations. However, the sourcing of the necessary agricultural commodities has an actual negative impact on the natural environment, which is concentrated in the upstream value chain of our FOF segment. This impact, which we are involved in through our business relationships, occurred in the current reporting year and can contribute to soil degradation, water shortages, and biodiversity loss.

Originating from the company's strategy and business model, we have addressed this by adopting a selective sourcing approach,

using certifications to ensure responsible production, and optimising our feed conversion ratio (FCR). Bakkafrost's feed strategy is flexible, allowing us to adjust ingredients, which provides resilience. However, as the company grows, our feed requirements will double, increasing the exposure to potential taxes on these commodities.

This impact is covered by ESRS disclosure requirements and is further supported by reporting the feed conversion ratio metric, which reflects the feeding efficiency. A higher efficiency means reduced demand for commodities.

- **Recyclability of packaging material - Actual negative impact**

While our packaging is essential for product integrity, the limited recyclability of the polystyrene boxes and plastic packaging at the end of their life cycle presents an actual negative environmental impact. This impact is concentrated in the downstream value chain of the Sales & Other segment and leads to increased resource use. The impact occurred in the reporting year and is connected to our strategy and business model.

Bakkafrost has responded by testing alternative materials and setting targets to transition to materials with higher recyclability rates. To enhance the company's resilience and prepare for stricter future packaging and waste regulations, Bakkafrost is proactively working to adopt fully recyclable or renewable materials to ensure compliance and avoid potential penalties, with a goal to achieve 100% recyclable packaging.

This impact is covered by ESRS disclosure requirements.

- **Organic waste to biogas plant – Actual positive impact**

As part of Bakkafrost's commitment to circular economy principles, our biogas plant, FÖRKA, converts organic waste from our own operations and other Faroese companies into renewable energy, creating an actual positive impact. This impact, concentrated in Bakkafrost's Services segment, arises from our direct operations and keeps waste within a circular loop. The facility is fully integrated into our sustainability strategy.

The resilience of our business model is enhanced by this investment, as the facility is designed to handle increasing volumes of organic waste, supporting our future growth and strengthening the capacity to manage organic waste challenges effectively.

This impact is partially addressed by ESRS disclosure requirements, and we have included an entity-specific metric to capture the plant's full inputs and outputs.

- **Waste generated in operations - Actual negative impact**

During its operations, Bakkafrost generates waste streams that are not yet recyclable, which has a negative environmental impact by contributing to resource depletion. This impact is concentrated in the company's direct operations in the Faroe Islands and Scotland, resulting from its activities and business relationships. As this is part of the company's core operations, the impact is linked to its business model.

Bakkafrost has responded by constructing a biogas plant for biological waste and conducting pilot projects for recyclable packaging alternatives.

The company's business model demonstrates resilience in this area, as it can implement systems to manage waste generation by prioritising recycling without incurring financial difficulties, while ensuring that non-recyclable waste is disposed of responsibly.

This impact is covered by ESRS disclosure requirements.

## Management of impacts, risks and opportunities

### E5-1

#### OUR APPROACH

Policy	Procurement and Resource Management Policy
<b>Purpose</b>	Outlines Bakkafrost's approach to addressing impacts, risks and opportunities related to resource use and circular economy and establishes guidelines and targets for resource use
<b>Scope</b>	All units over which Bakkafrost has a direct controlling influence, either through shareholding or agreement. Also addresses resource use in the company's upstream and downstream value chain
<b>Most senior level accountable</b>	Board of Directors + Chief Executive Officer (CEO)
<b>Availability</b>	Internal distribution + webpage
<b>Third-party standards referenced in policy</b>	EU Packaging and Packaging Waste Regulation (PPWR)

Resource use and circular economy are assessed as material topics for the business. We are committed to taking action in these areas by allocating resources to implement initiatives and providing transparent reporting on our resource management performance.

Our approach is governed by the Procurement and Resource Management Policy, which outlines our commitment to employing a sustainable approach to the use and management of both

natural and secondary resources. The policy further articulates our approach and stance on key issues such as the sourcing of feed and packaging commodities, the recyclability of packaging, and the handling of organic waste from our operations.

The policy objective is to ensure a streamlined approach to resource management, which is a key element of ensuring progress against our commitment to reduce reliance on virgin materials and reuse, repair, and recycle all materials possible and transition to the use of secondary resources. We are committed to embedding circular solutions across the value chain, with procurement playing a key role at the point of resource inflows.

#### *Waste hierarchy*

Bakkafrost applies the waste hierarchy as the key strategy to manage waste responsibly and to improve resource efficiency. We aim to avoid resource usage where possible, minimise material consumption, and prioritise using non-virgin materials. Our policy encompasses prevention, reuse, recycling, recovery, and disposal. We pay special attention to ensure that this strategy is followed in the sourcing and use of packaging materials, including plastic and polystyrene.

Equipment will be regularly reused and repaired. Bakkafrost is dedicated to finding solutions that utilise recycled and recyclable materials. The policy outlines our ambition that the packaging must be entirely recyclable while maintaining the quality of our salmon, an initiative supported by continuous testing of alternative materials. We also recycle organic waste and sludge from our operations, converting it into electricity, district heating and agricultural soil through our biogas plant.

All waste disposal practices will adhere strictly to local and international regulations to ensure environmental compliance.

#### *Sustainable sourcing*

We are committed to sustainable sourcing, ensuring compliance through certifications and selective sourcing, and continuously monitoring risks with our suppliers and throughout the value chain. All procurement activities must satisfy quality, profit, people, and the planet criteria. For more information, see our Procurement and Resource Management Policy.

The policy was developed with input from external stakeholders provided during our double materiality assessment.

It is communicated directly to all relevant internal stakeholders, and it is available to all external stakeholders via our website.

### E5-2

#### ACTIONS

Bakkafrost has not yet adopted a formal action plan for resource use and circular economy-related issues. However, the company currently addresses its material impacts related to resource use and circular economy through the following initiatives:

- **Recyclable packaging materials (outflow-related)**

Bakkafrost continued its work to identify fully recyclable packaging solutions that can meet the unique moisture and hygiene requirements of fresh salmon. Bakkafrost has experimented with different kinds of monoplactic and biopolymers packaging in the past few years to allow customers to recycle all our packaging. Despite conducting extensive trials, polystyrene remains unmatched in its ability to meet these requirements effectively. This choice balances product quality and environmental considerations while Bakkafrost continues to research sustainable alternatives.

Thus, no outcome can be reported for the initiative yet. However, we will continue to explore and trial solutions that will enable our customers to recycle all our packaging.

The action relates to Bakkafrost's Service segment. As Bakkafrost continuously explores new solutions, the initiative has no set end date. There are no significant expenses associated with this action.

- **Sourcing of packaging materials (inflow-related)**

Bakkafrost pursues sourcing packaging materials from sustainable sources within our upstream value chain and has commenced sourcing various types of packaging from non-virgin sources.

This initiative is expected to decrease the usage rate of virgin materials and will be formally implemented through our upcoming supplier rating system. This will identify the best solutions for Bakkafrost and our customers.

- **Gold, silver, and bronze supplier rating system**

Bakkafrost's new supplier rating system, which categorises suppliers as gold, silver, or bronze, is in the implementation phase. In 2025, our focus was on refining the requirements. The next phase will encompass testing the system, adjusting it according to the learnings, and finally fully integrating it into our procurement practices. The ranking system will include criteria for sustainability, including environment, human rights, quality, and other relevant factors. The criteria level will vary depending on the category in which suppliers are ranked.

The ranking system will be implemented to cover all procurement for all Bakkafrost units. We expect this initiative to result in lower supply-chain-related GHG emissions and reduced impacts on various other environmental, social and governance parameters.

- **Management of biological waste**

In 2025, Bakkafrost Scotland launched a £2.5 million aquaculture waste-to-fertiliser project at its Applecross hatchery. The project will bring about the conversion hatchery sludge into biochar via a drying, pelletisation and pyrolysis unit. The biochar will be used in forestry to improve soil quality and structure, fertility, and water retention. By turning what was previously a waste stream into a valuable resource, this action strengthens Bakkafrost's circular approach to resource use and reduces the volume of waste requiring transport. In the reporting year, our Applecross site transported 3,745 tonnes of hatchery sludge off-site for land spreading, generating 36,646 road km and approximately 39 tCO2e in GHG emissions. This waste volume will be significantly reduced with the introduction of sludge pyrolysis at the site in 2026.

The production of biochar also has the added benefit of locking carbon in a stable form for thousands of years (sequestration), reducing atmospheric CO2, and removing carbon from the cycle.

#### **Certifications of feed commodities**

Bakkafrost will continuously ensure certifications for feed commodities used in production. The certifications ensure that Bakkafrost does not contribute to harmful environmental and social impacts through its sourcing of commodities, including avoiding contributing to deforestation and human rights impacts.

Bakkafrost aims to enhance its commitment by ensuring that all sourced commodities are free from land conversion, thus preventing any potential land degradation. The action relates to Bakkafrost's FOF segment.

Determining the exact additional cost associated with the premium Bakkafrost pays for certified soy is challenging. This is due to the lack of a clear benchmark for comparison against the sourcing price. The current cost is influenced by negotiations with suppliers, and the final price is also impacted by the volumes procured, as higher volumes often result in discounts.

• **Feed conversion ratio (FCR)**

Bakkafrost aims to maintain a low feed conversion ratio through our feed development strategy. A lower feed conversion ratio improves biological efficiency and reduces the demand for feed commodities per unit of biomass produced. This primarily affects resource efficiency and life-cycle intensity metrics rather than absolute emissions. Many years of research into feed strategy and feed compositions, together with improved farming management, have been pivotal in improving production performance with enhanced growth and optimal feeding (reduced feed conversion ratio).

This continuous action relates to the Freshwater, Farming and FOF segments, both focusing on the optimal feed ingredient composition and the best available technology and methodology for feeding and monitoring to ensure efficient feeding.

• **Initiatives to recycle resources**

In 2025, Bakkafrost continued its focus on circular resource use by reducing, reusing and recycling materials across its operations. All used and discarded fish farming nets are now sent for recycling. This ensures that materials are reprocessed into new products rather than disposed of as waste.

In addition, Bakkafrost reused old aquaculture pipes by repurposing them as discharge pipelines at several freshwater hatcheries. This initiative reduces the need for new materials and demonstrates practical circular use of existing equipment.

Other plastic waste is now also collected and sent for recycling. Bakkafrost covers the transportation costs. Together, these actions contribute to improved waste management and support a circular approach across Bakkafrost's operations.



**Repurposing of farming nets**

Marine farming nets have a limited lifespan due to the harsh conditions of the marine environment. Rather than disposing of worn nets, Bakkafrost collects and ships them to a partner who repurposes the material into new products, such as carpets. This practice has been in place for several years and reflects Bakkafrost's ongoing commitment to reducing waste and promoting circularity.

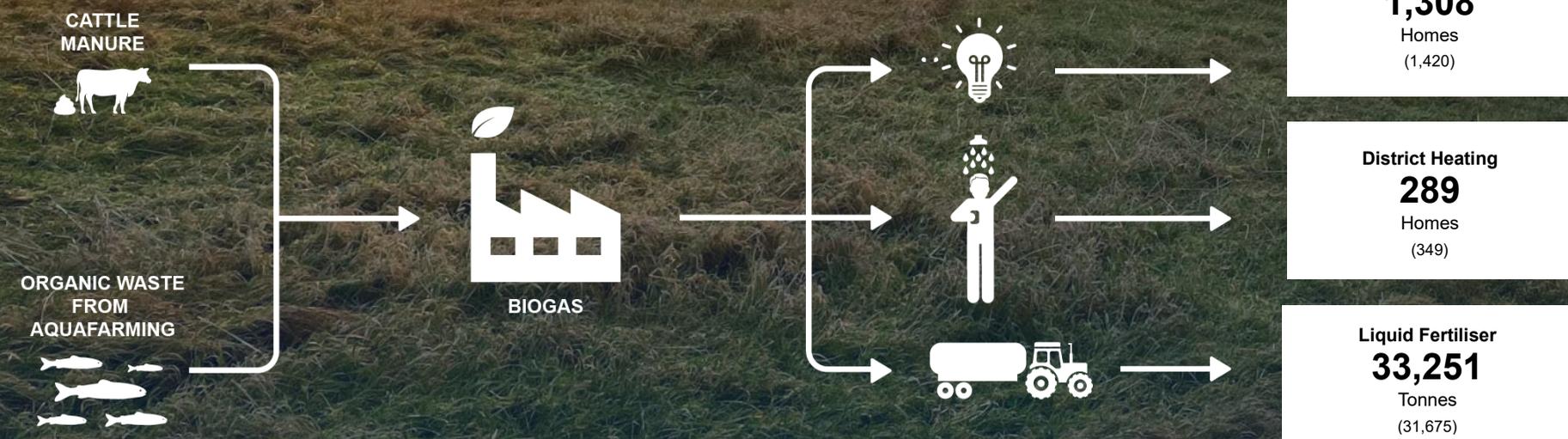
**Circular Use of Feed Bags**

Bakkafrost has partnered with a plastic bag producer to establish a closed-loop system for salmon feed bags.

Used bags are collected and returned to the producer, who reprocesses the material to manufacture new feed bags. These are then sourced back by Bakkafrost, and the cycle is repeated upon each subsequent use.

In 2025, Bakkafrost returned 326 tonnes of used salmon feed bags for reprocessing and sourced 14.8 tonnes of non-virgin feed bags, reflecting the company's commitment to circularity and reduced material waste.

# FÖRKA – Biogas plant



**Power**  
**1,308**  
Homes  
(1,420)

**District Heating**  
**289**  
Homes  
(349)

**Liquid Fertiliser**  
**33,251**  
Tonnes  
(31,675)

In 2025, FÖRKA delivered 33,251 tonnes of high-quality fertiliser for Faroese agriculture and delivered 5,865 MWh to the Faroese electricity grid and 4,338 MWh of district heating.

# Understanding our approach to resource use and circular economy

Resource use and circular economy in Bakkafrøst's value chain span three interconnected dimensions: resource inflows, operational efficiency, and resource outflows.

Although reported under one ESRS topic (E5), these dimensions represent different stages of the value chain and must be understood as part of a broader environmental system.

Resource use and circular economy in Bakkafrøst's value chain span three interrelated dimensions:

## 1. Resource inflows

The sourcing of feed ingredients and packaging materials constitutes the largest material inflows to the value chain. Feed raw materials in particular represent the most significant driver of upstream environmental impact and Scope 3 emissions.

## 2. Resource efficiency in production

Operational efficiency, including the biological Feed Conversion Ratio (bFCR), determines how efficiently feed is converted into biomass. A lower bFCR reduces the quantity of feed required per tonne of salmon produced, thereby lowering demand for agricultural and marine raw materials and reducing life-cycle intensity.

However, bFCR primarily influences resource efficiency and emissions intensity metrics rather than absolute emissions. In periods of production growth, total feed demand and total emissions may increase even if biological efficiency improves.

## 3. Resource outflows and circularity

Packaging recyclability, waste management and biogas recovery address downstream material flows and circular resource use. These measures primarily reduce resource use and

environmental footprint, while also contributing indirectly to emissions performance through reduced embodied emissions and energy recovery.

The structure of section E5 reflects these different parts of the value chain: inflows, operational efficiency and outflows. While reported under one ESRS topic, they represent distinct but connected elements of the company's overall environmental footprint.

Understanding these linkages is essential when interpreting emissions development in section E1 and resource use performance in section E5.

## Metrics and targets

### E5-3

#### TARGETS AND PERFORMANCE

Bakkafrost's Procurement and Resource Management Policy establishes key targets related to resource use and the circular economy. While these targets were developed without direct stakeholder consultations, they have been informed by relevant inputs such as ESG ratings and EU legislation.

The targets are not based on conclusive scientific evidence. Progress is tracked annually through defined performance metrics, and Bakkafrost intends to increase the frequency of its reporting going forward.

#### Resource inflows – Reduce virgin materials

- **By 2030, Bakkafrost aims to reduce the use of virgin materials in packaging by 50% compared to the 2024 baseline.**

We have set a target to reduce the use of virgin materials in packaging by 50% compared to the 2024 baseline. The baseline year of 2024 recorded a 10% share of recycled materials in the packaging. Achieving the 2030 target, there, requires increasing the proportion of recycled content to 50%.

This target is voluntary and goes beyond the requirement of the EU Packaging and Packaging Waste Regulation (PPWR). By aiming for a 50% recycled content share, Bakkafrost supports the transition towards increased use of secondary raw materials and focuses on minimising primary raw material use in line with circular economic principles.

The base year is 2024, with a baseline value of 10% non-virgin (recycled) materials in packaging. The target applies to Bakkafrost's Services segment, which includes packaging operations.

In 2025, the share of non-virgin materials in the packaging inflow was 8%. This represents a decrease of 2 percentage points from 10% in 2024.

Progress is monitored through ERP purchase data capturing packaging volumes and material composition.

#### Resource outflows – Recyclable packaging

- **By 2030, Bakkafrost is committed to ensuring that 100% of the packaging used for its market products meets the recyclability requirements established under the EU Packaging and Packaging Waste Regulation (PPWR).**

This target has been established to ensure regulatory compliance and to support resource efficiency and circular product design principles across the value chain. It relates to the recycling layer of the waste hierarchy and supports the design-for-recycling requirements under EU regulation. The target applies to the resource outflows of Bakkafrost's Service segment.

The target is relative and measured in tonnes and percentages of total packaging placed on the market.

The base year is 2024, with a baseline value of 86% of packaging placed on the market was assessed as recyclable.

The target applies to Bakkafrost's Services segment.

In 2025, total packaging materials weighed 6,227 tonnes, of which 5,310 tonnes met recyclability requirements (85%). In 2024, 3,724 tonnes out of 4,130 tonnes were recyclable (86%). While the absolute volume of recyclable packaging increased, the recyclability rate decreased slightly due to growth in packaging volumes.

Progress is monitored based on analysis of volumes purchased, which is considered a reliable proxy for packaging placed on the market.

#### • Group FCR below 1.083 weighted average

The biological feed conversion factor ratio (bFCR) measures how efficiently feed is converted into biomass, specifically, how much feed is used to produce 1 kg of salmon biomass. The lower the bFCR, the more efficiently salmon converts feed into protein. Improved feeding efficiency can reduce the demand for feed commodities and, by extension, overall resource use.

Aligned with its commitments to responsible sourcing of feed commodities, Bakkafrost has set an absolute target to maintain a weighted average bFCR below 1.083, a baseline value established in 2023. The target is to be achieved by 2026.

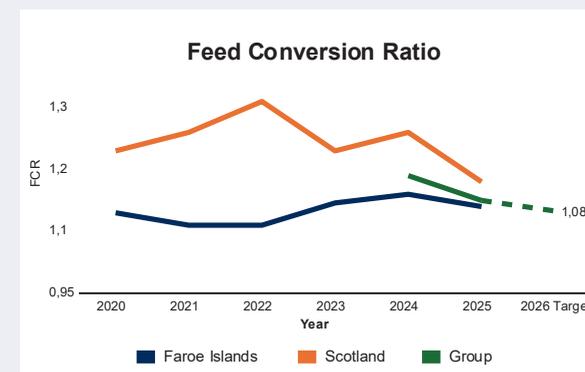
This target applies to Bakkafrost's FOF, Farming and Freshwater segments, and related to the prevention layer of the waste hierarchy, and specifically this relates to minimisation of primary raw material. Progress is monitored through meters fitted at the marine sites measuring both volumes of feed used as well as measuring the salmon biomass.

In 2025, the Group FCR was 1.108 (1.145), reflecting improvement from the 2024 results and bringing performance closer to the 2026 target.

### E5-6

#### ANTICIPATED FINANCIAL EFFECTS FROM MATERIAL RESOURCE USE AND CIRCULAR ECONOMY-RELATED RISKS AND OPPORTUNITIES

Bakkafrost did not identify any material Resource Use and Circular Economy-related risks and opportunities. Thus, this disclosure is omitted.



## Resource use

1 January 2025 – 31 December 2025

	Unit	Target	2025	2024	Share of 2025 volumes, which were sustainably sourced
<b>E5-4</b>					
<b>Resource inflows</b>					
<b>Total weight of all key materials sourced</b>					
Marine Raw Materials	Tonnes		383,998	327,068	99.9%
Agricultural Commodities	Tonnes		79,926	67,856	100%*
Packaging Materials	Tonnes		5,060	4,579	16%
Roe (eggs) & Smolt (externally sourced)	Tonnes		2,229	3,344	n/a
Freshwater withdrawals	Tonnes		25,958,697	23,852,876	n/a
<hr/>					
Share of reused or recycled materials in the resource inflow	Percentage		8%	10%**	
Total weight of reused or recycled materials in the resource inflow	Tonnes		490	407**	
<hr/>					
<b>E5-5</b>					
<b>Resource outflow</b>					
Volumes of recyclable content in products and their packaging	Tonnes		5,310	3,550	
The rates of recyclable content in products and their packaging	Percentage	100%	85%	86%	
Total weight of packaging materials	Tonnes		6,227	4,130	

### § Accounting Policies

#### Total weight of all key materials sourced

Resource inflows are reported for materials classified as 'key materials' in accordance with ESRS E5. The classification is based on a structured assessment of the material's importance to our business and its sustainability context. This assessment considers:

- a) Internal factors: such as volumes, cost, operational criticality, and strategic importance; and
- b) External factors: including environmental and social impacts, stakeholder expectations, and regulatory demands.

#### Share of volumes which were sustainably sourced

Marine raw materials: Certified is defined as sourced from fisheries, which are certified against: MSC, Marin Trust, Marin Trust FIPs, GMP+.

Agricultural commodities: Certified material includes soy certified against Proterra.

\*Wheat and rapeseed oil as products are yet to be covered by a sustainability certification scheme. Thus, these quantities have been excluded from the calculation of the share of volumes certified.

Packaging materials: The share is calculated based on volumes used that were certified against FSC.

Roe (eggs) & smolt (externally sourced): No certification exists for these products.

Freshwater withdrawals: No certification exists for this resource.

#### Reused or recycled materials in the resource inflow

The scope of the metric has been limited to only include reused or recycled materials in the inflow of packaging materials, and the denominator applied for the calculation of the share of reused or recycled materials is the 'Total weight of packaging materials'.

\*\* Volumes were reported incorrectly in the 2024 report due to typographical error.

#### Resource outflow

The scope of the metric has been limited to only include the rates of recyclable content in packaging distributed to markets.

## Waste

1 January 2025 – 31 December 2025

	Unit	Target	2025	2024
<b>Total waste generated</b>	<b>Tonnes</b>		<b>24,757</b>	<b>19,732</b>
<b>Diverted from disposal</b>	<b>Tonnes</b>		<b>22,146</b>	<b>15,938</b>
<b>Hazardous waste diverted from disposal</b>	<b>Tonnes</b>		<b>640</b>	<b>292</b>
Preparation for reuse	Tonnes		0	0
Recycling	Tonnes		347	292
Other recovery	Tonnes		293	0
<b>Non-hazardous waste diverted from disposal</b>	<b>Tonnes</b>		<b>21,506</b>	<b>15,646</b>
Preparation for reuse	Tonnes		4,964	162
Recycling	Tonnes		1,788	1,036
Other recovery (including waste to biogas plants)	Tonnes		14,754	14,448
<b>Diverted to disposal</b>	<b>Tonnes</b>		<b>2,610</b>	<b>3,793</b>
<b>Hazardous waste diverted to disposal</b>	<b>Tonnes</b>		<b>5</b>	<b>6</b>
Incineration	Tonnes		3	1
Landfill	Tonnes		0	5
Other disposal methods	Tonnes		2	0
<b>Non-hazardous waste diverted to disposal</b>	<b>Tonnes</b>		<b>2,606</b>	<b>3,787</b>
Incineration	Tonnes		2,070	2,049
Landfill	Tonnes		536	1,737
Other disposal methods	Tonnes		0	0
<b>The total amount of non-recycled waste</b>	<b>Tonnes</b>		<b>2,610</b>	<b>3,793</b>
<b>The total percentage of non-recycled waste</b>	<b>%</b>		<b>11%</b>	<b>19%</b>

### § Accounting Policies

#### Waste

Waste is reported as the total sum of all waste generated in Bakkafrost's direct operations during the year. The data is further disaggregated into 'Hazardous' and 'Non-hazardous' waste and further broken down by waste type. In certain cases, judgment has been applied to determine the appropriate categorisation of specific waste types.

The waste reported is based on actual numbers collected via invoices and operational software solutions. However, conversions have partially been used to convert data captured in cubic meters to tonnes.

We have assessed all materials sent to biogas facilities, including all biological waste from salmon production, as falling under the category 'Diverted from disposal', 'Non-hazardous', 'Other recovery'.

Bakkafrost France has not been included in the data reported due to immateriality, as this is only a sales office.

During the compilation of the 2025 data, it was necessary to revise the conversion factors. This was to correct for discrepancies where some products, already recorded in metric tonnes, were erroneously assigned a conversion factor, while others, not yet converted to tonnes, lacked one. Consequently, this recalibration is a contributing factor to the observed changes in total waste generation volumes between 2024 and 2025.

## Entity-specific measures

1 January 2025 – 31 December 2025

### ENTITY-SPECIFIC

Biological Feed Conversion Ratio (bFCR)	Unit	Target	2025	2024
Group	Ratio	below 1.083	1.108	1.145
Faroe Islands	Ratio		1.106	1.111
Scotland	Ratio		1.116	1.210
<b>Contributions (substance input) by external parties to FÖRKA biogas plant</b> Reflecting positive impact through waste management for external stakeholders, converting external waste into electricity, district heating, and high-quality fertiliser	<b>m3</b>		<b>26,921</b>	<b>24,210</b>
Manure	m3		23,325	21,702
Ensilage	m3		2,236	2,227
Vegetable	m3		36	22
Other	m3		1,324	259



### Accounting Policies

#### Biological Feed Conversion Ratio

Ratio of total feed fed to the salmon in the reporting period to gross biomass growth. Calculated as: Weight of total feed fed to the salmon in the reporting period ÷ (biomass weight of fish harvested + biomass weight of fish dead in the production cycle + biomass weight of estimated unexplained loss) - weight of biomass stocked at site.

#### Contributions by external parties to FÖRKA biogas plant

Input volumes and who supplied them are captured in our biogas' standalone software system where records are input on a daily basis. External stakeholders are defined as all suppliers of waste excluding all suppliers who can legally be identified as a Bakkafrost subsidiary.

# Social Information

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# S1 Own Workforce

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ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	131
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**ESRS 2 SBM-3**

**MATERIAL IMPACTS, RISKS AND OPPORTUNITIES IN RELATION TO OWN WORKFORCE**

OWN WORKFORCE – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES				Location in Value Chain			Time Horizon		
				Upstream	Own Operation	Downstream	Short-term (1-3 years)	Medium-term (3-8 years)	Long-term (+8 years)
ESRS sub-topic (AR 16)	ESRS sub-sub topic (AR 16)	IRO	Type						
Working conditions	Health and Safety	Work-related incidents	Actual negative impact		●			In the current reporting period	
Equal treatment and opportunities for all	Diversity	Male-dominated workforce	Actual negative impact		●			In the current reporting period	
Equal treatment and opportunities for all	Training and skills development	Key driver in establishing vocational education for marine/salmon farmers in the Faroes	Actual positive impact		●			In the current reporting period	
Equal treatment and opportunities for all	The employment and inclusion of persons with disabilities	Bakkafrost works actively to include people with disabilities	Actual positive impact		●			In the current reporting period	

## ESRS 2 SBM-3

### IMPACTS, RISKS AND OPPORTUNITIES RELATED TO OWN WORKFORCE

The materiality assessment described in ESRS 2 IRO-1 identified the following material impacts related to employees in Bakkafrøst's own workforce. All materially affected members of the workforce are included in the scope of this disclosure, and the identified impacts are covered by the relevant ESRS disclosure requirements. The materially impacted employees are specified in the descriptions below.

Bakkafrøst does not engage any non-employees and has not identified any operations within its own operations that are at risk of child or forced labour, therefore the disclosures related to these have been omitted.

The identified IROs related to S1 are addressed in four sections:

- Our workforce
- Health and Safety
- Diversity, equity and inclusion
- Training and development

#### • Work-related incidents – Actual negative impact

Operating in the salmon farming industry inherently exposes workers at Bakkafrøst to the actual impacts of physical harm. This represents an actual negative impact affecting employees across the company's operations in all geographical locations. Exposure arises from activities such as operating heavy machinery, handling equipment and working in challenging weather conditions.

These incidents, which occur across all time horizons, can result in injuries and ill health for those directly involved, causing loss of earning power for families and reduced well-being for co-workers, directly affecting the people involved.

This impact is linked to our core business model and influences strategy by emphasising the need for enhanced workplace safety measures. Bakkafrøst has responded by implementing a comprehensive health and safety policy, with progress monitored via metrics reported to Group Management and the Board.

The resilience of our strategy is supported by our robust, ISO 45001-certified health and safety framework. This framework is essential to remaining an attractive employer and mitigating future risks arising from increased operational activity due to planned medium-term growth.

This impact is covered by ESRS disclosure requirements, supplemented by entity-specific metrics such as the annual average absence rate.

#### • Male-dominated workforce – Actual negative impact

Women are underrepresented within Bakkafrøst's workforce, a negative impact occurring across our operations, excluding the Sales & Other segment. This is a systemic issue across the aquaculture sector that affects female employees, who may experience exclusion due to a male-dominated culture.

This impact occurs across all timescales and is not considered to originate from Bakkafrøst's strategy, but it is anticipated to affect our ability to attract diverse talent.

In response, Bakkafrøst has implemented strategic recruitment measures, including featuring female workers in advertisements.

However, the resilience of our business model is challenged by this issue. There is a risk of increased gender underrepresentation given the company's strategic focus on growth in these male-dominated segments over the medium and long term. The challenge is assessed to be deeply systemic and will require significant technical and cultural changes to be solved, affecting the long-term resilience of our workforce strategy.

This impact is partially covered by ESRS disclosure requirements through the reporting of gender distribution at the top management level.

#### • Key driver of vocational education for salmon farmers – Actual positive impact

Bakkafrøst plays a central role in a vocational education programme for salmon farming in the Faroes. This represents an actual positive impact and is primarily linked to the company's Freshwater and Farming segments. The programme aims to implement better practices and provide

workers with skills which can contribute to enhanced career development and earning potential.

As part of its strategy to promote responsible farming, Bakkafrøst contributes internal experts to teach in subjects such as fish health and sustainability. This initiative, which occurred in the current reporting period, benefits not only our employees but also apprentices from other salmon farming companies. This enhances the resilience of our business model by developing a skilled and capable workforce, which is critical for our long-term operational success and for maintaining our competitive advantage.

This impact is partially covered by ESRS disclosure requirements, and Bakkafrøst has reported entity-specific metrics on this topic.

Bakkafrøst has set targets regarding this topic and has reported entity-specific metrics (see Training and Skills Development).

#### • Active inclusion of persons with disabilities – Actual positive impact

In line with Bakkafrøst's objective to be an inclusive employer, the company cooperates with the Faroese Department of Social Services to support employment opportunities for persons with disabilities. This positive impact occurs across Bakkafrøst's own operations and across all timescales. Due to the extensive value chain and geographic distribution, Bakkafrøst has a unique opportunity to provide individuals with disabilities fair access to the labour market.

The initiative reflects Bakkafrøst's values and supports positive social outcomes by enabling clients of the Department of Social Services to participate in the workforce. It also contributes to business resilience by fostering a diverse, inclusive, and stable workforce, strengthening community relationships and reinforcing the company's wider social responsibilities.

This impact is covered by ESRS disclosure requirements, with further information in disclosure S1-12.

### Workers at greater risk of harm

Bakkafrøst has gained an understanding of which employee categories face a higher risk of harm through various methods, including engagement surveys and organisational reporting mechanisms. These risks are generally linked to the nature of the activities employees are required to perform, such as sailing in rough seas and operating heavy machinery.



# Our Workforce

## ESRS 2 SBM-3 IMPACTS, RISKS AND OPPORTUNITIES

The topic Our Workforce relates to general workforce aspects, such as workforce engagement and employment type metrics. Bakkafrost has not identified any material impacts, risks, or opportunities related to this sub-topic within the S1 standard. This section is included to provide comprehensive reporting.

Policy	Workplace Culture and Inclusion Policy
<b>Purpose</b>	Outlines Bakkafrost’s approach to creating a safe and healthy workplace while promoting the well-being and work-life balance of employees. The policy also serves as a means of advancing Bakkafrost’s core value of strengthening the economies where it operates by fostering sustainable employment, supporting community development, and creating meaningful jobs in regions where opportunities are otherwise limited.
<b>Scope</b>	Board of Directors + Chief Executive Officer (CEO)
<b>Most senior level accountable</b>	Board of Directors overall responsibility and Chief Executive Officer (CEO) with implementing and managing
<b>Availability</b>	Internal distribution + webpage
<b>Third-party standards referenced in policy</b>	

## Management of impacts, risks and opportunities

### S1-1 OUR APPROACH

As a leading salmon producer, Bakkafrost operates in a highly competitive and dynamic industry that requires a skilled, motivated and engaged workforce. We believe that by attracting, retaining and developing the best talent, we can enhance our operational excellence, innovation and sustainability performance.

Bakkafrost aims to be an inclusive employer that supports the well-being and development of its employees. The Workplace Culture and Inclusion Policy provides guidelines for the social, organisational, and physical work environment to achieve this goal. It includes commitments and targets related to work-life balance, inclusion of persons with disabilities, whistleblower protection and management, and employee engagement, as well as the company’s commitment to creating working environments free from discrimination and harassment.

Bakkafrost’s Human Rights and Modern Slavery Statement supplements the company’s Workplace Culture and Inclusion Policy by including the company’s commitment to respecting the human rights of the employees, including labour rights. The policy also addresses the company’s zero-tolerance to any form of modern slavery, including human trafficking, forced labour and child labour. The policy is aligned with internationally recognised human rights instruments.

Consideration was given to the stakeholders in setting the policy. Bakkafrost has primarily relied on insights from employee surveys and the double materiality assessment, which included direct engagement with employees. This process, along with reported figures on diversity and health and safety, informed the development of the policy. These policies are available to all employees via the company’s intranet, and accessible to externals through our webpage.

### S1-2 PROCESSES FOR ENGAGING WITH EMPLOYEES AND WORKERS’ REPRESENTATIVES

We are committed to engaging with our employees, ensuring they have a voice on a range of topics, from our role as an

employer to addressing any specific impacts. Bakkafrost engages directly with its workforce primarily through employee engagement surveys and additionally, through regular one-to-one meetings with office-based roles and their managers. The survey measures employee satisfaction, engagement, and motivation. The survey is conducted at site level, but the results are integrated into a platform which provides insights by aggregating the results.

Employees can express their views anonymously when participating in the survey. Managers are responsible for providing the employees with feedback and to make action plans. Bakkafrost has taken steps to add data about gender, age, seniority, and other relevant categories to the engagement survey. This will improve our understanding of specific workforce groups vulnerable to impacts

The Group HR Director is responsible for ensuring that the employee engagement survey is conducted regularly, covers all employees, and that the results are communicated to the Board of Directors and the Group Management.

The effectiveness of the engagement with the employees is assessed through comparative analyses of the results of the employee engagement surveys.

### S1-3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR RAISING CONCERNS

Bakkafrost has established a whistleblower mechanism that enables all employees to raise concerns, including those related to workplace issues. The company has implemented structured procedures to ensure that all concerns are addressed appropriately and in a timely manner, with follow-up systems in place to manage each case raised. Information about the whistleblowing channel is included in the staff policy, which all new employees are required to review, and the company actively encourages employees to use the channel when needed.

When issues are raised through this channel, the HR department ensures that the incident is properly recorded and handles the case in accordance with internal policies. This includes ensuring that all parties involved are supported throughout the resolution process. Bakkafrost will provide remedy for material

impacts on its workforce in a scale and form proportionate to the severity and nature of the impact.

Individuals utilising the whistleblower mechanism are protected against any form of retaliation, as reports can be made anonymously, and the company’s Human Rights and Modern Slavery Statement explicitly prohibits retaliatory actions against whistleblowers.

### S1-4 ACTIONS

In 2025, we have focused on implementing our policies to support a healthy work environment. This includes implementing the new Workplace Culture and Inclusion policy, which addresses important topics such as work-life balance, encouraging employee feedback, and supporting those affected by potential large-scale restructuring or layoffs.

In 2025, Bakkafrost implemented a new digital archiving and collaboration initiative in Scotland to strengthen alignment and knowledge sharing across the organisation. The system was introduced and training was provided for users. The initiative improves efficiency, accessibility, and communication, supporting a more connected and cohesive workforce across all Bakkafrost locations.

Bakkafrost takes action to support the mental well-being of our employees as part of the company’s Healthy People strategy. In 2025, focus was on promoting awareness of mental health and ensuring that employees have access to support. The employee Assistance Program, Help@hand, was available for employees in Scotland.

Throughout the year, employee events such as Company Day, social gatherings, and team excursions were organised to strengthen collaboration and workplace culture. Bakkafrost also maintained its company-wide bonus scheme, which allows all employees to share in the company’s success through company stock rewards linked to sustainability performance indicators. These initiatives aim to recognise employee contributions, promote well-being, and strengthen engagement across the organisation.

## Metrics and targets

### S1-5 TARGETS AND PERFORMANCE

To ensure the achievement of the ambitions set out in Bakkafrøst's Workplace Culture and Inclusion Policy, including creating a workplace where employees thrive and where there is room for personal development, Bakkafrøst has set a 2026 target to:

- **Have employee engagement scores above industry benchmarks (provided by Peakon) by 2026 from a 2023 base year (2023: 7.5).**

The company remains committed to its 2026 target, which is a rolling and absolute target covering the entire workforce. The previous engagement score of 7.5 out of 10 in 2024 demonstrated performance close to the industry benchmark of 7.6, indicating that the company is on track.

In 2025, Bakkafrøst transitioned to a new employee engagement survey provider to enhance the quality of employee feedback. As part of this transition, no engagement survey was conducted during the year. Annual engagement surveys are planned to resume in 2026 with the new platform.

Bakkafrøst did not directly engage with members of the workforce or their representatives when setting the targets, nor was it engaged in tracking performance against the targets. Employees help identify lessons and improvements through the engagement survey.

The methodology and significant assumptions used to define targets are disclosed in the 'Accounting policy' section of this chapter.

### S1-8 COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

As of December 31, 2025, 61% of Bakkafrøst's total workforce was covered by collective bargaining agreements.

Bakkafrøst has no countries of significant employment within the European Economic Area (EEA). Therefore, the geographic disclosure highlights the operations outside the EEA.

Country	CBA %
Faroe Islands	85.9
Scotland	0

In the Faroe Islands, the employees not covered by collective bargaining agreements consist primarily of administrative functions. These employees' working conditions are determined by internal company agreements. In Scotland, collective bargaining agreements are not standard practice in the aquaculture, although all employees have the right to join a Trade Union and many do. Bakkafrøst ensures competitive employment terms through comprehensive annual pay reviews benchmarked against industry peers. Employee representation is facilitated by a well-established internal employee representative system that ensures employee feedback is considered in business decisions.

### S1-10 ADEQUATE WAGES

All our employees are paid an adequate wage in line with relevant benchmarks. This ensures that each employee receives a wage that provides for the satisfaction of their own and their family's needs, taking into account national economic and social conditions. We ensure, all our employees are paid at or above the real living wage.

### S1-11 SOCIAL PROTECTION

As a company with operations in the Faroe Islands, Scotland, Denmark, USA and France, all our employees are covered by social protection against loss of income due to sickness, unemployment, employment injury and/or acquired disability, parental leave and retirement. Additionally, in locations where it is appropriate, we offer extra benefits to further support our employees during these events.

Bakkafrøst also provides additional insurance benefits to employees, which they become eligible for after three months of employment.



S1-6

# Our Workforce

1 January 2025 – 31 December 2025

	Unit	Faroe Islands	Scotland	Denmark	USA	France	2025	2024
<b>Total Full-Time Equivalent</b>	FTE	1,090	427	41	73	4	1,635	1,567
<b>Number of employees</b>	Heads	1,227	431	64	90	4	1,816	1,720
Female	Heads	362	77	39	12	2	492	462
Male	Heads	865	354	25	78	2	1,324	1,258
<b>Permanent employees</b>	FTE	1,087	422	41	72	4	1,626	1,554
Female	FTE	288	71	27	7	2	395	367
Male	FTE	799	351	14	65	2	1,231	1,187
<b>Temporary employees</b>	FTE	3	5	0	1	0	9	13
Female	FTE	2	3	0	1	0	6	7
Male	FTE	1	2	0	0	0	3	6
<b>Non-guaranteed hours employees</b>	FTE	649	3	28	63	0	743	646
Female	FTE	216	1	21	5	0	243	208
Male	FTE	433	2	7	58	0	500	438



## Accounting Policies

### Full time equivalent and number of employees

Social metrics can be reported both in Heads and in FTE.

FTE: Calculated using an individual's actual hours worked divided by the standard number of hours constituting a full-time employee in that country. FTE is reported at the end of the reporting period, representing the actual FTE at that specific point, rather than an average across the period. Calculating FTE based on actual hours worked at the end of the reporting period offers several key benefits: Accuracy: Reflects true employee contributions, particularly for part-time and temporary workers. Snapshot Clarity: Provides a clear view of staffing levels at the end of the period, avoiding distortions from seasonal fluctuations or averaging. Strategic Insight: Supports better workforce planning and decision-making with current, relevant data. Transparent and Understandable: Minimizes ambiguity. Avoids Data Skewing: Captures important staffing changes without dilution from averaging.

In FTE, an individual's hours worked are accumulated throughout the reporting period and then divided by the country's standard full-time hours, giving a final FTE value at the end of the period.

Headcount: The data can be reported by headcount, meaning the actual number of individual employees is counted. This includes applying specific filters such as minimum hours worked (for Bak-kafrost, a threshold of 173 working hours was applied) and tenure of at least three months to ensure consistency across data points. This filter helps exclude temporary or seasonal workers who may significantly skew turnover or employment figures, ultimately showing a misrepresented picture of the main workforce.

### Permanent and temporary employees

Permanent employees are defined as those with no end-date stated in their contract, while temporary are defined as those that have a contract where the end-date of employment is given.

### Non-guaranteed hours employees

Defined as employees who do not have a guaranteed minimum or fixed number of working hours.

1 January 2025 – 31 December 2025	Unit	Faroe Islands	Scotland	Denmark	USA	France	2025	2024
<b>Full-time employees</b>	FTE	1,026	424	39	73	4	1,566	1,503
Female	FTE	268	72	25	8	2	375	347
Male	FTE	758	352	14	65	2	1,191	1,156
<b>Part-time employees</b>	FTE	64	3	2	0	0	69	64
Female	FTE	22	2	2	0	0	26	28
Male	FTE	42	1	0	0	0	43	37
Number of employees that left the company	Heads	149	111	11	18	1	290	382
Employee turnover	%	12.14%	25.76%	17.19%	20%	25%	15.97%	22%



## Accounting Policies

### Full-time and part-time employees

All employees are registered in our HR management system with a work fraction, stating whether they are set as full-time employees, i.e. work fraction 1.0 or part-time employees, i.e. with a work fraction under 1.0.

### Turnover

The employee turnover rate is calculated as the number of employees who left relative to the total unique population in the workforce. The following filters were included in the calculation: Heads: Individuals who worked a minimum of 173 hours and more than three months were included. Turnover: Individuals were included who moved out of company. However, if an individual rejoined the company within 7 days, it is not included as a turnover.

# Health and Safety

## ESRS 2 SBM-3 IMPACTS, RISKS AND OPPORTUNITIES

### Work-related incidents

Workers at Bakkafrost are inherently exposed to actual impacts of physical harm from work-related incidents. The potential accidents arise from various circumstances, including but not limited to the operation of heavy machinery, chemical usage, working in rough and potentially dangerous weather conditions and various other operations.

### Management of impacts, risks and opportunities

#### S1-1 OUR APPROACH

Policy	Health and Safety Policy
<b>Purpose</b>	Outlines Bakkafrost's responsibility to provide employees with the necessary training, tools, and equipment to carry out their work safely. It also ensures that employees understand their own responsibilities.
<b>Scope</b>	Bakkafrost's own operations and all Bakkafrost employees in all countries are required to adhere to this policy.
<b>Most senior level accountable</b>	Board of Directors + Chief Executive Officer (CEO)
<b>Availability</b>	Internal distribution + webpage
<b>Third-party standards referenced in policy</b>	ISO 45001

The health and safety of our employees is paramount, and we are committed to providing a safe working environment for everyone. We aim to prevent work-related injury and ill health by fostering a culture of continuous improvement, and best practices. The Health and Safety Policy was updated in 2024 to establish clear guidelines on governance and responsibilities in relation to health and safety.

Actions taken throughout the reporting year in support of the policy happens through our health and safety management system, which is structured around industry-leading health and safety certifications and standards, such as ISO 45001.

Operational managers have been identified as key stakeholders in the process of implementing the policy. Hence, we arrange regular health and safety meetings at each site to ensure that the guidelines set out in the policy are followed and that appropriate actions are taken.

Bakkafrost has set up a robust procedure to ensure proper monitoring of Health and Safety. Operational managers are responsible for reporting all incidents, including near-misses. The Head of Health and Safety collects and consolidates the data and reports it to the CEO and the Board of Directors, and they discuss the topic at every Board meeting.

The company emphasises the importance of reporting and investigating all incidents, including near-misses, which has enhanced the monitoring process.

Bakkafrost recognises that employees working in natural environments and those operating heavy machinery are particularly at risk of harm. To address this, Bakkafrost has set a target to reduce the rate of recordable work-related accidents.

The Health and Safety Policy has been developed in close collaboration with all relevant internal stakeholders.



**S1-3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR RAISING CONCERNS**

All employees are covered by social protection against income loss through public programs. Where appropriate, the company supplements these with additional benefits to ensure employees are supported in case of employment injuries. If needed, Bakkafrost also assists employees in applying for income loss coverage and provides further support proportionate to the nature of the accident.

Bakkafrost is committed to learning from near-misses and accidents and has established a formal procedure for reporting and investigation. The Head of Health and Safety leads thorough investigations into all accidents to identify and correct non-conformances and prevent recurrence. Employees can raise health and safety concerns, including near-misses or accidents, to their managers, who are obligated to report them to the Head of Health and Safety. Reporting is also encouraged via the company intranet, and Bakkafrost commits to a strict non-retaliation policy for employees using these channels, as stated in the company's Human Rights and Modern Slavery Statement.

To strengthen its health and safety culture, Bakkafrost assesses through the employee engagement survey whether employees are aware of and use these reporting channels. The survey also measures the effectiveness of remedies for health and safety incidents. These mechanisms not only support internal improvements but also ensure compliance with third-party standards such as the Aquaculture Stewardship Council (ASC).

**S1-4 ACTIONS**

Due to the nature of their work, which often involves operating in rough weather conditions and handling heavy machinery, Bakkafrost employees face inherent health and safety risks. Bakkafrost is dedicated to implementing preventative measures and upholding high health and safety standards in all operations.

In 2025, the following key health and safety-related actions were taken and/or were in the process of implementation:

• **Safety Observation System**

In 2025, Bakkafrost introduced a new Safety Observation System to strengthen proactive risk management across all operations. The system encourages all employees to report any safety risks or hazards they observe, ensuring that potential issues are addressed quickly.

Employees can register their observations directly through an employee platform. This initiative promotes active participation, openness, and shared responsibility for a proactive safety culture.

• **Health and Safety Awareness Week**

In 2025, Bakkafrost carried out its second Health and Safety Awareness week according to its plan of making it an annual event. The focus this year was on increasing employee involvement, strengthening leadership engagement, and promoting proactive risk awareness in daily work activities.

During the campaign, operations managers in both Faroes and Scotland organised local safety initiatives within their areas, while managers, supervisors, and safety representatives held safety briefings and discussions with their teams.

The Health and Safety Managers visited multiple operational sites, and safety inspections were carried out across all operating areas. This annual initiative strengthens safety culture and awareness across Bakkafrost's operations.

• **Health and safety training**

In line with Bakkafrost's objective to reduce health and safety risks for the workforce and to support compliance with third-party standards, such as ISO 45001 and ASC, a chemical training course was delivered to cleaning and machine staff. The training strengthened employees' understanding of the chemicals used in daily operations and appropriate handling practices.

To support Bakkafrost's office-based employees in the Faroe Islands, Bakkafrost hosted a focused ergonomics workshop designed to promote health, comfort, and injury prevention in the workplace. During the session, an ergonomics specialist carried out on-site assessments and offered personalised guidance on topics such as proper posture, optimal

workstation setup, and other best practices for a healthy work environment.

Regular health and safety training is a key part of maintaining competence and ensuring that employees can perform their tasks safely.

Taking action to provide necessary support for specific incidents is part of the company's overall health and safety approach, and Bakkafrost has consistently implemented this throughout the reporting year.

Bakkafrost identifies the necessary actions to address incidents and impacts through its health and safety reporting and investigation procedures. These are described in S1-3 above.

Bakkafrost has dedicated resources in the form of health and safety teams in both the Faroe Islands and Scotland. Their responsibilities include implementing preventative measures, investigating incidents, continuously raising awareness about health and safety practice, and investing in appropriate health and safety equipment

**Metrics and targets**

**S1-5 TARGETS AND PERFORMANCE**

As part of meeting our commitment stated in the Health and Safety Policy to provide a safe working environment for everyone, Bakkafrost has set three health and safety-related 2026 targets. The targets cover Bakkafrost's direct operations and are monitored through continuous data collection via time and attendance systems and procedures for reporting accidents. The company did not directly engage with the workforce or workers' representatives in setting the targets in the section below, nor are they engaged in tracking performance against targets. The employees help identify lessons and improvements through the engagement survey.

**Reduce Lost Time Injury Rate (LTIR) to below 5 accidents per million working hours (2022 baseline value: 14.88)**

LTIR represents Lost-Time Injuries reported in the internal system per million working hours. In 2025, Bakkafrost's LTIR was 15.6, compared to 13.2 in 2024. Enhanced safety measures have been implemented through the Safety Observation System to prevent injuries and to improve and ensure the well-being of our workforce. The company remains committed to strengthening the safety culture and reducing injury rates in the coming year.

**Reduce Group absence rate to below 3.9% (2022 baseline value: 4.53%)**

In 2025, the Group's absence rate was 3.60% (3.54%), achieving Bakkafrost's target of 3.9% for the second consecutive year. It reflects our commitment to a strong workforce health.

**Zero fatalities (2022 baseline value: 0)**

In 2025, we had zero fatalities.

Health and safety targets are set at Group level in alignment with the Working Environment Policy and ISO 45001 management framework. Employees contribute to continuous improvement through site-level safety meetings, incident reporting procedures, near-miss reporting, and employee engagement surveys, which inform ongoing performance monitoring and corrective actions. Thus, employees have indirectly informed the process of setting the targets.

S1-14

## Health and safety metrics

1 January 2025 – 31 December 2025

	Unit	Target	2025	2024
Rate of recordable work-related accidents (also called Lost Time Injury Rate – LTIR)	Accidents per million worked hours	< 5	15.6	13.2
Recordable work-related accidents (Lost time injuries)	Number		49	39
Absence rate	%	< 3.9	3.60	3.54
Fatalities	Number	0	0	0
Fatalities of other workers working on company's sites	Number	0	0	0
Days lost due to work-related injuries and fatalities	Number		1,175	787
Proportion of employees covered by the health and safety management system	%		100	100



### Accounting Policies

#### Number and rate of recordable work-related accidents

The number of lost time injuries represents the total count of work-related accidents that result in an individual being unable to perform their duties during scheduled working hours. This includes the number of fatalities, permanent disabilities and lost-time incidents.

The Rate of recordable work-related accidents (also called LTIR) is calculated as the number of lost-time injuries per one million hours worked and covers all working hours of our employees.

All Bakkafrøst employees have been included in the metrics. Subsequent to the publication of the 2024 Annual Report, the Lost Time Injury Rate has been amended to include a previously unrecorded incident.

#### Absence rate

The calculations involve hours of absence during scheduled working hours divided by the total scheduled working hours multiplied by 100.

All Bakkafrøst employees have been included in the metric.

#### Fatalities

The number of work-related fatalities of Bakkafrøst employees and workers working on Bakkafrøst's sites.

All Bakkafrøst employees have been included in the metric.

#### Number of days lost

The figure reflects the total number of days lost due to work-related ill-health.

All Bakkafrøst employees have been included in the metric.

#### Proportion of employees covered by the health and safety management system

Defined as the proportion of employees who are covered by Bakkafrøst's Health and Safety Policy, which is based on legal requirements as well as other standards such as the ISO 45001.

# Diversity, Equity & Inclusion

## ESRS 2 SBM-3 IMPACTS, RISKS AND OPPORTUNITIES

### Male-dominated workforce

Women are underrepresented within Bakkafrost's workforce, specifically within feed production and marine farming operations. This is systemic across the wider aquaculture sector, especially in the farming segment, and presents a challenge to attracting female candidates. This negative impact is concentrated in certain areas of Bakkafrost's own operations and affects female employees.

### Inclusion of persons with disabilities

Bakkafrost strives to be an inclusive employer and has cooperated with the Faroese Department of Social Services for several years to include persons with disabilities and reduced ability to work in our workforce. This is considered an actual positive impact.

## Management of impacts, risks and opportunities

### S1-1 OUR APPROACH

Policy	Workplace Culture and Inclusion Policy and Human Rights and Modern Slavery Statement
<b>Purpose</b>	Govern the company's approach to fostering a healthy work culture, outlining commitments and targets to prevent and eliminate discrimination, including harassment, and to create equal opportunities for employees, in line with internationally recognised human rights instruments
<b>Scope</b>	Bakkafrost's own operations and all Bakkafrost employees in all countries are required to adhere to this policy.
<b>Most senior level accountable</b>	Board of Directors + Chief Executive Officer (CEO)
<b>Availability</b>	Internal distribution + webpage
<b>Third-party standards referenced in policy</b>	International Labour Organization (ILO) United Nations Guiding Principles on Business and Human Rights

Bakkafrost is committed to fostering a diverse and supportive work culture where everyone is valued. The policies prohibit any discrimination against employees, shareholders, management, customers, retailers, and suppliers based on their race, colour, ethnic origin, nationality, religion, disability, gender, maternity, sexual orientation, union membership, political opinion,

age, marital status or any other condition that may give rise to discrimination.

The policies apply to recruitment processes, terms of employment, working conditions, assignments, training, disciplinary practices, career opportunities, termination, life transition, and retirement. The policies apply to all employees and subcontractors working for the company.

We stress that everyone is responsible for preventing discrimination, and the more senior the employee, the greater their responsibility is to eliminate discrimination.

To ensure proper policy implementation, key executives and operational managers receive regular training in anti-discrimination and diversity.

The implementation and effectiveness of the policies are monitored through various channels, including data collection on the gender distribution of the general workforce and among managers. Anti-discrimination and harassment are prevented and monitored through the internal whistleblower system, which all employees can access.

Bakkafrost conducts continuous due diligence as a core part of its commitment to responsible business practices. Third-party certifications act as a strong driver in this process, reinforcing the implementation of policies and safeguarding against discrimination.

### S1-2 ENGAGING WITH VULNERABLE AND/OR MARGINALISED PEOPLE IN THE WORKFORCE

Bakkafrost engages directly with its workforce through a structured process. The key component of this process is the distribution of an engagement survey, which allows employees to share their opinions on various topics, including diversity, equity and inclusion (read more in the 'Our Workforce' section).

The survey also collects demographic information, such as gender and age, which helps us analyse and address challenges faced by minority or underrepresented groups.

The Group HR Director holds responsibility for ensuring that engagement with employees is carried out effectively and that the insights gained inform Bakkafrost's approach to identifying, managing and addressing actual and potential impacts on its workforce.

**S1-4**  
**ACTIONS**

Bakkafrost is continuously working on creating and maintaining an inclusive working culture among its employees, enabling employees to develop their full potential in a safe, respectful, and supportive environment.

In 2025, the company facilitated the following actions to support this objective.

- **Cooperation with the Department of Social Services to employ persons with disabilities**

Bakkafrost works continuously with the Department of Social Services in the Faroe Islands to employ persons with disabilities, and in 2025, we continued this cooperation and maintained a dialogue with the Department, evaluating the current initiatives and discovering ways to develop the cooperation.

No specific remedial action was taken in the year relating to this impact.

The HR department is responsible for advancing diversity, equity, and inclusion in the workforce, including recruitment of persons with disabilities, and they allocate resources to manage this impact.

**Metrics and targets**

**S1-5**  
**TARGETS AND PERFORMANCE**

Bakkafrost has established targets to address impacts related to diversity, equity and inclusion. The targets also ensure the achievement of the ambitions set out in Bakkafrost's Workplace Culture and Inclusion Policy, including fostering a workplace that is balanced in terms of gender representation. The targets are Group-wide and monitored through continuous data collection via our HR management system. The term 'management positions' refers to all managers who have direct reports in some capacity.

Bakkafrost's revised targets are to:

- **Increase the number of women in management positions (managers with direct reports) to at least 25% by 2026 from a 2022 base year (2022: 19.89%)**

In 2025, women represented 19% of management positions, consistent with the 2024 figure. With the 2026 target, the company remains committed to monitoring this progress closely and implementing initiatives to enhance female representation in management roles.

- **Gender pay gap below 10% (base year is 2024, see figures below for base values)**

Bakkafrost aims to have a pay gap of less than 10% in each country of operation. In 2025, the gender pay gap in the Faroe Islands increased slightly, with men earning higher average salaries than women. This difference is largely attributed by the higher proportion of male managers in the region, which significantly impacts the overall figures.

In Scotland, women earned higher average salaries than men, primarily due to their greater representation in academic roles, which command higher salary levels.

- **Establish cooperation with local social services departments or similar to recruit people with disabilities in countries where Bakkafrost employs more than 100 people**

In 2025, Bakkafrost continued to cooperate with local social services departments in countries where Bakkafrost employs more than 100 people, the Faroes and Scotland.

The company did not directly engage with the workforce or workers' representatives in setting the targets, nor have they been engaged in tracking performance against targets either. Employees help identify lessons and improvements through the engagement survey.



S1-9 / S1-12 / S1-15

## Diversity, equity and inclusion metrics

1 January 2025 – 31 December 2025

	Unit	Target	2025	2024
<b>Gender distribution at top management level (Women in senior management)</b>	%		15%	12%
Number of women in management positions (managers with direct reports)	%	> 25%	19%	19%*
<b>Distribution of employees by age group</b>				
Under 30 years old	%		22%	20%
Between 30-50 years old	%		47%	48%
Over 50 years old	%		31%	32%
Employees with disabilities in the workforce	%		0.88%	0.76%
Employees entitled to take family-related leave	%		100%	100%
Entitled employees that took family-related leave	%		4.68%	2.21%
Women	%		7.93%	2.81%
Men	%		3.47%	2.16%



### Accounting Policies

#### Gender distribution at top management level

The calculation considers the gender distribution in both number and percentage at the top management level, which includes Bakkafrost's Chief Executive Officer (CEO) and Board of Directors. Bakkafrost has other leadership positions, such as directors reporting directly to the CEO, line managers, and the Senior Leadership Team (SLT).

\*The previously reported 2024 figure of 21% was overstated due to a calculation methodology error, which has since been corrected

#### Distribution of employees by age group

Presents the distribution of employees (FTE) by age group; under 30 years old, 30-50 years old, and over 50 years old.

#### Employees with disabilities in the workforce

This metric represents the percentage of employees with disabilities. The figure is derived from our HR management system, which records employees whose working arrangements have been formally agreed with the relevant social authorities — typically involving reduced hours with partial salary coverage provided by those authorities.

#### Employees entitled to take family-related leave

All employees are entitled to family-related leave in accordance with national law and collective agreements. The percentage of employees who took this leave is calculated from our HR management system, which tracks all leave periods formally granted by the relevant public authorities.

S1-17

## Incidents, complaints and severe human rights impacts

1 January 2025 – 31 December 2025

	Unit	Target	2025	2024
Incidents (cases of whistleblowing) related to discrimination, including harassment	Number		2	0
Complaints filed through channels for employees to raise concerns	Number		2	1
Fines, penalties, and compensation for damages as a result of incidents	DKK		8,713	0
Severe human rights incidents connected to Bakkafrøst's own workforce	Number		0	0
Fines, penalties and compensation for damages for severe human rights issues and incidents	DKK		0	0



### Accounting Policies

**Incidents (cases of whistleblowing) related to discrimination, including harassment**

All incidents and numbers are recorded in the logs of our whistleblower system.

**Complaints filed through channels for employees to raise concerns**

This includes all complaints raised through Bakkafrøst's internal whistleblower mechanism, including cases which formally should have been raised through other channels.

**Fines, penalties, and compensation for damages as a result of incidents**

The amount of fines and/or compensation to employees for damages as a result of incidents.

**Severe human rights incidents connected to Bakkafrøst's own workforce**

Cases of severe human rights are reported through various channels, including our whistleblower system, external complaints system, supplier audits and other channels. Severe cases are defined as incidents of forced labour, human trafficking, child labour etc., and the figure reported reflects the summarised cases reported through all channels.

**Fines, penalties and compensation for damages for severe human rights issues and incidents**

Amount in DKK of fines, penalties and/or compensation paid in relation to incidents as defined in the metric above.

S1-16

## Remuneration metrics

1 January 2025 – 31 December 2025

Gender pay gap	Unit	Target	2025	2024
Faroe Islands	%	Below 10%	26.4%	20.4%
Scotland	%	Below 10%	-11.6%	-9.0%
USA	%	Below 10%	-35.97%	-19.74%
Denmark	%	Below 10%	-1.52%	-11.36%
France	%	Below 10%	19.83%	49.08%

### Annual remuneration ratio – Highest paid ratio to the median salary of all employees

Faroe Islands	Ratio	7.25	7.52
Scotland	Ratio	8.06	8.67
USA	Ratio	3.37	3.58
Denmark	Ratio	3.70	3.44
France	Ratio	1.68	1.96



## Accounting Policies

### Gender pay gap

Difference of average pay between female and male employees. Positive numbers indicate that men earn more, while negative numbers indicate that the average salary for female employees is higher than men's.

### Annual remuneration ratio

The calculation involves the highest-paid individual divided by the median employee's annual total remuneration (excluding the highest-paid individual).

Bakkafrost presents the annual total remuneration to ensure comparison is within the reference frame.

To ensure that we are comparing on a correct foundation, all salaries have been annualised. If an employee stops mid-year, forecasted salaries are calculated for the whole year to get the correct total remuneration.

This includes bonuses and other benefits that affect the total remuneration, e.g., free car, etc.

# Training & Development

## ESRS 2 SBM-3 IMPACTS, RISKS AND OPPORTUNITIES

### Establishing vocational education for salmon farmers in the Faroe Islands

In 2022, a vocational education program was established in the Faroe Islands to educate salmon farmers, with Bakkafrost playing a key role in this project. The education aims to implement better practices in the industry and provide workers with the necessary skills, which will also lead to an improvement in their salaries.

### Management of impacts, risks and opportunities

#### S1-1 OUR APPROACH

A highly skilled workforce is vital to ensuring safe operations in the challenging natural environments of the Faroe Islands and Scotland, where heavy machinery and large assets such as boats and ships are often used.

The company currently does not have a formal training policy because an internal assessment determined that it is not necessary at this time. However, the company is dedicated to fostering a work environment that promotes learning and development, and the company's Workplace Culture and Inclusion Policy commit Bakkafrost to supporting employees through training and education. The company recognises the importance of ensuring that employees possess the necessary skills to perform their jobs safely and effectively. For this reason, Bakkafrost has been collaborating with the Faroese vocational authorities to create a formal vocational education program for salmon farmers in the Faroe Islands.



#### S1-4 ACTIONS

During 2025, the following key training and development-related actions were carried out or were ongoing:

- Continued support for the vocational education in the Faroe Islands to become a salmon farmer**  
 Bakkafrost has facilitated and supports a vocational education programme in the Faroe Islands designed to provide training for future salmon farmers and promote responsible and safe aquaculture practices. The programme was launched in 2022, and in 2025, four new apprentices were hired, and the first apprentice completed the education, marking an important milestone for the initiative

Bakkafrost continues to contribute directly to the programme by providing internal experts to teach subjects such as fish health and welfare, as well as sustainable aquaculture. Thus, Bakkafrost plays a crucial role in enabling individuals in the Faroe Islands to pursue a career as a salmon farmer. This initiative supports the development of a qualified and safety-conscious workforce, while creating long-term employment and career opportunities in remote areas.

This ongoing action pertains to apprentices/employees in broodstock, freshwater, and marine farming. Bakkafrost annually recruits new apprentices and aims to emphasize the vocational education program as an excellent opportunity for

formal education among current employees as well as in recruiting new employees.

- First-ever Able Seafarer Modern apprentices**  
 A key action this year was launching Scotland's first-ever Able Seafarer Modern Apprenticeship. This initiative welcomed two apprentices into a 24-month programme that combines college study with 12 months of practical sea-time, directly contributing to our goal of fostering new talent in the maritime industry.

Bakkafrost operates a Modern Apprenticeship programme offering structured learning opportunities across different departments and locations. The programme supports participants to gain and expand their practical knowledge, obtain a valuable professional qualification, and develop skills that can improve career prospects. In 2025, Bakkafrost had 48 apprentices across its operations, 17 working in the Faroe Islands operations and 24 working in the Scotland operations.

The quality of education and apprenticeships is evaluated through feedback from students and employees. To assess the effectiveness of our initiatives, we have established formal targets for training and development.

- Internal leadership development programme**

Bakkafrost launched a new Leadership Development Programme designed for all leaders across the organisation from senior managers to deputy foremen. The programme aims to strengthen leadership competence and establish a consistent leadership culture across operations in all operating countries. The programme ensures that all leaders are equipped to manage teams in line with Bakkafrost's core values of Provenance, Passion and Respect. The first training module covered topics such as, Bakkafrost's leadership principles, expectations and accountability of leaders. Two modules were held in 2025. Through this action, Bakkafrost promotes equal access to leadership training.

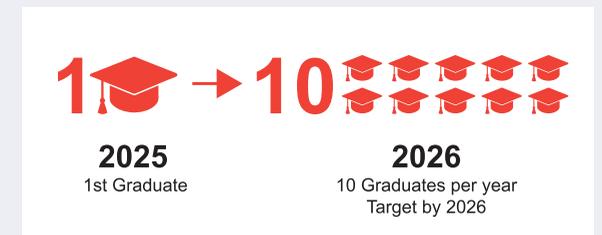
### Metrics and targets

#### S1-5 TARGETS AND PERFORMANCE

Bakkafrost has set a target to support education and safe working practices in the Faroe Islands:

- 10 vocational graduates from the Faroese vocational education program for salmon farmers per year by 2026**  
 This target applies to Bakkafrost's operations in the Faroe Islands. It supports an important strategic initiative to strengthen education in remote rural areas and ensures that Bakkafrost has a skilled workforce capable of carrying out work safely and efficiently. This vocational programme started in 2022, with the first graduate completing the programme in October 2025.

The company did not directly engage with the workforce or workers' representatives in setting the targets, nor have they have been engaged in tracking performance against targets. Employees help identify lessons and improvements through the engagement survey.



S1-13

## Training and skills development metrics

1 January 2025 – 31 December 2025

	Unit	Target	2025	2024
<b>Employees that participated in regular performance and career development reviews (%)</b>	%		<b>15%</b>	<b>13%</b>
Female	%		13%	10%
Male	%		16%	15%
<b>Average number of training hours per employee (Hours)</b>	Hours		<b>20.70</b>	<b>17.91</b>
Female	Hours		15.1	13.93
Male	Hours		22.5	19.16
<b>Vocational graduates from the Faroese vocational education program for salmon farmers</b>	Number		<b>1</b>	<b>0</b>



### Accounting Policies

**Employees that participated in regular performance and career development reviews**

Not all employees are required to log their working hours, which means that training hours may not be fully documented. Additionally, we do not conduct regular and structured performance and career development reviews across the entire group. However, Bakkafrøst offers these reviews to employees who request them.

**Average number of training hours per employee**

Not all employees are required to log their working hours, which means that training hours may not be fully documented.

The figure is calculated as total employee training hours divided by total FTE.

**Vocational graduates from the Faroese vocational education program for salmon farmers**

The number of graduates working for Bakkafrøst that graduated from the Faroese vocational education program for salmon farmers in the reporting year.

# S2 Workers in the Value chain

List of disclosure requirements		Page reference
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S2-2	Processes for engaging with value chain workers about impacts	150
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	150
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions and approaches	151
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	151

**ESRS-2 SBM-3**

**MATERIAL IMPACTS, RISKS AND OPPORTUNITIES IN RELATION TO WORKERS IN THE VALUE CHAIN**

VALUE CHAIN WORKERS – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES				Location in Value Chain			Time Horizon		
				Upstream	Own Operation	Downstream	Short-term (1-3 years)	Medium-term (3-8 years)	Long-term (+8 years)
ESRS sub-topic (AR 16)	ESRS sub-sub topic (AR 16)	IRO	Type						
Other work-related rights	Forced labour, child labour	Working conditions for value chain workers	Potential negative impact	●			●		

## ESRS 2 SBM-3

### IMPACTS, RISKS AND OPPORTUNITIES RELATED TO WORKERS IN THE VALUE CHAIN

The materiality assessment described in disclosure requirement IRO-1 identified the following material impacts related to workers in the value chain. All materially affected employees in Bakkafrøst’s value chain are included in the scope of the disclosure.

The types of value chain workers materially impacted are specified in the descriptions below.

#### • Working conditions for value chain-workers – Potential negative impact

Bakkafrøst has identified a potential negative impact related to working conditions for value chain workers. The potential impact relates to the sourcing of feed ingredients produced in countries which are scored as medium or high risk of human rights impacts according to the ASC Feed Standards, which Bakkafrøst applies as a key tool in assessing risk of human rights impacts in the supply chain. The methodology behind the ASC Feed Standard builds on internationally recognised frameworks such as The World Governance Indicators (WGI) published by the World Bank Group, Corruption Perceptions Index (CPI), the Trafficking in Persons report, and the Global Slavery Index (GSI).

Bakkafrøst has sourced from countries listed as medium- or high-risk in the reporting year, and there is a potential negative impact on human rights for workers in companies supplying agricultural commodities for the company’s feed production.

Bakkafrøst’s strategy includes measures to enhance the resilience of its supply chain against this potential impact. This involves a multi-faceted approach, including selective sourcing, where suppliers are evaluated on social-related KPIs, ongoing engagement with suppliers to promote better practices, and diversification of the supplier base to reduce dependency on high-risk regions.

Currently, individual incidents do not affect Bakkafrøst’s business model, value chain, strategy, or decision-making.

However, if these issues become systemic, the sustainability of sourcing these materials may be scrutinised by stakeholders.

This impact is covered by ESRS disclosure requirements. Bakkafrøst has chosen to apply the Transitional Provision under ESRS to omit this value chain metric regarding human rights in the supply chain, as per ESRS 1, section 10.2.

### Management of impacts, risks and opportunities

#### S2-1 OUR APPROACH

<b>Policy</b>	<b>Value Chain Labour Rights Policy + Procurement and Resource Management Policy + Human Rights and Modern Slavery Statement + Supplier Code of Conduct</b>
<b>Purpose</b>	The policies establish guidelines for managing material impacts, risks, and opportunities related to workers in the value chain, including upholding ethical sourcing.
<b>Scope</b>	All units over which Bakkafrøst has a direct controlling influence, either through shareholding or agreement. Also addresses workers and working conditions in the company’s upstream and downstream value chain
<b>Most senior level accountable</b>	Board of Directors + Chief Executive Officer (CEO)
<b>Availability</b>	Internal distribution + webpage
<b>Third-party standards</b>	UK Bribery Act 2010 UN Guiding Principles on Business and Human Rights

<b>referenced in policy</b>	International Bill of Rights ILO core conventions OECD Guidelines for Multinational Enterprises
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Bakkafrøst has adopted a Group-wide Value Chain Labour Rights Policy and a Procurement and Resource Management Policy. Together, these policies set out how Bakkafrøst manages material impacts, risks, and opportunities related to workers in the value chain, including ethical sourcing.

Bakkafrøst is committed to maintaining internal mechanisms to ensure continuous oversight of policy implementation.

In addition to the Value Chain Labour Rights Policy and the Procurement and Resource Management Policy, Bakkafrøst has a Supplier Code of Conduct to ensure that suppliers meet the company’s standards for ethical and responsible business practices.

Bakkafrøst has also established a Human Rights and Modern Slavery Statement in which the company expresses its commitments and states its expectations to suppliers to comply with human rights standards, including compliance with UN Guiding Principles on Business and Human Rights and the ILO’s core conventions. The statement expresses the company’s commitment to establishing controls to safeguard against any form of modern slavery, whether within direct operations or in the supply chain. The statement also addresses Bakkafrøst’s zero-tolerance approach to trafficking in human beings, forced labour and child labour.

The statement does not currently address engagement with value chain workers or how the company provides or enables remedies for human rights impacts.

#### S2-2 PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS

Engagement with value chain workers is typically indirect, using proxies. Bakkafrøst engages with its suppliers via a number of means, including pre-contract due diligence, contract meetings, briefings, project progress meetings and any post-supply/contract meetings. Suppliers, in turn, engage with their

wider supply chain as part of the project or supply process so that actual and potential impacts can be managed throughout the project/supply process. In this way, direct suppliers act as credible proxies so that legitimate representation of value chain workers can be made and their perspectives heard.

At the due diligence stage, if we consider that our suppliers/their suppliers’ value chains do not uphold the principles of value chain workers with respect to workers’ rights, conditions, and safety, then they will not qualify for further consideration in the tender/supply process.

Bakkafrøst engages early in the procurement process, so that our supplier discussions focus not just on the price and time-scale but also include the provenance of materials and the actual/potential positive and negative impacts upon workers associated with such sources. We conduct occasional supplier visits to verify working conditions on site and to speak to workers on the shop floor etc.

To ensure value chain worker engagement, all prospective contractors are given a copy of Bakkafrøst’s Supplier Code of Conduct well in advance as part of our procurement onboarding process to determine their ability to adhere to it.

To gain insights into the perspectives of value chain workers, including those particularly vulnerable to impacts, Bakkafrøst representatives have regular contact and ongoing meetings with Employee Unions where applicable.

Engagement effectiveness will be gauged by suppliers acknowledging they’ve read the policy and confirming that they will comply. Signing at the onboarding stage commits to compliance.

The Heads of Procurement in Scotland and the Faroe Islands are respectively responsible for ensuring that engagement with value chain workers or credible proxies takes place.

#### S2-3 PROCESSES TO REMEDIATE AGAINST NEGATIVE IMPACTS

To ensure that there are no negative impacts on value chain workers, Bakkafrøst conducts due diligence prior to contracting to ensure that potential suppliers/contractors can adhere to the

requirements of our Procurement and Resource Management Policy and Supplier Code of Conduct. In addition, throughout the period of a contract, Bakkafrost ensures that all contractual obligations are adhered to avoid negative impacts on value chain workers. If, during the period of the contract, there are believed to be possible impacts on value chain workers, this would be deemed a contractual breach. In such circumstances, we would have the right to cancel the contract if issues were highlighted with value chain workers' protections.

Bakkafrost has implemented a mechanism that allows value chain workers and other external stakeholders to raise concerns through our complaints process, which is detailed on our website and is confidential and anonymous.

All concerns raised are filed and responded to promptly. Bakkafrost currently does not involve stakeholders, including value chain workers, in assessing their awareness of the mechanism or in tracking and monitoring its effectiveness.

Bakkafrost has policies in place regarding the protection of its own workers using these mechanisms against retaliation, but this does not cover value chain workers or other stakeholders.

By referencing international human rights standards in our Procurement Policy and our Supplier Code of Conduct, we communicate our expectations to suppliers, encouraging them to establish similar mechanisms that enable their employees and their value chain workers to raise concerns.

## **S2-4** **ACTIONS**

Bakkafrost is committed to providing good working conditions throughout its value chain, prioritising workers' health and safety.

In 2025, key actions related to workers in the value chain included the following:

- **Due diligence during the contract tender process**

Bakkafrost has set standards for contractors, which include respecting international human rights, preventing modern slavery, and having procedures in place to ensure workers have the proper tools and safety equipment to perform their tasks safely.

Bakkafrost has experience in conducting due diligence during the contract tender process, which has revealed potential significant impacts on value chain workers. To address these impacts, Bakkafrost has previously disqualified certain suppliers from participating in the tender/supply process. This approach will be followed whenever there are potential negative impacts on workers in the value chain.

Bakkafrost adheres to all contractual and legal obligations regarding the treatment of value chain workers, ensuring that fundamental human rights are protected and that value chain workers operate in a safe and healthy environment at all times.

In the event of a severe human rights issue or an incident connected to our upstream or downstream value chain, we will fully disclose it via the appropriate channels and authorities.

- **FOF segment certified against the ASC Feed standard**

Bakkafrost's overall strategy for safeguarding workers throughout the value chain involves using recognised certifications that include social and labour requirements as a key validation tool. These certifications help the company ensure that suppliers uphold responsible working conditions and reduce the risk of contributing to adverse impacts on workers in the supply chain.

In 2025, Bakkafrost's FOF segment achieved the ASC Feed certification, which requires systematic due diligence on labour rights throughout the feed ingredient supply chain. The certification mandates assessment of forced labour, child labour, and working conditions risks at both ingredient manufacturers and primary raw material producers, ensuring sourcing only from low-risk supply chains.

Given that the FOF segment has been identified as the segment most exposed to human rights risks in the value chain, the ASC Feed certification represents a key mechanism for advancing responsible labour practices. Through its systematic due diligence requirements, the standard enhances Bakkafrost's ability to identify and mitigate risks associated with working conditions across feed ingredient suppliers and raw material producers.

## **Metrics and targets**

### **S2-5** **TARGETS**

To achieve the company's objective of supporting responsible and ethical working conditions, Bakkafrost has set commitments to promote ethical standards and for the health and safety of value chain workers. This target is part of its Value Chain Labour Rights Policy, which states that:

- **Bakkafrost aims to achieve at least 90% supplier compliance with the Supplier Code of Conduct by 2026. Compliance will be assessed through supplier self-assessments, third-party verification, contractual obligations, or bi-annual compliance audits, where feasible, for suppliers identified as high-risk**

As the target was only established in early 2025, Bakkafrost is still in the implementation phase, which includes rolling out requirements for suppliers to provide self-assessments. In parallel, we are working to establish robust reporting procedures to ensure reliable reporting against this target.

Though we are unable to report in 2025, we conducted an on-site supplier audit and remained a member of Sedex. The Sedex SMETA (Sedex Members Ethical Trade Audit) is designed to protect workers from unsafe conditions, overwork, discrimination, low pay, and forced labour.

In addition, our Supplier Code of Conduct commits our suppliers to upholding ethical and responsible labour practices. Through this Code of Conduct, Bakkafrost expects suppliers to uphold international human rights and labour standards, provide a safe and healthy working environment and comply with national and international health and safety regulations.

During 2025, we did not receive any information (e.g. grievances or whistleblowing) that suggests that we have sourced from any suppliers not compliant with international human rights

The target is a rolling target with no baseline value or base year. The target addresses Bakkafrost's upstream and downstream value chains.

Bakkafrost established this target based on an internal evaluation of key performance indicators that demonstrate progress in sustainability.

# S3 Affected Communities

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**ESRS 2 SBM-3**  
**MATERIAL IMPACTS, RISKS AND OPPORTUNITIES IN**  
**RELATION TO AFFECTED COMMUNITIES**

AFFECTED COMMUNITIES – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES				Location in Value Chain			Time Horizon		
				Upstream	Own Operation	Downstream	Short-term (1-3 years)	Medium-term (3-8 years)	Long-term (+8 years)
ESRS sub-topic (AR 16)	ESRS sub-subtopic (AR 16)	IRO	Type		●		In the current reporting period		
Entity-specific	Entity-specific	Creating a lasting positive impact for rural communities through job creation	Actual positive impact						

## ESRS 2 SBM-3

### IMPACTS, RISKS AND OPPORTUNITIES RELATED TO AFFECTED COMMUNITIES

The materiality assessment described in disclosure requirement IRO-1 identified the following material impacts related to affected communities.

All materially affected employees in Bakkafrost's value chain are included in the scope of the disclosure.

The types of communities materially impacted, and the scope of the disclosures are specified in the description below.

- **Creating lasting positive impact for rural communities through job creation – Actual positive impact**

Bakkafrost's operations are centered in the remote coastal communities of the Faroe Islands and Scotland, where the company's salmon farms, hatcheries, and processing facilities are core to the local economies. A key positive impact of this strategy is the creation of stable, long-term employment in regions where such opportunities are otherwise scarce. This, in turn, contributes to local tax revenues, further strengthening the economic vitality of these communities.

This commitment to rural development is integral to the company's business model, which leverages the unique conditions of the North Atlantic for premium salmon farming. The impact also extends to cover the local tax revenues generated in the local communities, which is a consequence of the job creation.

The resilience of this strategy is qualitatively supported by the company's strong financial position, which enables sustained investment in these communities. While formal quantitative resilience analysis has not been conducted, this financial strength allows Bakkafrost to manage material impacts and pursue opportunities that reinforce its community focus. This is demonstrated by significant capital projects, such as the construction of a new state-of-the-art freshwater facility in Skálavík — a Faroese village with approximately 150 residents. These investments underscore the company's capacity to uphold its strategic commitments to both sustainable operations and the economic well-being of the communities in which it operates.

The impact related to the FOF segment, the Freshwater segment, the Farming segment, and the Service segment, and the impact occurs continuously.

The impact is partially covered by ESRS disclosure requirements, and Bakkafrost uses entity-specific metrics to describe the impact, including donations from the Healthy Living Fund, the share of products and services sourced locally as well as Bakkafrost's expenses related to salaries and employer taxes.

### Management of impacts, risks and opportunities

#### S3-1 OUR APPROACH

Policy	Engagement with Affected Communities
<b>Purpose</b>	Outlines the approach for managing the impacts, risks, and opportunities related to communities affected by Bakkafrost's direct and indirect activities. This includes considerations for job creation in rural communities.
<b>Scope</b>	All units over which Bakkafrost has a controlling influence and in Bakkafrost's wider value chain
<b>Most senior level accountable</b>	Board of Directors + Chief Executive Officer (CEO)
<b>Availability</b>	Internal distribution + webpage
<b>Third-party standards referenced in policy</b>	The Accountability Framework/FPIC

As the largest private employer in the Faroe Islands and a major employer in the Outer Hebrides of Scotland, Bakkafrost recognises its responsibility to make a lasting, positive contribution to these communities. To ensure our efforts are meaningful and consistent, we have established a dedicated policy to guide our approach to community impact.

Bakkafrost is committed to continuously fostering local development by creating employment opportunities in local areas and fostering local supply chain growth through procurement from local suppliers. We are also committed to further supporting local communities through donations and sponsorships.

Bakkafrost is committed to incorporating human rights considerations into its due diligence processes to identify and evaluate the company's engagement with affected communities. Although the policy is not explicitly aligned with internationally recognised human rights standards, our policy on Human Rights and Modern Slavery adheres to these recognised standards. This policy serves as the foundation for how Bakkafrost addresses human rights issues, and therefore, the policy on affected communities can be said to be indirectly aligned with internationally recognised standards.

Bakkafrost monitors the implementation and effectiveness of the policy by tracking progress against the targets established in the policy. In 2025, no cases of non-respect of internationally recognised human rights standards involving affected communities have been reported in the company's own operations or in Bakkafrost's wider value chain.

#### S3-2 PROCESSES FOR ENGAGING WITH AFFECTED COMMUNITIES ABOUT IMPACTS

Bakkafrost actively engages with affected communities at different stages, including the planning, implementation, and evaluation phases of its operations and larger projects.

During the planning phase of major projects, Bakkafrost is committed to providing affected communities with an opportunity to express their opinions. This engagement typically occurs through public hearings, which facilitate direct interaction with

community members. Additionally, we hold open-day events and participate in various industry gatherings, allowing community members to observe Bakkafrost's operations firsthand and communicate directly with our Directors.

Bakkafrost also collaborates with credible proxies, such as local politicians, mayors, local councils, and other key decision-makers, to engage with affected communities. This engagement is required by various industry standards and certifications. The engagement can be in the form of direct dialogue or through surveys, which are distributed to these stakeholders. The input gathered from these discussions informs our evaluations and helps guide future decisions and activities.

An important source of information for understanding Bakkafrost's impact on affected communities is the double materiality assessment, where we also engage with credible proxies. Feedback from these engagements is recorded and helps identify topics that are material for Bakkafrost, which should be included in our reports.

For the 2023 double materiality assessment, which forms the foundation for both the 2024 update as well as the 2025 update, Bakkafrost directly engaged with around 20 stakeholders from affected communities, including mayors and local councils, who were considered credible representatives. During the two DMA updates, Bakkafrost has found no evidence to suggest that the community-related impact or risk situation has changed materially.

The results of community engagements are continuously recorded internally and are reported publicly in our annual report.

#### S3-3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS

Bakkafrost has not identified material negative impacts on affected communities through its materiality assessment. However, the company maintains channels for affected communities to raise concerns, including a channel on the website where everyone can file a complaint or raise a concern. All concerns or complaints submitted through this channel are directed to the relevant department for investigation and follow-up.

Please refer to disclosure G1-1 for information about protection against retaliation.

### S3-4

#### ACTIONS

At Bakkafrost, we recognise the critical role our company plays in supporting societal development through job creation, and we are committed to maintaining ongoing value creation.

During the reporting period, Bakkafrost has undertaken several actions to generate positive impacts for the communities affected by our operations and to prevent or mitigate any negative consequences. Key actions include the following:

- **Investing in infrastructure improvements**

Bakkafrost is committed to playing an active role in the communities we are part of. A key action in 2025 was the renovation of the Bealach na Bà Road in Wester Ross, funded by Bakkafrost Scotland as part of the installation of a 16-mile renewable-energy cable to power the Applecross Recirculating Aquaculture System (RAS) facility.

Delivered in partnership with the Applecross Trust, the local council and residents, the project resurfaced the historic road, added new and improved passing places and signage, and made the route safer and more accessible for local people and visitors. It will also support the future roll-out of fibre broadband and supports clean, hydro-electricity energy supply to the site.

- **Further job creation in remote locations due to production increase**

Bakkafrost is increasing the production output significantly in the mid- and long-term, resulting in further job creation in remote areas. This relates to the feed, freshwater and marine segments.

Our major projects, the hatcheries in Applecross and Skálavík, and the expansion of the Havsbrún feed plant, are progressing according to plan and are essential for achieving our strategic goals. The new freshwater facility in Skálavík, Faroe Islands, will generate approximately 30 new jobs. The expansion of the feed facility Havsbrún in Fuglafjørður, Faroe Islands, is also expected to create more jobs.

The construction projects are expected to be completed within the short to medium term.

- **Various community events**

Bakkafrost organises a range of community events throughout the year, both in the Faroe Islands and Scotland. In 2025, the following key activities were carried out:

- Beach clean-ups in areas where Bakkafrost operates in both Scotland and the Faroe Islands.
- Repurposing of a feed storage building in Fuglafjørður (Faroe Islands) into an indoor beach volleyball facility, providing Faroese athletes with year-round training opportunities.
- Hosting an ESG workshop through the Faroese sustainable business network *Varandi Vinna*. Bakkafrost provided Faroese companies with guidance on ESG reporting, with a particular focus on how to begin reporting greenhouse gas (GHG) emissions.
- Welcoming multiple school and community groups for guided visits to our facilities both in the Faroe Islands and Scotland.

## Metrics and targets

### S3-5

#### TARGETS

To enhance Bakkafrost's positive contribution to local communities through job creation, the company has set a target to:

- **Source at least 60% of all goods and services from local suppliers annually**

The target is a relative rolling target, measured in monetary value and does not have a baseline value or a base year. It applies to all internal stakeholders involved in purchasing decisions.

In 2025, Bakkafrost sourced 61% of its supplies from local suppliers, continuing a trend from previous years where over 60% of purchased goods and services came from local sources.

To support its commitment to local value creation, Bakkafrost has set a target to:



- **Allocate a minimum of 3 million DKK each year from the company's Healthy Living Fund to support local initiatives in the Faroe Islands and Scotland**

This target is absolute, measured in monetary value, and the Healthy Living Committee, which is responsible for distributing the funds, will oversee it. No baseline year or baseline value has been determined for this target.

In 2025, Bakkafrost provided support to local initiatives totalling 4.5 million DKK.

ENTITY-SPECIFIC / GRI 204-1

## Socio-economic benefits

1 January 2025 – 31 December 2025

	Unit	Target	2025	2024
Donations from the Healthy Living Fund	mDKK	> 3	4.5	3.9
Percentage of products and services purchased locally	%	> 60 % annually	61%	66%
Salaries and employee taxes	mDKK	-	947	882



### Accounting Policies

#### Donations from the Healthy Living Fund

Stakeholders who represent community groups, charities, schools, societies, and not-for-profit organisations can apply for funding from the Healthy Living Fund in the Faroe Islands and Scotland. Bakkafrost does not consider applications to the fund which support political causes, travel expenses, any replacement of national health services, third-party fundraising (for example for another company).

#### Products and services purchased locally

The share of the total procurement spent in the reporting year that went to local suppliers.

Definition of 'locally': Purchasing from a tier 1 supplier who is located in the same country as the Bakkafrost unit procuring the product or service.

#### Salaries and employee taxes

Total salaries and employee taxes that Bakkafrost paid in the reporting year to employees. 'Employee taxes' covers all contributions paid by Bakkafrost on behalf of its employees such as health insurance/National Health Service, maternity/paternity pay, unemployment insurance, labour market pension fund, mandatory pension contribution, and broadcast receiver licence.

# S4 Consumers and end-users

List of disclosure requirements		Page reference
S4 – Consumers and end-users		
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	158
S4-1	Policies related to consumers and end-users	159
S4-2	Processes for engaging with consumers and end-users about impacts	159
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	160
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	160
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	160

**ESRS 2 SBM-3**

**MATERIAL IMPACTS, RISKS AND OPPORTUNITIES IN RELATION TO CONSUMERS AND END-USERS**

AFFECTED COMMUNITIES – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES				Location in Value Chain			Time Horizon		
				Upstream	Own Operation	Downstream	Short-term (1-3 years)	Medium-term (3-8 years)	Long-term (+8 years)
ESRS sub-topic (AR 16)	ESRS sub-sub topic (AR 16)	IRO	Type						
Personal safety of consumers and/or end-users	Health and Safety	Producing nutritious food	Actual positive impact			●	In the current reporting period		
Personal safety of consumers and/or end-users	Health and Safety	Food safety management	Potential negative impact			●	●		

## ESRS 2 SBM-3

### IMPACTS, RISKS AND OPPORTUNITIES RELATED TO CONSUMERS AND END-USERS

The materiality assessment described in disclosure requirement IRO-1 identified the following material impacts related to consumers and end-users.

- Producing and distributing nutritious animal protein to markets – Actual positive impact**

Bakkafrost's strategy focuses on contributing to global health and nutrition by producing and distributing Atlantic salmon, a high-quality source of protein and essential nutrients, including omega-3 fatty acids. This approach addresses the growing global demand for protein, a trend driven by population growth and the full utilisation of wild-caught fish stocks.

The resilience of this business model, while not quantitatively analysed, is qualitatively assessed as strong. Demand is expected to remain robust, supported by the increasing inclusion of salmon in national dietary guidelines and its recognition as a healthy and climate-friendly protein source by organisations like the UN. Bakkafrost is well-positioned to meet this demand, leveraging its strong financial position and operational experience to increase annual production by utilising idle and new farming licences in the Faroe Islands and Scotland. Furthermore, the company's long-standing commitment to food safety, demonstrated through strict hygiene protocols and certification audits, enhances its resilience by strengthening consumer trust and brand appeal.

The impact is covered by ESRS disclosure requirements. Bakkafrost has chosen to report additional entity-specific metrics related to nutrition, reflecting the positive impact.

- Food safety management – Potential negative impact**

As a producer of food for human consumption, upholding the highest standards of food safety is a fundamental responsibility for Bakkafrost. While the company has not experienced any food safety incidents or product recalls related to bacterial contamination, it recognises that food safety represents an inherent risk common to all food producers, which could, if inadequately managed, result in adverse health-related impacts on end-users. The impact

relates to any deviation from food safety standards during handling, processing, or packaging that could affect consumer health. The impact is therefore classified as a potential negative impact, concentrated in the downstream value chain and considered short-term in nature.

To prevent such impacts, Bakkafrost maintains a comprehensive food safety management system based on rigorous traceability, HACCP principles, and strict hygiene procedures throughout the processing segment of the value chain. These long-established preventive measures are designed to ensure product integrity and to mitigate food safety risks before products reach consumers.

While Bakkafrost's products are sold broadly, primarily in Europe, the company recognises that individuals with pre-existing health vulnerabilities would represent a group at heightened risk in the event of a food safety incident.

The impact is covered by ESRS disclosure requirements. Bakkafrost reports an additional entity-specific metric of the 'number of product recalls'.

## Management of impacts, risks and opportunities

### S4-1

#### Our Approach

Policy	Quality and Food Safety Policy
<b>Purpose</b>	Defines Bakkafrost's commitment to top-tier food safety and quality and the steps to realise that commitment.
<b>Scope</b>	Covers the company's entire direct operations. Does not cover downstream consumers and end-users.
<b>Most senior level accountable</b>	Chief Executive Officer (CEO)
<b>Availability</b>	Internal distribution + webpage
<b>Third-party standards referenced in policy</b>	GFSI (Global Food Safety Initiative)

The Bakkafrost Quality and Food Safety Policy guide the company's approach to ensuring that the company produces healthy food which is completely safe for consumers to eat.

The policy relates to the impacts, risks, and opportunities related to the safety and nutrition of Bakkafrost's products. It underpins Bakkafrost's commitments to maintain consistently high product quality, ensure that the products are high in Omega 3, and ensure that all products will be produced in a safe and hygienic manner by staff who are fully aware of their responsibilities and who are appropriately trained.

The policy also includes commitments to obtain and maintain certifications for farming and processing operations, as well as securing full traceability of our products.

As Bakkafrost's material impacts, risks and opportunities related to consumers and end-users are not related to human rights, the policy does not address any human rights-related commitments and has not been aligned with internationally recognised human rights.

To support the company's commitment to industry standards, the policy references the Global Food Safety Initiative, which guides Bakkafrost in selecting appropriate certifications for its processing segment. Specifically, the policy highlights the BRCS (Brand Reputation through Compliance Global Standards) Food Safety Global Standard and the IFS (International Featured Standards) as key standards that Bakkafrost uses to maintain a high-quality benchmark.

Bakkafrost actively monitors the implementation of its quality control policy by employing staff dedicated to full-time oversight. This includes sampling the nutritional values of the salmon, testing for bacteria, and identifying potential foreign objects in the products.

### S4-2

#### PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS ABOUT IMPACTS

Bakkafrost values close and direct dialogue with its customers and receives both negative and positive feedback. Among the quantitative measures we use to gauge customer and end-user satisfaction with Bakkafrost are annual surveys, net promoter scores (NPS), and customer ratings. These tools help us continuously improve our services and meet the needs of our valued customers.

Customer engagement can occur at any time and is not limited to contract start up or delivery.

Consumers and end-users can file complaints in writing through our website, which has dedicated mechanisms for this purpose.

Key annual customer engagement events for Bakkafrost include seafood fairs held globally. These events allow us to

engage directly with many of Bakkafrost's business-to-business customers.

The Bakkafrost Sales Director has operational responsibility for ensuring this engagement happens and that the results inform Bakkafrost's strategy going forward.

**S4-3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS**

Bakkafrost has not identified material negative impacts related to consumers and end-users. However, Bakkafrost maintains channels for this group to raise concerns or file complaints, including channels on its website, established by the company itself.

Bakkafrost has set up processes to ensure that customer and end-user feedback related to product health and safety, product quality and nutrition received through the mentioned channels is assessed and managed. The sales department assesses the impacts and decides on appropriate remedies. The sales department is also responsible for assessing whether the remedies provided are effective. This is typically measured through the customer rating, the net promoter score, and continuous customer dialogue.

Bakkafrost does not explicitly endorse or mandate that companies with which it has a business relationship have channels for customers to raise concerns. However, we consider this a good practice.

Bakkafrost does not currently assess whether consumers and end users are aware of and trust the available channels to raise concerns, and the company does not have policies in place to protect individuals from retaliation when they use Bakkafrost's channels.

**S4-4 ACTIONS**

The identified impacts associated with consumers and end-users are closely related to Bakkafrost's primary business of producing and distributing salmon. Consequently, managing this aspect is essential to the company's operations, with many measures integrated into daily routines.

During the reporting period, Bakkafrost implemented various initiatives to address the impacts of these issues. Key actions include the following:

- **Advocating for salmon as a healthy and resource-efficient animal protein**

Bakkafrost, directly and indirectly, promotes salmon's environmental benefits and the importance of salmon in a healthy diet by actively marketing salmon's benefits to customers and by participating in various industry organisations and standards.

As one of the founding members of the Global Salmon Initiative (GSI), Bakkafrost utilises this initiative to advocate for salmon as a source of healthy animal protein.

GSI has engaged with the Food and Agriculture Organization (FAO) of the United Nations (UN), submitting comments on the topic: How can the hidden costs and benefits of agrifood systems be effectively incorporated into decision-making for transformation?

GSI also participated in stakeholder consultations for the 2025 UN Ocean Conference and signed onto a Food is Medicine (FIM) U.S. Congressional Letter, showing policymakers that the industry is supportive of nutrition research and the growing Food is Medicine movement, which emphasises nutritional interventions to prevent disease and advance health equity.

Bakkafrost also continuously promotes its salmon's unique selling points to customers in its own marketing material. These selling points include salmon's low environmental footprint.

- **FOF segment certified against ASC Feed Standard**

In 2025, Bakkafrost's FOF segment achieved certification against the ASC Feed Standard. This action provides third-party verification of responsible practices in Bakkafrost's feed production.

The certification has marketing value, as it is also required to maintain the ASC Farm standard, which generates a premium

price for Bakkafrost's salmon and increases its appeal to conscious consumers.

More information about the ASC Feed standard can be found in several other sections of this report.

**Metrics and targets**

**S4-5 TARGETS**

The company has commitments related to product quality and safety to support the implementation and achievement of the Bakkafrost Quality and Food Safety Policy's objectives. The commitments specifically relate to food safety, customer satisfaction, and general engagement with customers regarding sustainability.

Bakkafrost has set a target to:

- **Have high protein levels with average above 19g/100g**

To support the objective of producing healthy salmon, we have set a target that the salmon produced should, on average, be above 19 grams of protein per 100 grams. The base year is 2023, the baseline value is 20.37 grams per 100 grams, and the target is valid until 2026. The QESH department monitors the target through internal testing and external validation processes.

The current performance against the target is considered on track. The salmon harvested in 2025 had 19.89 grams of protein per 100g.

- **Have an average customer rating >8.5 and a net promoter score above 50**

The target is a rolling target with no baseline value or base year. The target relates to Bakkafrost's downstream value chain.

The average customer rating in 2025 was 8.73 on a scale of 0-10, compared to 8.54 in 2024, and a net promoter score (NPS) of 53.33, up from 42.55 in 2024. Thus, we are on track regarding customer ratings and progressing in the net promoter score.

In 2025, Bakkafrost had a customer product quality score of 94% being either 'More than or very satisfied' or 'Satisfied', compared to 96% in 2024. The targets are monitored by the Sales department through annual surveys sent to a variety of trusted customers.

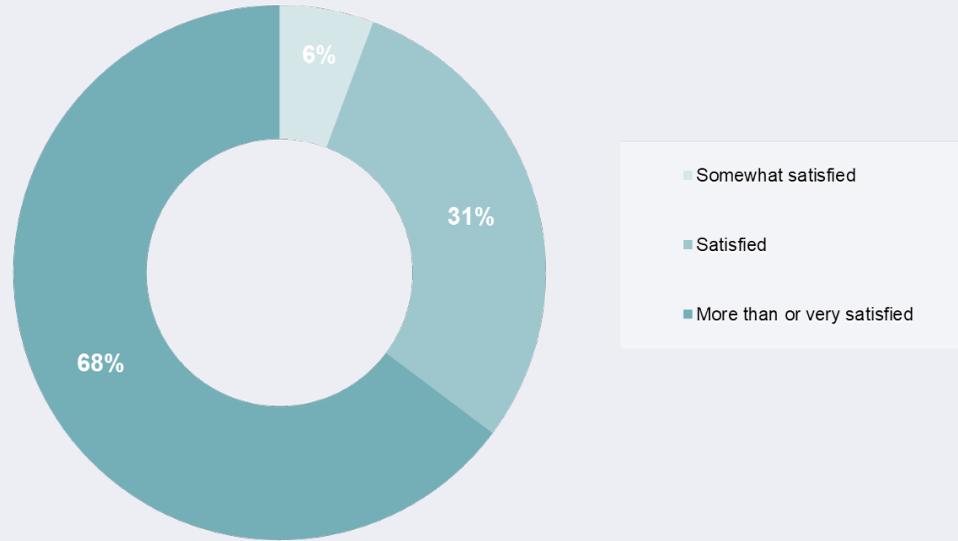
We continually seek to identify whether any lessons or improvements are required based on the company's performance. We have an internal threshold that we apply before an improvement action plan is needed, and in 2025, we continued to be well above this threshold.

Bakkafrost established these targets based on an internal evaluation of key performance indicators that demonstrate progress in sustainability.

Consumers and end-users have indirectly informed the process of setting the targets, as Bakkafrost has included input from these groups collected at customer events in the process of setting the targets.

### Customer Score of Bakkafrost Salmon's Quality

Reflecting the views of customers representing 57% in 2021, 47% in 2022, 57% in 2023 and 53% in 2024 and 44% of the revenue in 2025



2025:	
0%	Not satisfied
6%	Somewhat Satisfied
29%	Satisfied
65%	More than or very Satisfied

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2024	
2%	Not satisfied
2%	Somewhat Satisfied
26%	Satisfied
70%	More than or very Satisfied

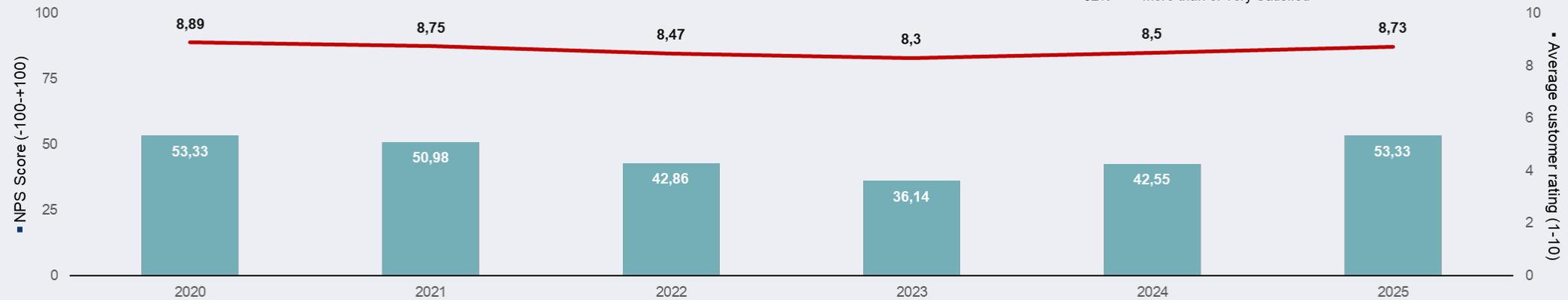
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2023	
1%	Not satisfied
4%	Somewhat Satisfied
36%	Satisfied
59%	More than or very Satisfied

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2022	
0%	Not satisfied
8%	Somewhat Satisfied
31%	Satisfied
62%	More than or very Satisfied

### Customer Net Promoter Score



ENTITY-SPECIFIC

## Consumers and end-users metrics

1 January 2025 – 31 December 2025

Average nutritional values of Bakkafrost salmon distributed to markets in the reporting year	Unit	Target	Recommended daily intake (EFSA)	2025	2024
Omega 3 level	mg/100g			2.48	2.53
Omega 3 to 6 ratio	mg/100g			1.27	1.30
Selenium	mg/kg		0.07*	0.02	0.21
Iodine	mg/kg		0.15*	0.01	0.07
Protein	g/100g	>19 g/100g	58.1**	19.89	20.07
Vitamin B12	µg/100g		4	3.21	4.25
Vitamin E	mg/100g		12	4.14	4.77
Vitamin D	µg/100g		15	8.5	7.56
EPA + DHA	g/100g		250*	1.28	1.39
<b>Product recalls</b>	Number			0	1



### Accounting Policies

#### Average nutritional values of Bakkafrost salmon distributed to markets in the reporting year

This calculation includes an analysis of whole salmon variations between all Bakkafrost sales sizes from 3-4kg up to 7+ kg. The gutted weight in tonnes is calculated using weighted harvest volumes from Bakkafrost Faroe Islands and Scotland.

\* EPA+DHA, Iodine and Selenium are Adequate Intake (AI). "An adequate intake (AI) is used when there isn't enough data to calculate an average requirement. An AI is the average nutrient level, based on observations or experiments, that is assumed to be adequate for the population's needs."

\*\* This value is calculated for a person weighing 70 kg (RI=0.83 g/kg bodyweight)

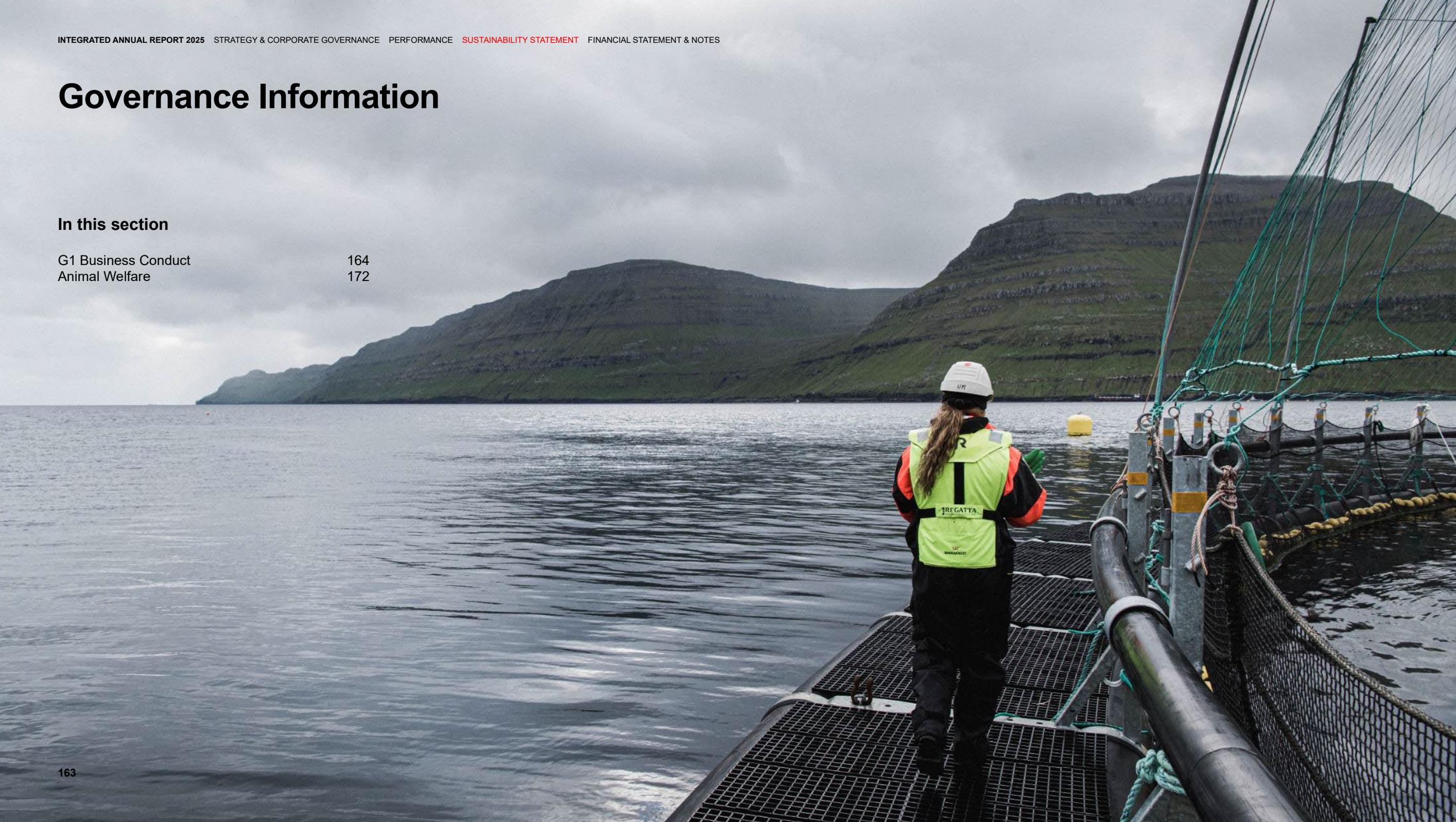
#### Product recalls

Number of recalls of products distributed to the markets in the reporting year. The figure includes cases related to food contamination, but recalls can also result from incorrect label information.

# Governance Information

## In this section

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# G1 Business Conduct

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**ESRS 2 SBM-3**  
**MATERIAL IMPACTS, RISKS AND OPPORTUNITIES IN**  
**RELATION TO BUSINESS CONDUCT**

BUSINESS CONDUCT – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES				Location in Value Chain			Time Horizon			
				Upstream	Own Operation	Downstream	Short-term (1-3 years)	Medium-term (3-8 years)	Long-term (+8 years)	
ESRS sub-topic (AR 16)	ESRS sub-sub topic (AR 16)	IRO	Type							
Animal welfare	-	Sea lice/parasites	Actual Negative impact		●			In the current reporting period		
Animal welfare	-	Disease outbreak	Actual Negative impact		●			In the current reporting period		
Corruption and bribery	Incidents	Corruption and bribery incidents	Risk	●	●	●		●		
Animal welfare	-	Fish welfare	Risk		●		●	●		
Political engagement and lobbying activities	-	Ensure transparency and honest dialogue with the public and political system	Opportunity		●		●	●		

## ESRS 2 SBM-3

### IMPACTS, RISKS AND OPPORTUNITIES RELATED TO BUSINESS CONDUCT

The materiality assessment described in disclosure requirement IRO-1 identified the following material impacts related to Bakkafrost's business conduct.

- **Sea lice/parasites – Actual negative impact**

Effective sea lice management is essential for maintaining fish health. An actual negative impact on the natural environment and salmon welfare can occur if sea lice levels become too high, leading to skin damage, stress, and increased mortality. This impact is concentrated within the direct operations of Bakkafrost's Farming segment in the Faroe Islands and Scotland.

Linked to the company's business model and strategy, this impact recurs annually. Bakkafrost has responded by implementing robust management practices, including freshwater treatments and mechanical delousing, and by using sea lice simulation tools to mitigate risk. This has also led to the reduction of the use of chemicals in the marine environment.

A combination of sea lice levels and fish welfare assessments determines treatment strategies, enabling a proactive, preventive approach to sea lice management.

All sea lice management practices adhere to national regulations and laws in the Faroe Islands and Scotland, ensuring compliance with governmental requirements. Additionally, all operations comply with strict standards set by third-party certification bodies such as the Aquaculture Stewardship Council (ASC).

The business model's resilience is strengthened by continuous investment in innovative solutions, such as developing salmon strains with higher genetic resistance, thereby enhancing the company's ability to manage this recurring biological challenge.

This impact is partially covered by ESRS disclosure requirements, with additional metrics reported for transparency.

- **Disease outbreaks – Actual negative impact**

Disease outbreaks, often caused by pathogens like bacteria or viruses, pose a significant threat to fish health, operational efficiency, and overall production. This actual negative impact can adversely affect the health and welfare of salmon, leading to stress and elevated mortality rates, and can potentially spread to adjacent ecosystems.

The impact is concentrated within Bakkafrost's direct operations in the Freshwater and Farming segment and can occur as isolated events.

Bakkafrost's strategy is designed to build resilience against these risks by focusing on prevention and mitigation. The company addresses this impact through stringent biosecurity protocols, advanced vaccination programs, and real-time monitoring systems, with site-specific Veterinary Health Plans in place.

A key element of this resilience strategy is the company's broodstock program, designed to strengthen genetic resistance to common diseases such as Cardiomyopathy Syndrome (CMS), Pancreas Disease (PD), and Infectious Pancreatic Necrosis (IPN), thereby enhancing the overall health of farmed salmon.

These proactive measures are central to the resilience of the farming operations, ensuring long-term operational continuity.

This impact is partially covered by ESRS disclosure requirements, with additional reporting on mortality rates and disease prevalence.

- **Corruption and bribery incidents – Risk**

While Bakkafrost operates exclusively in countries classified as low risk for corruption and bribery, according to Transparency International's Corruption Perceptions Index (2023), its supply chain includes sourcing from countries ranked as medium to high risk.

This creates an inherent risk of exposure to corrupt practices in procurement and supplier interactions, as well as in downstream sales and distribution activities. Any incident could result in significant legal, financial, and reputational

consequences. This risk is concentrated in the upstream and downstream value chains through business relationships.

To build resilience against these risks and safeguard its reputation and legal standing, Bakkafrost's strategy focuses on robust due diligence processes. The company responds to this risk by selectively sourcing from companies subject to anti-corruption regulations and standards, such as Proterra, conducting regular compliance checks, and maintaining an ongoing dialogue with suppliers.

Bakkafrost has not identified any current financial effects from this risk and has chosen to omit the optional disclosure of anticipated financial effects (ESRS 2 SBM-3, para 48(e)). This risk is fully covered by ESRS disclosure requirements.

- **Fish welfare – Risk**

Bakkafrost faces risks related to poor fish welfare, which can arise from external factors such as climate change, new diseases, and harmful algal blooms and jellyfish, or from internal system failures.

This risk, which is concentrated in the company's Farming, Freshwater, and Service segments, can lead to reputational damage, regulatory penalties, and reduced revenue.

The reasonably expected time horizon for this impact to materialise is recurring annually across all time periods.

To address and mitigate the inherent fish welfare risks in our operations, Bakkafrost has embedded comprehensive welfare considerations into our core business strategy. We have instituted the specific measures detailed in the box to the right to ensure our practices not only meet but exceed the highest animal welfare standards, in constant alignment with both regulatory mandates and evolving industry best practices.

Bakkafrost has not yet analysed the anticipated financial effect of this risk and thus opts for the option to omit the information prescribed by ESRS 2 SBM-3 paragraph 48(e).

The risk is fully covered by ESRS disclosure requirements, with compliance metrics for third-party certifications like ASC and RSPCA Assured reported.

• **Ensure transparency and honest dialogue with the public and political system – Opportunity**

Bakkafrost plays a vital role in the rural communities where we operate, and we strive to engage with our community about the sector and our business. By fostering an open dialogue, we ensure transparency into the sustainability issues our stakeholders find most material.

Bakkafrost has identified an opportunity for political engagement and lobbying regarding its own operations.

This opportunity, which affects the company’s own operations across all time scales, has influenced the business model and strategy by fostering an open dialogue to enhance its ‘licence to operate’. The company’s extensive experience with ESG regulations provides strategic resilience not only to comply with new rules but also to offer input and guidance to policymakers. This positioning allows Bakkafrost to turn a compliance necessity into a strategic advantage, strengthening community and political relationships and leading to benefits such as better utilisation of idle licence capacity.

Bakkafrost has not analysed the anticipated financial effect of this opportunity and omits this optional disclosure (ESRS 2 SBM-3, para 48(e)).

This opportunity is fully covered by ESRS disclosure requirements.



# Business conduct

## Management of impacts, risks and opportunities

### G1-1 OUR APPROACH

Policy	Code of Conduct
<b>Purpose</b>	The Code of Conduct outlines Bakkafrost's values, which require all employees to observe high standards of business and ethics and take a fair and honest approach to working with each other and external stakeholders
<b>Scope</b>	All units over which Bakkafrost has a controlling influence and in Bakkafrost's wider value chain
<b>Most senior level accountable</b>	Board of Directors + Chief Executive Officer (CEO)
<b>Availability</b>	Internal distribution + webpage
<b>Third-party standards referenced in policy</b>	

It is important to go beyond compliance to uphold and promote good business practices and corporate culture consistent with our core values and principles. Bakkafrost's values guide our approach to creating long-term value for our customers, shareholders and society. This means we act responsibly and with respect while being passionate about our provenance.

The Code of Conduct outlines these values, which require all employees to observe high standards of business and ethics

and take a fair and honest approach to working with each other and external stakeholders.

Bakkafrost's Code of Conduct and its implementation are subject to an annual review to ensure effective application.

The Board of Directors holds overall responsibility for managing the business policies and ethical guidelines. The board has delegated the daily responsibility for implementing the Code of Conduct and corporate culture to the CEO.

Administrative bodies regularly discuss policies and corporate culture during meetings when relevant.

Bakkafrost's policies align with third-party standards and are integral to its corporate culture. They ensure that both the workforce and suppliers adhere to standards concerning occupational health, safety, and well-being, as well as human rights, freedom of association, collective bargaining, child labour, and environmental practices.

We are committed to continuously developing training and awareness campaigns to inform employees about our expectations for workplace behaviour and business conduct. Our initiatives include employee onboarding, which includes reading and acknowledging our Employee Code of Conduct, regular intranet announcements, informative emails, lunch-and-learn sessions, and certifications to ensure we meet compliance standards.

Employees can access policies and ethical guidelines via our Group intranet and the company website.

#### Whistleblower system

Bakkafrost has established a whistleblower system to ensure that employees can raise concerns about unlawful conduct or behaviour that contravenes the company's Code of Conduct, internal policies, or applicable legislation.

The mechanism is accessible via Bakkafrost's website and the employee intranet and provides a fully anonymous and confidential channel that protects whistleblowers from any form of retaliation. The Human Resources department is responsible for managing reports and maintaining standardised procedures for case handling.

All new employees receive information about the whistleblower system during onboarding, and details remain continuously available through the online employee handbook. According to the whistleblower policy, all reports are directed to the CEO and the Group HR Director, while the Human Resources department is tasked with investigating cases and implementing appropriate corrective measures.

Bakkafrost Scotland is subject to legal requirements and uses an external system for whistleblowing cases to satisfy legal compliance (Public Interest Act 1998) regarding the protection of whistleblowers.

#### Complaints

Bakkafrost has established a formal complaints mechanism to provide external stakeholders, including local communities, with a transparent channel for raising grievances. The Human Resources department has been delegated responsibility for receiving, reporting, and investigating concerns submitted through this mechanism. The department is also responsible for providing timely feedback to the complainant.

#### Risk of corruption and bribery in operations

Certain functions within Bakkafrost have been identified as being at risk of corruption and bribery, specifically the Sales, Finance, and Procurement departments.

Our Sales and Procurement departments frequently engage with stakeholders located in regions with elevated risks of bribery and corruption, which makes these functions particularly exposed. In addition, the Finance Department oversees all internal and external transactions, placing certain key positions within the department at risk of potential bribery attempts.

#### Animal welfare

For information regarding our Animal Welfare policies, please refer to our Animal Welfare section of this report.

### G1-3

#### CORRUPTION AND BRIBERY

Bakkafrost has zero tolerance for corruption in any form, including bribery and facilitation payments. Employees are strictly prohibited from directly or indirectly offering, promising, giving, or accepting bribes, inappropriate gifts, undue

advantages, or other forms of improper remuneration for business or personal gain.

Bakkafrost's Code of Conduct sets out guidelines on anti-corruption. All new employees review it during onboarding, and it remains accessible via internal platforms.

We comply with all laws related to corruption and anti-bribery in all jurisdictions where we operate.

Bakkafrost encourages all employees and stakeholders to report any allegations of corruption, bribery, fraud, or other financial misconduct through our whistleblower system. Please refer to the "Whistleblowers" section for more information on how these concerns are handled.

In cases of corruption and/or bribery that would potentially arise, the company appoints investigators separate from the chain of management involved in the matter.

100% of at-risk functions - defined as employees in sales, procurement, and finance - have completed anti-corruption and anti-bribery training during onboarding, including reviewing and confirming compliance with the company's Code of Conduct. However, these functions are not yet covered by recurring refresher training on corruption and bribery.

The Board of Directors receives training on corruption and bribery during their onboarding.

## Metrics and targets

### TARGETS AND PERFORMANCE

### G1-4

#### INCIDENTS OF CORRUPTION OR BRIBERY

Bakkafrost had no convictions or fines for violations of anti-corruption and anti-bribery laws in 2025. Similarly, there were no incidents of corruption or bribery involving Bakkafrost in this year. Bakkafrost also had no corruption or bribery-related incidents connected to contracts with business partners.

G1-4

## Incidents of Corruption and Bribery

1 January 2025 – 31 December 2025

	Unit	2025	2024
Convictions for violation of anti-corruption and anti-bribery laws	Number	0	0
Amount of fines for violation of anti-corruption and anti-bribery laws	DKK	0	0
Confirmed incidents of corruption or bribery	Number	0	0
Confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	Number	0	0
Confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	Number	0	0

### § Accounting Policies

#### Convictions and amount of fines for violation of anti-corruption and anti-bribery laws

Anti-corruption and anti-bribery instances where the company has been found guilty by a court of law. Amount of fines paid for violation of anti-corruption and anti-bribery laws includes fines paid as a result of legal proceedings on these matters against Bakkafrost's subsidiaries in the reporting year.

#### Confirmed incidents of corruption and bribery

Reported incidents of corruption or bribery as recorded and categorised in Bakkafrost's whistleblower system.

#### Confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents

Reported incidents of corruption or bribery as recorded and categorised in Bakkafrost's whistleblower system, resulting in worker dismissal or disciplinary action by Bakkafrost or its subsidiaries.

#### Confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery

Reported incidents of corruption or bribery relating to contracts with business partners that were terminated or not renewed. All incidents are registered and categorised through our whistleblower system.

**G1-5  
POLITICAL INFLUENCE & LOBBYING**

Bakkafrost's political engagement is conducted in line with its commitment to transparency and its strategic objectives, particularly those related to the company's strategy, which is focused on sustainable growth and shared value creation. The oversight of these activities is managed by the company's Executive Management.

In 2025, Bakkafrost made no direct financial or in-kind contributions to political parties, their elected representatives, or individuals seeking political office. Indirect political contributions were made mainly through memberships in industry organisations that lobby on behalf of the aquaculture sector.

As the largest private employer in the Faroe Islands and a significant employer on the Scottish west coast, Bakkafrost is frequently regarded as a key stakeholder and consultative party in various political and legislative processes. This role stems from the company's significant socio-economic footprint in these regions.

Key areas of our current political engagement include:

• **Industry-specific Legislation**

We are regularly consulted on legislative proposals concerning the aquaculture industry. In recent years, this has especially included participation in discussions surrounding the taxation framework for salmon farming in the Faroe Islands. Our objective in these discussions is to support the development of a stable, predictable, and competitive regulatory environment that fosters long-term investment and sustainable growth.

In 2025, we were also consulted by authorities on various other topics, including providing input for a new Faroese Climate Change Act. Bakkafrost's input reflected our commitment to the 1.5 °C target in the Paris Agreement.

• **Infrastructure and Planning**

Given the scale of our operations, Bakkafrost is often involved in consultations related to infrastructural projects that may impact our activities or the communities where we operate. In recent years, this engagement has focused on advancing the development of a new wind farm, which will provide renewable energy for our fishmeal and oil and feed plant.

• **Media and Public Discourse:**

Bakkafrost also engages in the public discourse on relevant issues through the media. This is to ensure that our perspectives, as a major employer and economic contributor, are considered in public debates. Our public statements are always based on our commitment to our Healthy Living Sustainability strategy.

Bakkafrost does not make financial contributions to political parties or candidates. Our political engagement is limited to providing expertise, data, and our perspective on issues of material interest to the company and its stakeholders. We believe that this form of engagement is the most appropriate and transparent way to contribute to the policy-making process.

No member of the Board appointed during the current reporting period has held a comparable position in public administration within the two years prior to their appointment.



G1-5

## Financial or in-kind political contributions

1 January 2025 – 31 December 2025

	Unit	Faroe Islands	Scotland	Global	Group 2025	Group 2024
Political institutions	DKK	0	0	0	0	0
Networking initiatives	DKK	20,000	0	102,000	122,000	20,000
NGOs and advocacy groups	DKK	0	0	0	0	0
Trade associations and industry organisations	DKK	1,824,271	2,344,810	885,027	5,054,107	4,514,188
Think tanks	DKK	0	0	0	0	0
<b>Total (Indirect political contributions)</b>	DKK	<b>1,844,271</b>	<b>2,344,810</b>	<b>987,027</b>	<b>5,176,107</b>	4,534,188



### Accounting Policies

#### Financial or in-kind political contributions

Financial contributions made directly or indirectly to beneficiaries on behalf of Bakkafrost.

External expenses are included. Internal expenses, such as salary for employees working within this area of expertise, are excluded.

The data is collected from invoices through our procurement spend data. A threshold of DKK 100,000 has been applied, i.e. smaller contributions are not reported.

# Animal Welfare

## Management of impacts, risks and opportunities

### G1-1 IMPACTS, RISKS AND OPPORTUNITIES RELATED TO ANIMAL WELFARE

Bakkafrost's operations in the freshwater and marine environments of the Faroe Islands and Scotland, along with Services, feed production and harvesting facilities, have been identified as key areas where animal welfare considerations are crucial. For example, ensuring high-quality feed directly impacts fish health and welfare, while humane slaughter practices at harvesting facilities uphold welfare standards. Marine operations specifically present risks related to sea lice, disease outbreaks, and water quality, all of which can significantly affect the health and welfare of our salmon stocks. Furthermore, our operations have broader economic, environmental, and societal impacts. For example, sea lice outbreaks can lead to increased operational costs and reduced stock productivity, while proactive management and innovative practices can contribute to environmental sustainability and local economic stability. Opportunities exist to enhance animal welfare through innovation, such as developing more resilient salmon strains and adopting cutting-edge monitoring technologies.

### ESRS 2 MDR-P & GRI DR 3-3 & 13.11 OUR APPROACH

Policy	Fish health and welfare policy
<b>Purpose</b>	This policy defines our responsibilities for safeguarding the health and well-being of our salmon throughout their lifecycle and is based on internationally recognised standards and guidelines, including the Five Freedoms of Animal Welfare and recommendations from the World Organisation for Animal Health (WOAH)
<b>Scope</b>	All farming operation and sites within the company, where live fish are involved, from brood-stock to harvest.
<b>Most senior level accountable</b>	Chief Executive Officer (CEO)
<b>Availability</b>	Internal distribution + webpage
<b>Third-party standards referenced in policy</b>	The Five Freedoms for Animal Welfare act World Organisation for Animal Health

The welfare of our salmon is a cornerstone of sustainable aquaculture. We are committed to maintaining high standards of animal care across all operations, as outlined in Bakkafrost's Fish Health and Welfare Policy. This policy defines our responsibilities for safeguarding the health and well-being of our salmon throughout their lifecycle and is based on internationally recognised standards and guidelines, including the Five Freedoms of Animal Welfare and recommendations from the World Organisation for Animal Health (WOAH). Additionally, our commitment extends to supporting global food security by ensuring sustainable production practices that contribute to reliable and ethical food sources.

This policy applies to all freshwater and farming operations and sites within the company, covering every stage of production, from broodstock to harvest. It specifically pertains to farmed Atlantic salmon throughout the entire Bakkafrost value chain. We adhere to the Faroese Animal Welfare Act and all applicable aquaculture, animal health, and disease prevention regulations,

including underlying directives and provisions, ensuring compliance with national legal frameworks. The Act incorporates the Five Freedoms of Animal Welfare, guiding our practices across operations. In Scotland, our operations comply with strict legislative requirements set by regulatory bodies, including the Animal Health and Welfare (Scotland) Act 2006, as well as all relevant aquaculture and fish health regulations and subordinate legislation, ensuring that welfare practices align with national standards.

Our Veterinary Health Plans in both the Faroe Islands and Scotland are reviewed by third-party accreditations, including the Aquaculture Stewardship Council (ASC) and Global GAP. The ASC certification is particularly significant, as it applies across both countries and reflects our commitment to sustainable and responsible aquaculture through rigorous compliance with welfare, environmental, and biosecurity standards. Meanwhile, Global GAP serves as a comprehensive management standard that strengthens biosecurity, animal welfare, and farm management. In addition to ensuring high standards of food safety and responsible farming, Global GAP also requires the training of relevant suppliers in animal welfare, reinforcing a holistic approach to fish health and farming sustainability.

In Scotland, additional assurance is provided through RSPCA Assured certification, which emphasizes humane handling, regular health monitoring, and conditions that support natural fish behavior. These welfare requirements are also embedded in Global GAP standards, which apply to both the Faroe Islands and Scotland, ensuring a consistent commitment to high animal welfare standards across all operations.

Stocking densities are regulated according to strict legislative and accreditation requirements, ensuring optimal welfare conditions. These densities are continuously reported to authorities to maintain compliance and support fish health and natural behavior. Across all operations, our team is dedicated to maintaining these standards through regular training, robust monitoring, and continuous improvements in fish welfare practices.

#### Governance and Accountability

Our commitment to fish welfare is integrated into every stage of our operations, from the strategic placement of farming units and the design of infrastructure and technology to the composition of

#### Bakkafrost Proactive Biosecurity and Monitoring

Comprehensive biosecurity audits are conducted at all sites to identify vulnerabilities and establish preventive measures. Real-time monitoring systems track fish behaviour, water quality, and environmental conditions for swift intervention.

**Enhanced Treatment Capacity:** Investments in freshwater and mechanical delousing systems, including advanced farming service vessels, provide sufficient capacity to address gill health and lice challenges while minimizing stress during treatment.

**Veterinary Health Plans (VHPs):** Site-specific VHPs ensure that transport, handling, and disease management practices are conducted in line with rigorous animal welfare standards. These plans are continuously reviewed and updated to reflect emerging risks and new scientific insights.

**Selective Breeding and Resilient Strains:** Bakkafrost's broodstock program incorporates selective breeding to enhance salmon resilience to diseases such as Cardiomyopathy Syndrome (CMS). CMS-resistant eggs have been introduced to production cycles, reducing biological risk.

**Welfare-Focused Training:** Employees receive regular training on humane handling, biosecurity, and early detection of welfare issues. Welfare awareness initiatives, such as workshops and company-wide campaigns, embed welfare considerations into daily practices.

**Preventive Welfare Measures:** Proactive health measures include regular freshwater treatments to maintain gill health, optimised stocking densities to reduce stress, and tailored feed strategies to promote growth and well-being.

the salmon feed, feeding strategies and continuous monitoring. A dedicated team of specialised veterinarians and biologists oversees health and welfare standards. While overall oversight is centralized, the daily responsibility for fish welfare lies with each individual production area, ensuring close monitoring and swift action when needed. Daily surveillance of fish behaviour and health is conducted across all sites, supported by digital and real-time monitoring technologies such as underwater cameras, which allow continuous monitoring of fish behavior and appetite. Any deviations are promptly reported, ensuring rapid responses to potential health challenges.

Biosecurity is integral to our operations, with advanced tools and monitoring systems implemented to protect both farmed salmon

and local ecosystems. Efforts include rigorous biosecurity protocols, regular sampling to monitor pathogens, and site-specific Veterinary Health Plans tailored to each farm's conditions. Additionally, fish health measures include producing resilient smolt through selective breeding, vaccination programs, and maintaining optimal environmental conditions.

The management system incorporates animal welfare standards based on industry best practices and aligns with third-party certifications, such as the ASC, RSPCA and GLOBAL GAP.

The CEO is responsible for implementing the Fish Health and Welfare Policy and ensuring its execution aligns with Bakkafrøst's sustainability commitments and regulations. Operational responsibility is assigned to the Quality, Environment, Safety, and Health (QESH) department. Line management in each department ensures the policy's implementation across all operations.

The Fish Health and Welfare Policy is accessible to all employees through internal systems and the company's website, ensuring transparency and accountability. The policy mandates:

- Humane handling, transport, and treatment of fish at all stages.
- Regular health monitoring conducted by trained veterinarians and aquaculture professionals.
- Implementation of biosecurity measures to prevent disease outbreaks and minimise stress on fish.
- Support for global food security through sustainable and ethical production practices, contributing to reliable food sources.

#### Sea lice (animal welfare management)

Sea lice (*Lepeophtheirus salmonis*) are naturally occurring parasites within the marine ecosystem, and their presence is not fundamentally dependent on aquaculture. However, the concentration of farmed salmon in specific locations increases the density of available hosts. This higher host density can create conditions favourable for the proliferation and accumulation of sea lice populations. If not proactively and effectively managed, elevated sea lice levels can pose a risk to the health and welfare of our farmed salmon. Furthermore, this increased parasite load in the water column may have a potential spill-over effect, a risk that is of particular concern in or near designated protected areas.

For Bakkafrøst, sea lice are therefore addressed as an animal welfare and fish health management issue, rather than a biodiversity impact, although we recognise that medical treatments against sea lice can have biodiversity-related impacts.

Effective sea lice management is essential to prevent stress, skin damage, secondary infections, and reduced welfare outcomes for farmed salmon.

Bakkafrøst applies a preventive and welfare-focused sea lice management approach based on continuous monitoring, site-specific risk assessments, and clearly defined intervention thresholds. Management strategies include coordinated stocking and fallowing practices, the use of large, robust smolt, and non-chemical treatment methods such as freshwater treatments using farming service vessels equipped with advanced freshwater systems. Medicinal treatments are applied when deemed necessary to uphold optimal fish welfare.

Sea lice levels are monitored through independent third-party assessments conducted by accredited external bodies and reported to regulatory authorities in accordance with national requirements. This ensures objective oversight under a regulatory regime that is among the most stringent internationally. Interventions are initiated well below regulatory thresholds to safeguard fish welfare and minimise the need for more invasive treatment measures.

#### Continued Improvements

In 2023, Bakkafrøst implemented enhanced monitoring protocols as part of the ongoing review and refinement of its Fish Health and Welfare management system, ensuring alignment with the latest scientific insights and regulatory requirements. Collaborative research initiatives with universities and industry partners were launched to address emerging fish health and welfare challenges.

To operationalise the policy, we conduct regular site visits, audits, and training sessions to monitor compliance and address areas for improvement. We prioritise preventive approaches to fish health, including vaccination programs, selective breeding, and strict biosecurity protocols, which are continuously refined based on operational experience and scientific development. Notably, Bakkafrøst has not used antibiotics in its Faroese operations

since 2004, underscoring our long-standing commitment to preventive health strategies and strong governance of fish health. Marine operations in Scotland have maintained antibiotic-free production since 2010.

Additionally, the policy includes measures to minimise stress during fish handling, transport, and slaughter. Live fish carriers (well boats) are specifically designed to ensure fish welfare, featuring rounded edges and smooth bends to prevent injuries, optimized cleaning systems to maintain hygiene, and the ability to regulate and maintain optimal water quality parameters, including oxygen levels and temperature. Fish are transported using well boats or bulk vehicles, with continuous monitoring of water quality to ensure safe and stress-free conditions. Humane slaughter practices are implemented through percussive stunning, in alignment with internationally recognised animal welfare standards, including the WOAH guidelines.

#### Addressing Risks and Impacts

To manage actual and potential positive impacts, Bakkafrøst has implemented proactive measures, including research into resilient salmon strains and advanced monitoring systems to ensure fish welfare. Actions to mitigate potential negative impacts include biosecurity enhancements, humane handling practices, and training programs.

To address actual negative impacts, Bakkafrøst has implemented comprehensive remediation efforts, supported by advanced monitoring systems. These efforts include targeted treatments of affected salmon populations, adjustments to farming practices to enhance water quality, and infrastructure upgrades to mitigate future risks.

Smart and digital monitoring plays a key role in enabling effective remediation, supported by real-time data collection and analysis across operations. These digital monitoring systems support early detection, faster decision-making, and more targeted interventions, reducing the need for physical handling and limiting stress on fish. Systematic water sampling and analysis are used to detect bacteria, viruses, and other environmental risk factors at an early stage. Early detection allows for timely and targeted interventions, thereby minimising welfare impacts and reducing the need for more invasive treatment measures.

We have also implemented Polymerase Chain Reaction (PCR) assessments of dead fish to enable proactive disease management.

Investigations are conducted to identify root causes of incidents, and insights gained are used to update protocols and operational practices. This continuous learning approach strengthens resilience across operations and enhances the company's ability to prevent recurrence of similar impacts.

Learnings from incidents and remediation efforts are centrally assessed and systematically implemented across the organisation to prevent recurrence. Root causes, corrective actions, and effective mitigation measures identified at individual sites are translated into updated procedures, technical requirements, and operational guidelines, which are rolled out across all relevant operations.

This centralised approach ensures that insights gained from individual incidents strengthen animal welfare management at a group level, reducing the likelihood of similar impacts occurring elsewhere and reinforcing consistent welfare standards across the entire value chain.

#### Processes to Remediate Negative Impacts and Channels for Raising Concerns

Bakkafrøst has established robust mechanisms to address and remediate adverse impacts on animal welfare. During disease outbreaks or environmental challenges, immediate actions are implemented, such as isolating affected stocks, optimizing water quality, and enhancing biosecurity measures. Our team of veterinarians leads investigations into incidents, ensuring root causes are identified, and corrective actions are taken to prevent a recurrence.

Mechanisms to track the effectiveness of these actions include monitoring systems, health assessments conducted by veterinarians, and regular reviews of operational data. Progress toward goals and targets is assessed at least monthly by the CEO, ensuring continuous oversight and swift action where needed. Lessons learned are used to refine operational policies and procedures. For example, insights from recent disease outbreak management have been integrated into updated biosecurity protocols, enhancing early detection and rapid response capabilities.

Employees are encouraged to report fish welfare concerns through designated channels, which ensure prompt resolution. These mechanisms reflect our commitment to transparency and compliance with certification standards. To evaluate the effectiveness of these reporting channels, we include animal welfare-related questions in periodic employee engagement surveys.

### ESRS 2 MDR-A & GRI DR 3-3

#### ACTIONS

At Bakkafrøst, animal welfare is a cornerstone of sustainable aquaculture, integrated systematically into our operations, policies, and sustainability disclosures. We adhere to internationally recognised standards such as the Five Freedoms of Animal Welfare and align our practices with certifications including ASC, Global GAP, and RSPCA Assured. Below are the key initiatives undertaken to uphold and advance our animal welfare standards:

#### Enhanced biosecurity measures

To mitigate disease risks and safeguard salmon health, Bakkafrøst has implemented stringent biosecurity protocols. These include stricter access controls, enhanced water filtration systems, and advanced site-specific Veterinary Health Plans across the Faroe Islands and Scotland. Measures also include strict internal control systems such as quality management and digital management systems. These measures prevent disease transmission, reduce fish stress, and improve survival rates.

The implementation of these biosecurity measures is supported by operational budgets, and the associated expenses are detailed under the financial line item 'Operating expenses' for Farming Operations, as outlined in Note 2.3 of the Management Statement in this report.

#### Sea lice management initiatives

Bakkafrøst has achieved record-low sea lice levels through innovative and welfare-focused strategies, including the deployment of dual-treatment freshwater systems and mechanical delousing systems. These methods avoid chemical and pharmaceutical interventions, reduce stress on farmed salmon, and support improved animal welfare outcomes.

Sea lice levels are monitored under strict regulatory frameworks, with counts conducted by accredited independent

third parties and reported to authorities in accordance with national requirements.

Resources allocated to sea lice management are included under the financial line item 'Operating expenses' for Farming Operations, as detailed in Note 2.3 of the Management Statement in this report.

#### • Animal welfare-centred equipment design and operational environment

Bakkafrøst systematically integrates animal welfare considerations into the design and selection of operational equipment and farming infrastructure across the value chain. Vessels, live fish carriers (well boats & trucks), handling equipment, and on-site infrastructure are designed and operated to minimise stress, prevent injuries, and support safe and humane fish handling. This includes features such as smooth surfaces, rounded edges, optimised water flow, controlled loading and unloading procedures, and systems that maintain stable water quality parameters during transport and operations.

By embedding animal welfare requirements at the design and operational level, Bakkafrøst reduces the risk of welfare-related incidents and strengthens preventive risk management across freshwater, marine, and harvesting operations. Costs related to equipment design, maintenance, and upgrades are included under operational and capital expenditures for Farming Operations, as outlined in Note 2.3 of the Management Statement in this report.

#### Proactive Health Monitoring

Specialised veterinarians and biologists conduct regular health assessments supported by advanced tools that monitor fish behaviour, water quality, and environmental conditions in real-time. This proactive approach enables swift interventions, enhances survival rates, and upholds high welfare standards. Monitoring systems and veterinary oversight are funded through the Quality, Environment, Safety, and Health (QESH) budget.

#### Training and awareness

Comprehensive training programs ensure that employees across all farming sites and hatcheries are equipped to handle fish humanely and mitigate potential welfare risks. These programs focus on the early detection of welfare issues, humane handling practices, and disease prevention strategies.

Employee training fosters a culture of accountability and strengthens the implementation of welfare practices across operations. Training sessions are supported by operational budgets.

#### Development of resilient salmon strains

Bakkafrøst invests in research and development initiatives to breed salmon strains with enhanced genetic resistance to environmental stressors such as disease outbreaks and sea lice. These efforts are part of the company's selective breeding program, which contributes to improved fish health and operational sustainability. Genetically resilient salmon reduce the need for medicinal interventions, minimising stress and supporting welfare objectives. Investments in genetic research and innovation are detailed under the financial line item 'Research and Development Expenditures', as outlined in Note 2.3 of the Management Statement in this report.

#### ASC Certification Compliance

Maintaining compliance with ASC standards in the Faroe Islands and achieving full certification in Scotland by 2027 demonstrates Bakkafrøst's commitment to globally recognised welfare practices. Third-party audits and regular compliance reviews ensure adherence to these standards. Certification validates the company's dedication to high animal welfare and sustainability standards. Expenses related to certification and compliance are reflected under operational budgets.

#### Welfare-Specific KPIs and Reporting

To enhance transparency and accountability, welfare-specific KPIs are integrated into organisational reporting. These metrics cover key indicators such as survival rates, compliance with welfare certifications, and sea lice prevalence. KPIs enable robust tracking of welfare performance and support data-driven decision-making. Additionally, Bakkafrøst has a bonus system for all employees that links performance incentives to key sustainability and welfare targets, reinforcing a company-wide commitment to high welfare standards. Reporting systems are supported by the Quality, Environment, Safety, and Health department and linked to operational monitoring frameworks. The associated costs are included under the financial line item 'Operating expenses' for Farming Operations, as outlined in Note 2.3 of the Management Statement in this report.

Bakkafrøst continues to advance animal welfare practices through innovation, proactive health management, and robust monitoring systems. These actions align with international sustainability standards, reinforcing the company's leadership in responsible aquaculture.

#### Monitoring and reporting

We upgraded our monitoring systems to include real-time tracking of water quality and fish behaviour, enabling rapid response to potential welfare issues.

Engagement with stakeholders has informed our actions, including collaborations with industry experts and feedback mechanisms through employee and community surveys. This engagement has been critical in validating the effectiveness of our animal welfare measures and refining our approach.

Bakkafrøst remains committed to maintaining high standards of animal welfare, continuously implementing initiatives to mitigate risks and leverage opportunities for improvement.

A dedicated team of internal experts, including veterinarians, biologists, quality managers and specialists in fish welfare and disease prevention, works exclusively to uphold and enhance welfare standards across all operations. Their expertise supports proactive health management, biosecurity measures, and the continuous development of best practices. Stakeholder engagement has played a pivotal role in shaping our actions, with feedback from industry experts, employees, and local communities directly informing our welfare strategies. This collaborative approach has strengthened our initiatives, ensuring they effectively address stakeholder concerns and priorities.

### MAIN CAUSES OF SALMON MORTALITY

2025

#### Faroe Islands

Wounds  
Handling (delousing  
treatments)  
Seal predation

#### Scotland

Disease: Bacterial, CMS, Gill  
Health)  
Smolt transfer

## Metrics and targets

### ESRS 2 MDR-T & GRI DR 3-3

#### TARGETS AND PERFORMANCE

Bakkafrost has set ambitious animal welfare and sustainability targets for 2026 to drive continuous improvement:

- **Annual salmon survival rate of 96% (Faroes) and 92% (Scotland)**

Achieving annual survival rates of 96% in the Faroe Islands and 92% in Scotland by 2026 reflects the focus on improving fish welfare and health outcomes. This target underscores a commitment to minimising mortality through proactive management strategies and innovative solutions.

This is an absolute rolling target applied to Bakkafrost's direct farming operations in the Faroe Islands and Scotland. Progress is tracked through continuous monitoring of survival rates, real-time data collection, and veterinary health assessments.

The base year is 2020, and the baseline survival rates are 90% (Faroe Islands) and 89% (Scotland).

In 2025, survival rates remained high in the Faroe Islands at 95.7% from 93.4% in 2024. This performance demonstrates the operational robustness built into Bakkafrost's Faroese operations over the last years.

Our operations in Scotland did not meet internal expectations, with a survival rate of 82.6%. However, compared to the average survival rate of 82.3% in Scottish salmon farming in 2024, the performance is in line with the regional industry.

The 2025 group survival rate was 92.8%, compared to 90.7% in 2024.

Business Unit	Survival rate 2025	Industry benchmark
Bakkafrost Faroe Islands	95.7%	85.8% (Norway, 2025)
Bakkafrost Scotland	82.6%	82.3% (Scotland, 2024)

- **Zero Antibiotic Use**

Maintaining antibiotic-free production across all operations is a long-standing commitment that reflects Bakkafrost's proactive approach to disease prevention and sustainable aquaculture.

We have maintained antibiotic-free production in the Faroe Islands since 2004 and in marine operations in Scotland since 2010. This commitment minimises environmental impact, enhances fish health, and aligns with high sustainability standards.

This absolute target applies to all farming operations in the Faroe Islands and Scotland. It is achieved through stringent biosecurity measures, vaccination programs, and ongoing veterinary oversight.

The base year of the target is 2004 for the Faroe Islands, and 2010 for Scotland marine operations. The base value for both is 0.

No antibiotics were used in marine operations in the Faroe Islands and Scotland in 2025.	No antibiotics were used across all hatcheries in the Faroe Islands.
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In 2025, antibiotics were used in Scotland at a closed freshwater hatchery system. Veterinary supervision deemed treatment necessary as a last resort to ensure their survival and welfare. All necessary withdrawal periods were observed, and continuous monitoring confirmed full compliance with safety and welfare standards.

The antibiotics have a short metabolism time, meaning they are rapidly broken down and eliminated from the fish's system, ensuring all necessary withdrawal periods are observed with no residues in the final product at harvest.

Working with live animals presents complex animal welfare challenges, and bacterial infections can threaten fish health. In rare cases, veterinary-prescribed antibiotics may be required as a last resort to protect fish welfare and prevent unnecessary mortality. In alignment with Aquaculture Stewardship Council (ASC) standards, we prohibit the use of antibiotics classified by

the World Health Organization (WHO) as "critically important" for human medicine, ensuring these vital treatments remain effective for human health.

Bakkafrost remains committed to not using antibiotics in our operation

• **ASC Certification Compliance**

Maintaining ASC certification in the Faroe Islands and achieving full ASC certification in Scotland by 2027 supports adherence to global best practices for environmental and social responsibility. These certifications reinforce our commitment to responsible farming practices, ensuring high standards of fish welfare, biosecurity, and sustainability whilst ensuring continuous improvements across our operations.

This absolute target applies to all marine farming sites, involving third-party audits, compliance checks, and improvement initiatives.

The base year is 2013, with a base value of 0%. By 2020, all marine sites in the Faroe Islands had achieved ASC certification.

In 2025, all sites in the Faroe Islands maintained ASC certification, and Scotland had 97% certified, making significant progress toward achieving full certification by 2027.

• **Sea lice**

Sea lice levels are monitored as part of Bakkafrost's animal welfare and fish health management.

Performance metrics related to sea lice prevalence are disclosed in connection with operational monitoring and regulatory reporting. Quantitative sea lice data, including annual average sea lice counts for the Faroe Islands and Scotland, are presented below and in relevant operational disclosures.

# How We Reduced Sea Lice Levels

**Reducing time at sea**

- Increasing average weight of smolt

**Reduce overall lice pressure**

- Effective and timely treatments
- Low threshold treatments limits
- Site specific lice strategies

**Increase the preventative period (for infection)**

- Skirts
- Preventive in feed treatments
- Location of sites – from sheltered to exposed sites
- Coordination of stocking of sites
- Higher stocking density during the first months

**Modelling**

- Site specific lice strategies relating to lice pressure, lice biology and in combination with exact planning of available treatment resources

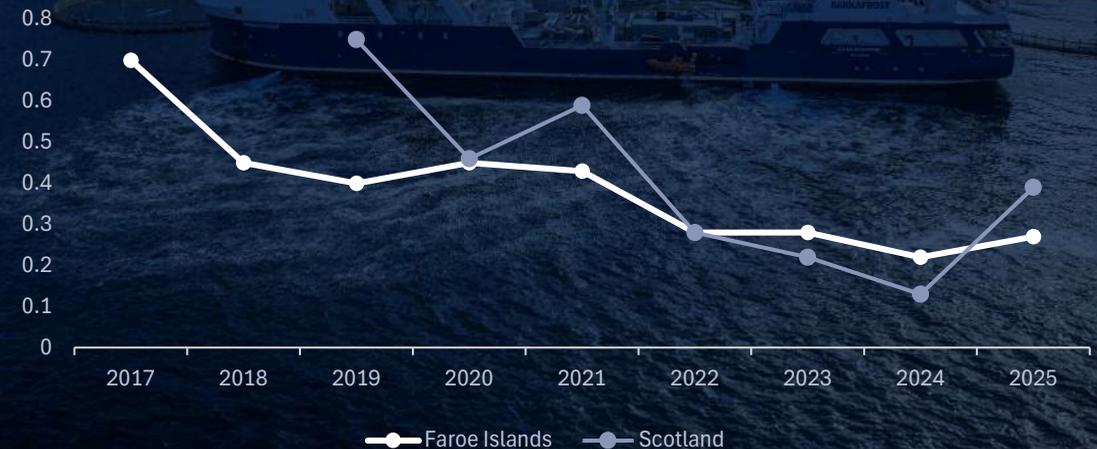
## SEA LICE COUNT

2025

**0.27 0.39**

Faroe Islands Scotland

## ANNUAL SEA LICE COUNT



GRI 13.11 & METRICS DEVELOPED BY THE GLOBAL SALMON INITIATIVE

## Animal Welfare

1 January 2025 – 31 December 2025

	Unit	Target	2025	2024
<b>Annual Survival Rate (Group)</b>	%		<b>92.77</b>	<b>90.71</b>
Faroe Islands	%	96	95.70	93.40
Scotland	%	92	82.60	84.72
<b>Monthly Survival Rate</b>				
Faroe Islands	%		99.60	99.50
Scotland	%		98.55	98.73
<b>Antibiotic use</b>				
Marine Operations – Faroe Islands	g pr.tonne Live Weight Equivalent	0	0	0
Marine Operations – Scotland	g pr.tonne Live Weight Equivalent	0	0	0
Share of marine farming sites ASC-certified (Group)	%		98	84



### Accounting Policies

#### Annual Survival Rate

The number is calculated as 12 month rolling average.

The calculation for the mortality rate includes the total of mortalities in sea last 12 months\* / (closing # of fish in sea the last month + total # of mortalities in sea the last 12 months + total # of harvested fish the last 12 months + total # of culled fish in sea (due to illness or similar and not included in the harvest number)) x100

\*Not including cullings.

Culling is the intentional destruction of fish prior to harvest for the purpose of controlling fish health concerns. Culling events may be a result of regulatory requirements or own fish health or product quality management decisions. The indicator includes dead fish in sea (in number). Fresh water mortalities are not included.

The survival rate is then calculated as 100-mortality rate.

#### Monthly Survival Rate

The monthly survival rate is calculated as 100-(mortality rate/12). How to calculate the mortality rate is provided above.

#### Antibiotic use

The calculation of antibiotic use is defined as the amount of active pharmaceutical ingredients (API) used (in g) per tonne of fish produced (Live Weight Equivalent).

#### Share of marine farming sites ASC-certified

Defined as the share of the total marine farming sites that held a valid ASC certification at the end of the reporting year.

# Appendix 1

## EU Taxonomy

### PURPOSE

The EU Taxonomy Regulation provides a robust classification framework to determine which economic activities are environmentally sustainable. It aims to drive investments toward activities that help achieve the EU's long-term climate and environmental goals for 2050 and support the European Green Deal. In 2024, reporting obligations have been enhanced so that large companies, including those in sectors like aquaculture, must disclose detailed alignment with all six environmental objectives, covering

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy,
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

### Scope

Bakkafrost, a listed company employing more than 500 people, is subject to the EU Taxonomy Regulation. The updated mandatory reporting requirements under the Disclosures Delegated Act apply to its financial year ending on or after 31 December 2024. This report, covering 1 January 2025 to 31 December 2025, details how Bakkafrost's integrated operations across the value chain are assessed and aligned against the taxonomy's technical screening criteria.

By embedding these rigorous assessments within its operational strategy, Bakkafrost reaffirms its commitment to environmental sustainability and positions itself as a responsible leader in the aquaculture sector.

### BAKKAFROST POLICIES

Bakkafrost is committed to conducting business with integrity and ensuring compliance with human rights, anti-corruption, tax regulations, and ethical standards. The company upholds international human rights principles, fostering fair labour practices and safe working conditions. Zero tolerance for corruption is enforced

through strict anti-bribery policies, aligning with global compliance frameworks. Bakkafrost adheres to transparent and responsible tax practices, contributing fairly to the communities in which it operates. Ethical standards are embedded in corporate governance, ensuring accountability and sustainability in decision-making. For more information on Bakkafrost's policies, please visit the company's website for the complete list of policies.

### KPIs and Accounting Principles

#### Turnover

The turnover KPI is calculated as the proportion of net turnover derived from Taxonomy-eligible and Taxonomy-aligned activities relative to total consolidated net turnover, measured in accordance with IFRS standards (IAS 1). This metric allows us to assess how much our revenue is generated from activities that support our sustainability objectives.

#### Capital Expenditure (CapEx)

The CapEx KPI reflects the share of capital expenditure invested in assets or developments related to Taxonomy-eligible or aligned activities, divided by total capital expenditure. Total CapEx is defined in line with IFRS standards (IAS 16) and includes additions to property, plant, and equipment and expenditures on leases and related investments. Bakkafrost's KPI encompasses capital investments to enhance sustainable aquaculture operations and low-carbon production processes. Due to ongoing assessments, our detailed CapEx plan is still being refined for complete integration into our Taxonomy reporting.

#### Operating Expenses (Opex) KPI

The Opex KPI is defined as the ratio of operating expenses directly related to Taxonomy-eligible or aligned assets or processes, divided by the direct costs associated with maintaining these assets - such as expenses maintenance, repair, and development expenses for maintenance, repair, and research and development. Indirect expenses are excluded, including selling, general, and administrative costs, depreciation, amortization, and impairments. At Bakkafrost, we are further refining our methodology to extract operating expense data from our financial statements in a manner that fully aligns with the Taxonomy definitions. Currently, the KPI covers costs associated with assets supporting sustainable production and specific initiatives that drive low-carbon improvements.

These measures and reporting practices enable Bakkafrost to meet the minimum social safeguard requirements under the EU

Taxonomy, ensuring that our operations are conducted responsibly while contributing to our overall sustainability objectives. Bakkafrost's Taxonomy-eligible and Aligned Activities While aquaculture is not explicitly defined in taxonomy, Bakkafrost's fully integrated value chain spans multiple sectors relevant under the framework. The company has conducted a thorough assessment - based on applicable laws, EU guidance, and technical criteria - to determine which of its activities qualify as taxonomy-eligible and aligned. This evaluation ensures that all operations are continuously reviewed and adapted to meet evolving regulatory requirements and contribute positively to the EU's environmental objectives.

Bakkafrost has screened and analysed its activities for EU taxonomy subject to the six environmental objectives. For 2025, Bakkafrost has included nine activities related to climate mitigation. These activities are (Taxonomy-aligned in italics):

- 4.9 Transmission and distribution of electricity
- 4.20 Cogeneration of heat, cool, and power from bioenergy
- 5.6 Anaerobic Digestion of sewage sludge
- 5.7 Anaerobic digestion of Bio-Waste
- 6.5 Transport by motorbike, passenger cars, and light commercial vehicles
- 6.10 Sea and coastal freight water transport for port operations and auxiliary activities
- 6.19 Passenger and freight air transport
- 7.1 Construction of new buildings
- 7.4 Installation, maintenance, and repair of charging stations for electric vehicles

### 4.9 TRANSMISSION AND DISTRIBUTION OF ELECTRICITY

#### Description of Activity

Bakkafrost Scotland is investing in a wire connection to bring electricity generated from hydropower to its Applecross facility.

#### Substantial Contribution to Climate Change Mitigation

Shifting to electricity generated from hydropower eliminates the need to get power from fossil fuels and other sources. Hydropower energy is 100% renewable, and the investment is in the infrastructure with the main objective of using renewable energy.

#### Do No Significant Harm (DNSH)

*Pollution Prevention and Circular Economy:*

The private wire is underground and not subject to overground high-voltage line concerns. Maximal reuse or recycling of material is a priority and is therefore included in the plan for this investment.

This activity is therefore considered and included in the reporting of Taxonomy-aligned activities.

### 4.20 COGENERATION OF HEAT, COOL, AND POWER FROM BIOENERGY

#### Description of Activity

Bakkafrost, through its ownership of Förka, generates renewable electricity and heat from organic waste using biogas cogeneration technology. This process supplies sustainable energy to its operations, replacing fossil fuel dependence.

#### Substantial Contribution to Climate Change Mitigation

The cogeneration of heat and power through bioenergy reduces carbon emissions and enhances energy efficiency. This system ensures high energy conversion rates while utilizing locally sourced organic waste, reducing reliance on non-renewable energy sources. Greenhouse gas emission savings from the use of biomass are required to be above 80%.

#### Do No Significant Harm (DNSH)

*Pollution Prevention:*

The activity is managed under stringent emissions control measures, which ensure compliance with air quality regulations and reduce particulate matter output.

This activity is therefore considered and included in the reporting of Taxonomy-aligned activities.

### 5.6 ANAEROBIC DIGESTION OF SEWAGE SLUDGE

#### Description of Activity

Bakkafrost transports sewage sludge from its aquaculture operations to its owned facility, Förka, where it undergoes anaerobic digestion. This process generates renewable energy and organic fertiliser, reducing the environmental impact of waste disposal.

### Substantial Contribution to Climate Change Mitigation

The activity reduces reliance on fossil fuels by converting organic waste into biogas, supporting sustainable energy use and effective waste management. The facility is specially designed to capture and thus minimize methane leakage, and the produced biogas is used directly to generate electricity and heat.

#### Do No Significant Harm (DNSH)

##### *Pollution Prevention:*

The emissions are within or lower than the emission levels associated with the best available techniques (BAT-AEL) for anaerobic waste treatment.

This activity is therefore considered and included in the reporting of Taxonomy-aligned activities.

### 5.7 ANAEROBIC DIGESTION OF BIO-WASTE

#### Description of Activity

Bakkafrost, through its owned facility Förka, processes organic bio-waste generated from salmon farming operations and household waste using anaerobic digestion. This method converts organic material into biogas, providing renewable energy. This is done at the dedicated facility for biogas operation. In addition, Bakkafrost has invested in pyrolysis at the Applecross hatchery in Scotland for converting waste into biochar. This can be used for different purposes, such as soil amendment.

#### Substantial Contribution to Climate Change Mitigation

Capturing and utilizing methane from organic waste reduces greenhouse gas emissions and replaces fossil-based energy sources. The produced biogas is used for heat and electricity, supporting energy efficiency and resource circularity in aquaculture operations. Furthermore, the digestate is distributed back out as fertiliser and soil improver.

#### Do No Significant Harm (DNSH)

##### *Pollution Prevention:*

The anaerobic digestion process adheres to strict environmental standards, ensuring the safe handling of waste by-products and preventing water and air pollution. The emissions to air and water are within or lower than the emission levels associated with the best available techniques (BAT-AEL)

This activity is therefore considered and included in the reporting of Taxonomy-aligned activities.

### 6.5 TRANSPORT BY MOTORBIKES, PASSENGER CARS, AND LIGHT COMMERCIAL VEHICLES

#### Description of Activity

Bakkafrost has transitioned to electric vehicles to reduce ground transport emissions. This is a continuous project that will take place over the coming years.

#### Substantial Contribution to Climate Change Mitigation

Shifting to electric transport directly decreases fossil fuel consumption, contributing to EU Taxonomy targets for sustainable mobility. The vehicles are fully electric and thus have zero tailpipe emissions.

#### Do No Significant Harm (DNSH)

##### *Pollution Prevention and Circular Economy:*

The transition follows EU regulations on battery disposal and energy efficiency for sustainable implementation. Measures are in place to manage waste once the fleet has reached the end of life and throughout its life via maintenance.

This activity is therefore considered and included in the reporting of Taxonomy-aligned activities.

### 6.10 SEA AND COASTAL FREIGHT WATER TRANSPORT, VESSELS FOR PORT OPERATIONS AND AUXILIARY ACTIVITIES

#### Description of Activity

Bakkafrost operates a fully electric workboat in the Faroe Islands to support daily aquaculture operations, reducing reliance on diesel-powered vessels.

#### Substantial Contribution to Climate Change Mitigation

The transition to an electric workboat significantly cuts CO2 emissions and supports decarbonization in the sector, aligning with EU Taxonomy transport decarbonization objectives. The vessel aligns directly with the first criterion of having zero direct (tailpipe) CO2 emissions.

#### Do No Significant Harm (DNSH)

##### *Pollution Prevention:*

All vessel operations comply with EU maritime environmental standards to prevent water pollution.

This activity is therefore considered and included in the reporting of Taxonomy-aligned activities.6.19 Passenger and Freight Air Transport

#### Description of Activity

Bakkafrost has invested in an aircraft to optimize its logistical channel. The primary operation is to distribute salmon to the end customer. The aircraft uses regular fuel but has also incorporated Sustainable Aviation Fuel (SAF).

#### Substantial Contribution to Climate Change Mitigation

The use of SAF fuel is working to reduce emissions from air transport, supporting EU Taxonomy goals for energy-efficient mobility solutions. However, its current use levels of SAF do not yet meet the thresholds required for alignment with EU Taxonomy standards.

This activity is therefore considered but not aligned with EU-taxonomy requirements

### 7.1 CONSTRUCTION OF NEW BUILDINGS

#### Description of Activity

Bakkafrost is spending a significant portion of its capex on hatcheries and its capabilities. Bakkafrost is constructing the Applecross Hatchery in Scotland, a modern facility to increase smolt production capacity while ensuring high fish health and biosecurity standards. The hatchery is designed with state-of-the-art technology to enhance operational efficiency, water treatment systems with recirculation (RAS), and disease prevention measures, ensuring sustainable growth within the aquaculture sector.

In addition, the construction of a new hatchery in Skálavík, the Faroe Islands, is underway. It is designed similarly to Applecross and will use similar technology, water treatment systems, etc.

#### Substantial Contribution to Climate Change Mitigation

Even though this activity contributes to climate mitigation by integrating energy-efficient building materials, optimizing insulation, and incorporating heat recovery systems, the necessary assessments for taxonomy alignment have not been performed. Therefore, it cannot be included in the taxonomy as an aligned activity.

This activity is, therefore, not included in the taxonomy-aligned activities.

### 7.4 INSTALLATION, MAINTENANCE, AND REPAIR OF CHARGING STATIONS FOR ELECTRIC VEHICLES

#### Description of Activity

Bakkafrost has installed multiple charging stations across its operational facilities to support the transition to an electric vehicle fleet, which aligns with EU sustainability and decarbonization targets.

#### Substantial Contribution to Climate Change Mitigation

Expanding electric vehicle charging infrastructure reduces dependency on fossil fuels, directly lowering transport-related emissions, consistent with the EU Taxonomy requirements for sustainable transport systems.

#### Do No Significant Harm (DNSH)

##### *Pollution Prevention:*

Charging infrastructure is designed to optimize energy efficiency, minimize power losses, and comply with sustainability regulations.

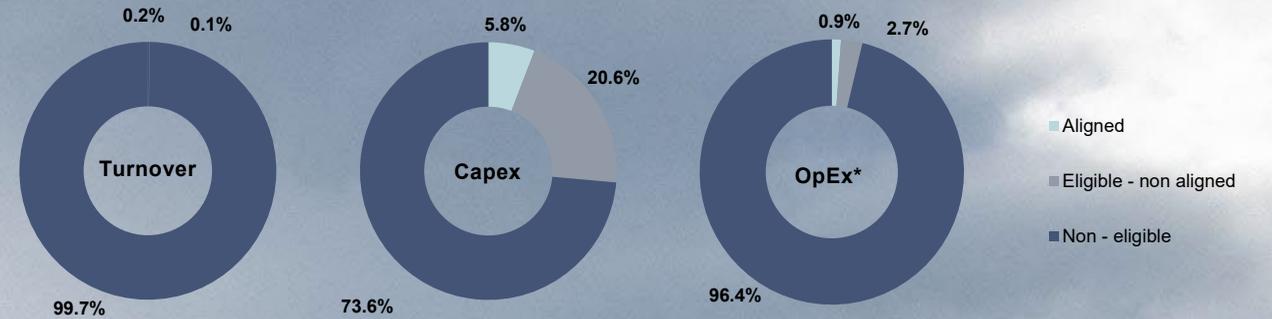
This activity is therefore considered and included in the reporting of Taxonomy-aligned activities.

#### Commitment to the future

Bakkafrost remains dedicated and committed to investing in sustainable solutions for future operations. Through its fully integrated value chain, Bakkafrost's operation is already subjected to several other activities and objectives not fully described in the 2024 EU Taxonomy. This is primarily related to activities outside of 2024 (CapEx and OpEx) and, therefore, falls outside the scope of this reporting. There is also an ongoing assessment of activities before they can be incorporated into the EU Taxonomy.

**EU Taxonomy (DKK million)**

Category	Turnover	CapEx	OpEx
Aligned	14	66	3
Eligible non-aligned	7	233	9
Non – eligible	6,986	835	322
<b>Total Company</b>	<b>7,007</b>	<b>1,135</b>	<b>335</b>



\*The OpEx is adjusted for taxonomy-related activities. The total company amount primarily contains expenditures related to repairs and maintenance.



**TAXONOMY ALIGNED - TURNOVER**

Economic Activities	Code	Absolute turnover (mDKK)	Proportion of Turnover %	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum Safeguards	Taxonomy aligned proportion of total turnover, 2025 (%)	Taxonomy aligned proportion of total turnover, 2024 (%)	Enabling activity	Transitional activity
				Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and ecosystems	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity					
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																				
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																				
Cogeneration of heat/cool and power from bioenergy		14.1	0.2%	100%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	0.2%	0.2%		
<b>Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>14.1</b>	<b>0.2%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																				
Passenger and freight air transport		6.7	0.1%															0.1%		
<b>Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>6.7</b>	<b>0.1%</b>															<b>0.1%</b>		
<b>Total (A.1+A.2)</b>		<b>20.8</b>	<b>0.3%</b>															<b>0.3%</b>		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																				
Turnover of Taxonomy-non-eligible activities		6,986.2	99.7%																	
<b>Total (A+B)</b>		<b>7,007.0</b>	<b>100%</b>																	

**TAXONOMY ALIGNED - CAPEX**

	Code	Absolute CapEx (mDKK)	Proportion of CapEx %	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum Safeguards	Taxonomy aligned proportion of total CapEx, 2025 (%)	Taxonomy aligned proportion of total CapEx, 2024 (%)	Enabling activity	Transitional activity
				Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and eco-systems	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity					
<b>Economic Activities</b>																				
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																				
<i>A.1. CapEx of environmentally sustainable activities (Taxonomy-aligned)</i>																				
Anaerobic digestion of bio-waste		10.1	0.9%	100%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	0.9%	0.0%	E	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)		0.1	0.0%	100%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	0.0%	0.0%	E	
Transmission and distribution of electricity		52.9	4.7%	100%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	4.7%	2.4%	E	
Transport by motorbikes, passenger cars and light commercial vehicles		3.2	0.3%	100%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	0.3%	0.4%		T
<b>CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>66.3</b>	<b>5.8%</b>	<b>6%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>5.8%</b>	<b>2.9%</b>	<b>5.5%</b>	<b>0.3%</b>
<i>A.2 Taxonomy-Eligible but not environmentally sustainable activities</i>																				
Construction of new buildings		231.3	20.4%															14.7%		
Passenger and freight air transport		2.2	0.2%															0.3%		
<b>CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>233.4</b>	<b>20.6%</b>															<b>15.0%</b>		
<b>Total (A.1+A.2)</b>		<b>299.8</b>	<b>26.4%</b>															<b>17.8%</b>		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																				
<b>Capex of Taxonomy-non-eligible activities</b>		<b>835.2</b>	<b>73.6%</b>																	
<b>Total (A+B)</b>		<b>1,135.0</b>	<b>100%</b>																	

**TAXONOMY ALIGNED – OPEX**

	Code	Absolute OpEx (mDKK)	Proportion of OpEx over %	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum Safe-guards	Taxonomy aligned proportion of total OpEx, 2025 (%)	Taxonomy aligned proportion of total OpEx, 2024 (%)	Enabling activity	Transi-tional activity
				Climate Change Mitiga-tion	Climate Change Adapta-tion	Water	Pollu-tion	Circular Econ-omy	Biodi-versity and eco-systems	Climate Change Mitiga-tion	Climate Change Adapta-tion	Water	Pollu-tion	Circular Economy	Biodiver-sity					
<b>Economic Activities</b>																				
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																				
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																				
Anaerobic digestion of bio-waste (OpEx A)		0.9	0.3%	100%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	0.3%	0.3%		
Anaerobic digestion of sewage sludge (OpEx A)		0.9	0.3%	100%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	0.3%	0.3%		
Cogeneration of heat/cool and power from bioenergy (OpEx A)		0.9	0.3%	100%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	0.3%	0.3%		
Sea and coastal freight water transport, vessels for port operations and auxiliary activities (OpEx A)		0.5	0.2%	100%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	0.2%	0.2%		T
<b>OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>3.2</b>	<b>0.9%</b>	<b>1%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>0.9%</b>	<b>1.1%</b>	<b>0%</b>	<b>0%</b>
<b>A.2 Taxonomy-Eligible but not environmentally sustainable activities</b>																				
Passenger and freight air transport (OpEx B)		9.0	2.7%															2.6%		
<b>OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>9.0</b>	<b>2.7%</b>															<b>2.6%</b>		
<b>Total (A.1+A.2)</b>		<b>12.2</b>	<b>3.6%</b>															<b>3.7%</b>		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																				
OpEx of Taxonomy-non-eligible activities		322.3	96.4%																	
<b>Total (A+B)</b>		<b>334.5</b>	<b>100%</b>																	

# Financial Statements

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BAKKAFROST GROUP



# Content

## BAKKAFROST GROUP

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# Consolidated Income Statement

FOR THE YEAR ENDED 31 DECEMBER

DKK 1,000	Note	2025	2024
<b>Operating revenue</b>		<b>7,007,147</b>	<b>7,333,674</b>
Purchase of goods		-2,534,125	-1,490,413
Change in inventory and biological assets (at cost)		274,105	-714,552
Salary and personnel expenses	2.4	-946,722	-881,926
Other operating expenses	2.5	-2,182,334	-2,072,203
Depreciation	3.1/3.3/3.4	-785,124	-704,306
Other income	2.5	54,593	79,418
<b>Operational EBIT*</b>		<b>887,540</b>	<b>1,549,692</b>
Fair value adjustments of biological assets	3.7	128,079	-368,909
Income from associates		36,059	46,964
Revenue tax		-173,858	-221,945
<b>Earnings before interest and taxes (EBIT)</b>		<b>877,820</b>	<b>1,005,802</b>
Financial income	2.7	15,591	18,602
Net interest expenses	2.7	-161,401	-199,533
Net currency effects	2.7	-94,624	34,905
Other financial expenses	2.7	-1,945	-8,142
<b>Earnings before taxes (EBT)</b>		<b>635,441</b>	<b>851,634</b>
Taxes	2.8	-111,683	-206,839
<b>Profit or loss for the period continuing operations</b>		<b>523,758</b>	<b>644,795</b>
<b>Profit or loss for the year attributable to</b>			
Non-controlling interests		-6,408	-11,803
Owners of P/F Bakkafrost		530,166	656,598
		<b>523,758</b>	<b>644,795</b>
Earnings/Diluted earnings per share (DKK)	4.3	8.83	10.88

# Consolidated Statement of Other Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER

DKK 1,000	2025	2024
<b>Profit for the year</b>	<b>523,758</b>	<b>644,795</b>
Changes on financial derivatives	2,383	-4,167
Hereof income tax effect	-364	636
Reserve to share based payment	-326	7,560
Currency translation differences	-146,026	134,011
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>	<b>-144,333</b>	<b>138,040</b>
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>	<b>0</b>	<b>0</b>
<b>Other comprehensive income</b>	<b>-144,333</b>	<b>138,040</b>
<b>Total comprehensive income for the year net tax</b>	<b>379,425</b>	<b>782,835</b>
<b>Total comprehensive income attributable to</b>		
Non-controlling interests	-6,408	-11,803
Owners of P/F Bakkafrost	385,833	794,638
	<b>379,425</b>	<b>782,835</b>

\*Operational EBIT is EBIT before fair value of biomass, onerous contracts and income from associates and revenue tax

# Consolidated Statement of Financial Position

AS AT 31 DECEMBER

DKK 1,000	Note	2025	2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets		4,509,171	4,517,763
<b>Total intangible assets</b>	3.1	<b>4,509,171</b>	<b>4,517,763</b>
Property, plant and equipment	3.3	7,136,020	6,733,306
Right of use assets	3.4	829,037	320,847
<b>Total property, plant and equipment</b>		<b>7,965,057</b>	<b>7,054,153</b>
<b>Non-current financial assets</b>			
Investments in associated companies	3.5	345,286	333,486
Investments in stocks and shares	3.6	798	983
Deferred tax assets	2.8	698,693	590,331
<b>Total non-current financial assets</b>		<b>1,044,777</b>	<b>924,800</b>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>13,519,005</b>	<b>12,496,716</b>
<b>Current assets</b>			
Biological assets (biomass)	3.8	3,422,053	3,138,657
Inventory	3.7	789,723	670,935
<b>Total inventory</b>		<b>4,211,776</b>	<b>3,809,592</b>
Accounts receivables	3.9	699,696	674,819
Other receivables	3.9	297,505	212,502
<b>Total receivables</b>		<b>997,201</b>	<b>887,321</b>
Cash and cash equivalents	3.10	299,749	480,506
<b>TOTAL CURRENT ASSETS</b>		<b>5,508,726</b>	<b>5,177,419</b>
<b>TOTAL ASSETS</b>		<b>19,027,731</b>	<b>17,674,135</b>

DKK 1,000	Note	2025	2024
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	3.11	59,390	59,305
Other equity		10,982,751	11,106,110
Non-controlling interest		1,871	-8,748
<b>Total equity</b>		<b>11,044,012</b>	<b>11,156,667</b>
<b>Non-current liabilities</b>			
Deferred taxes	2.8	2,161,872	2,036,551
Long-term interest-bearing debt	3.12	4,196,642	3,480,527
Long-term leasing debt	3.4	798,395	233,897
<b>Total non-current liabilities</b>		<b>7,156,909</b>	<b>5,750,975</b>
<b>Current liabilities</b>			
Financial derivatives	3.14	1,840	3,447
Trade payables		549,576	433,092
Current tax liabilities	2.8	91,612	186,364
Short-term leasing debt	3.4	48,549	64,856
Other current liabilities		135,233	78,734
<b>Total current liabilities</b>		<b>826,810</b>	<b>766,493</b>
<b>Total liabilities</b>		<b>7,983,719</b>	<b>6,517,468</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>19,027,731</b>	<b>17,674,135</b>

# Consolidated Cash Flow Statement

For the Year ended 31 December

## Accounting Policies

The Group's statement of cash flow shows a breakdown of the Group's overall cash flow into operating, investing, and financing activities. The cash flow statement is prepared according to the indirect method. The statement shows the individual activity's impact on cash and cash equivalents. The cash flow deriving from the acquisition and sale of businesses is presented under investing activities.

DKK 1,000	Note	2025	2024
<b>Cash flow from operations</b>			
<b>EBIT</b>		<b>877,820</b>	<b>1,005,802</b>
Adjustments for write-downs and depreciation	3.1/3.3/3.4	785,124	704,306
Adjustments for fair value adjustments on biomass	3.8	-128,078	368,909
Adjustments for income from associates		-17,812	-46,964
Adjustments for currency effects		-181,059	81,403
Taxes paid		-188,358	-209,475
Change in inventory		-299,018	305,857
Change in receivables		-270,888	77,152
Change in current debts		500,852	67,925
<b>Cash flow from operations</b>		<b>1,078,583</b>	<b>2,354,915</b>
<b>Cash flow from investments</b>			
Proceeds from sale of fixed assets		0	4,156
Payments made for purchase of fixed assets	3.3	-1,135,078	-1,026,137
Purchase of shares and other investments		0	7,712
<b>Cash flow from investments</b>		<b>-1,135,078</b>	<b>-1,014,269</b>
<b>Cash flow from financing</b>			
Change in revolving credit facilities		694,485	-464,919
Financial income		12,429	20,209
Financial expenses		-170,407	-209,282
Lease payment		-172,382	-126,073
Proceeds/Acquisition of treasury shares		-15,206	-7,859
Proceeds from share capital increases		27,340	31,380
Dividend paid		-500,521	-515,270
<b>Cash flow from financing</b>		<b>-124,262</b>	<b>-1,271,814</b>
<b>Net change in cash and cash equivalents in period</b>		<b>-180,757</b>	<b>68,832</b>
Cash and cash equivalents – opening balance		480,506	411,674
<b>Cash and cash equivalents – closing balance total</b>		<b>299,749</b>	<b>480,506</b>

# Consolidated Statement of Changes in Equity

## As at 31 December

Restricted equity comprises equity in which distribution to the shareholders may only take place adhering to specific procedures prescribed by the Faroese Limited Companies Act. Restricted equity consists of Equity Recognition Surplus and Fair Value Adjustments of Biomass. Free equity may be readily distributed to the shareholders, or otherwise disposed of, after due approval by the AGM. The composition of equity may be specified as follows: businesses is presented under investing activities.

DKK 1,000	Share Capital	Share Premium Reserve	Treasury Shares	Share-Based Payment	Currency translation differences	Derivatives	Dividend	Biomass Fair value adjustments	Retained Earnings	Non controlling interest	Total Equity
<b>Equity 01.01.2025</b>	<b>59,305</b>	<b>4,058,679</b>	<b>-14,502</b>	<b>29,187</b>	<b>210,406</b>	<b>-2,829</b>	<b>500,531</b>	<b>372,525</b>	<b>5,952,113</b>	<b>-8,748</b>	<b>11,156,667</b>
<b>Consolidated profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>128,079</b>	<b>402,087</b>	<b>-6,408</b>	<b>523,758</b>
<i>Other comprehensive income:</i>											
Changes in financial derivatives	0	0	0	0	0	2,383	0	0	0	0	2,383
Hereof tax effect	0	0	0	0	0	-364	0	0	0	0	-364
Share-based payment	0	0	0	-326	0	0	0	0	0	0	-326
Currency translation differences	0	0	0	0	-146,026	0	0	0	0	0	-146,026
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-326</b>	<b>-146,026</b>	<b>2,019</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-144,333</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-326</b>	<b>-146,026</b>	<b>2,019</b>	<b>0</b>	<b>128,079</b>	<b>402,087</b>	<b>-6,408</b>	<b>379,425</b>
<i>Transaction with owners:</i>											
Treasury shares	0	0	-16,367	0	0	0	0	0	-2,534	0	-18,901
Share capital increase	85	27,255	0	0	0	0	0	0	0	0	27,340
Change of non-controlling interests	0	0	0	0	0	0	0	0	-17,027	17,027	0
Paid-out dividend	0	0	0	0	0	0	-500,531	0	12	0	-500,519
Proposed dividend	0	0	0	0	0	0	204,895	0	-204,895	0	0
<b>Total transaction with owners</b>	<b>85</b>	<b>27,255</b>	<b>-16,367</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-295,636</b>	<b>0</b>	<b>-224,444</b>	<b>17,027</b>	<b>-492,080</b>
<b>Total changes in equity</b>	<b>85</b>	<b>27,255</b>	<b>-16,367</b>	<b>-326</b>	<b>-146,026</b>	<b>2,019</b>	<b>-295,636</b>	<b>128,079</b>	<b>177,643</b>	<b>10,619</b>	<b>-112,655</b>
<b>Total equity 31.12.2025</b>	<b>59,390</b>	<b>4,085,934</b>	<b>-30,869</b>	<b>28,861</b>	<b>64,380</b>	<b>-810</b>	<b>204,894</b>	<b>500,604</b>	<b>6,129,757</b>	<b>1,871</b>	<b>11,044,012</b>
<b>Equity 01.01.2024</b>	<b>59,228</b>	<b>4,027,375</b>	<b>-8,478</b>	<b>21,627</b>	<b>76,395</b>	<b>702</b>	<b>515,284</b>	<b>741,434</b>	<b>5,429,232</b>	<b>3,055</b>	<b>10,865,854</b>
<b>Consolidated profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-368,909</b>	<b>1,025,507</b>	<b>-11,803</b>	<b>644,795</b>
<i>Other comprehensive income:</i>											
Changes in financial derivatives	0	0	0	0	0	-4,167	0	0	0	0	-4,167
Hereof tax effect	0	0	0	0	0	636	0	0	0	0	636
Share-based payment	0	0	0	7,560	0	0	0	0	0	0	7,560
Currency translation differences	0	0	0	0	134,011	0	0	0	0	0	134,011
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,560</b>	<b>134,011</b>	<b>-3,531</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>138,040</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,560</b>	<b>134,011</b>	<b>-3,531</b>	<b>0</b>	<b>-368,909</b>	<b>1,025,507</b>	<b>-11,803</b>	<b>782,835</b>
<i>Transaction with owners:</i>											
Treasury shares	0	0	-6,024	0	0	0	0	0	-2,816	0	-8,840
Share capital increase	77	31,304	0	0	0	0	0	0	0	0	31,381
Paid-out dividend	0	0	0	0	0	0	-515,284	0	721	0	-514,563
Proposed dividend	0	0	0	0	0	0	500,531	0	-500,531	0	0
<b>Total transaction with owners</b>	<b>77</b>	<b>31,304</b>	<b>-6,024</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-14,753</b>	<b>0</b>	<b>-502,626</b>	<b>0</b>	<b>-492,022</b>
<b>Total changes in equity</b>	<b>77</b>	<b>31,304</b>	<b>-6,024</b>	<b>7,560</b>	<b>134,011</b>	<b>-3,531</b>	<b>-14,753</b>	<b>-368,909</b>	<b>522,881</b>	<b>-11,803</b>	<b>290,813</b>
<b>Total equity 31.12.2024</b>	<b>59,305</b>	<b>4,058,679</b>	<b>-14,502</b>	<b>29,187</b>	<b>210,406</b>	<b>-2,829</b>	<b>500,531</b>	<b>372,525</b>	<b>5,952,113</b>	<b>-8,748</b>	<b>11,156,667</b>

# Notes to the Consolidated Financial Statements

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BAKKAFROST GROUP

NOTES – SECTION 1

# Basis of Preparation

This section gives an overview of the financial accounting policies in general and an overview of the management's key accounting estimates.

## NOTE 1. GENERAL INFORMATION

P/F Bakkafrost ("company") is a public limited company domiciled in the Faroe Islands at Bakkavegur 9, Glyvrar. P/F Bakkafrost was listed on Oslo Stock Exchange in 2010 with the ticker code: BAKKA.

## NOTE 1.1 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented.

## NOTE 1.2 BASIS OF PRESENTATION

The consolidated financial statements comprise the income statement, statement of comprehensive income, statement of financial position, specification of changes in equity, cash flow statement and note disclosures for the Group. The accounting year equals the calendar year. The financial statements were formally drawn up in accordance with International Financial Reporting Standards (IFRS) and the interpretations issued by the International Accounting Standards Board as approved by the European Community and the additional requirements in the Faroese Financial Reporting act.

The consolidated financial statements for the period 1 January to 31 December 2025 comprises both the Consolidated Annual Report and Accounts for P/F Bakkafrost and its subsidiaries (Group) and the separate Annual Accounts for the parent company.

The financial statements were formally authorized for issue by the Board of Directors on 25 March 2026.

The financial statements have been prepared on a historical cost basis except for where IFRS requires recognition at fair value, mainly valuation of licences, which are acquired by business combinations, and of biomass.

Preparation of the financial statements involves the use of estimates and assumptions. Changes in estimates and estimated assumptions are accounted for when they occur. Descriptions about the various estimates applied are given in the notes to the accounts where relevant.

## NOTE 1.3 CONSOLIDATION PRINCIPLES

The consolidated financial statements include P/F Bakkafrost and the subsidiaries over which P/F Bakkafrost has a controlling influence either by shareholding or by agreement. A controlling interest is normally deemed to exist when ownership directly or indirectly exceeds 50% of the voting rights. Controlling interest may also exist by nature of agreement. Similarly, limitations in voting rights by agreement may impede exercise of control, and the investment concerned will be considered an associate.

Newly acquired subsidiaries are included from the date on which a controlling interest is secured, and divested subsidiaries are included up until the date of divestment. The consolidated accounts have been prepared in accordance with uniform accounting principles for similar transactions in all companies included in the consolidated accounts.

All material transactions and balances between Group Companies have been eliminated.

Shares in subsidiaries have been eliminated in the consolidated financial statements in accordance with the acquisition method. This means that the acquired company's assets and liabilities are reported at fair value at the date of acquisition, with any excess value being classified as goodwill. Where the fair value of the assets acquired exceeds, the payment made, the difference is treated as negative goodwill in the Income Statement.

When shares are acquired in stages, the value basis of the assets and liabilities is the date, the Group was formed. Later acquisition of assets in existing subsidiaries will not affect the value of assets or liabilities, except for goodwill, which is calculated with each acquisition.

Investments in companies in which the Group has a significant influence (associated companies) are treated in accordance with the equity method in the consolidated accounts. A considerable influence is normally deemed to exist when the Group owns 20–50% of the voting capital. The Group's share of the profits in such companies is based on profit after tax, less internal gains, and depreciation on excess value due to the cost price of the shares being higher than the acquired portion of book equity. In the Income Statement, the profit share is presented on a separate line, while the assets are presented in the statement of financial position as non-current financial assets. The accounting principles used by associated companies have been changed where necessary to achieve consistency with the principles used by the Group.

## NOTE 1.4 TRANSLATION OF FOREIGN CURRENCIES

For each individual entity, which is recognised in the consolidated accounts, a functional currency is determined in which the entity measures its results and financial position. The functional currency is the currency of the primary economic environment in which the entity operates. Transactions in other currencies than the functional currency are transactions in a foreign currency.

A foreign currency transaction is, on initial recognition, recorded in the functional currency at the spot exchange rate between the functional currency and the foreign currency on the date of the transaction.

At each balance sheet date, receivables, payables, and other monetary items in foreign currency are translated to the functional currency using the closing rate. Exchange differences arising on the settlement of monetary items or on translating monetary items, at rates different from those at which they were translated on initial recognition during the period or in previous financial statements, shall be recognised in the income statement under financial revenues and expenses.

On consolidation, the results and financial position of the Group's individual entities with different functional currencies than the

Group's presentation currency (DKK) are translated into the Group's presentation currency using the following procedure:

Assets and liabilities are translated at the closing rate at the date of the balance sheet.

Income and expenses are translated at exchange rates at the dates of the transactions.

All resulting exchange differences are recognised directly in equity as a separate component of equity. For practical reasons an average rate for the period that approximates the exchange rates at the dates of the transactions is used.

## NOTE 1.5 CLASSIFICATION PRINCIPLES

Biomass is recognised at fair value in the Statement of Financial Position. Changes in biomass and inventory measured at cost are presented as a one-line item in the Income Statement. Biomass at cost consists of all production costs. The biomass is then adjusted to fair value, i.e., market value less finishing costs, by adding or subtracting an IFRS adjustment. The IFRS adjustment is the difference between biomass measured at cost and measured at fair value.

Cash and cash equivalents consist of cash in hand and bank deposits. Assets, which form part of the production cycle or fall due for payment within 12 months, are classified as current assets. Other assets are classified as non-current assets. Liabilities, which form part of the production cycle or fall due for payment within 12 months, are classified as current liabilities. Other liabilities are classified as non-current liabilities.

Dividend proposals are not classified as liabilities until the parent company has assumed an irrevocable obligation to pay the dividend, normally when dividend proposals have been approved by the Annual General Meeting.

Next year's instalments on long-term debts are classified as current liabilities.

Changes in the fair value of biological assets are presented on a line item separately from biomass changes measured at cost under operating profit/loss. This allows the reader of the Financial Report to determine both production efficiency and biomass at fair value.

**NOTE 1.6 FUNCTIONAL CURRENCY**

The consolidated accounts are presented in Danish Kroner (DKK), which is the Group's functional and presentation currency. All transactions in foreign currencies are translated into DKK at the time of the transaction. In the statement of financial position, monetary items in foreign currencies are translated at the exchange rate in effect on the statement of financial position date.

**NOTE 1.7 NEW STANDARDS**

Standards and interpretations, which are issued at the date of the Group's Financial statements, but will become effective later, are disclosed below. The disclosures contain standards, including amendments, which may influence recognition or measurements in the Financial statements, alter existing disclosures or require additional disclosures when effective at a future date. The standards are implemented as they become effective.

New standards, regulating issues not relevant to the Group or with insignificant impact on the Group, are omitted from this narrative.

**New standards and interpretations not yet effective**

The IASB have issued new and amended standards and interpretations that are not yet effective and have therefore not been adopted in the Bakkafrost Group's consolidated financial statements for 2025. The Group will adopt the new requirements when they become effective.

In 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1. The Group is assessing the impact on the presentation of the consolidated statement of profit or loss and related disclosures. Based on the work performed to date, IFRS 18 is expected to mainly affect presentation, including:

- Foreign exchange differences presented in the same category as the related item (e.g. trade receivables/payables in operating).
- Fair value changes on derivatives not designated as hedges presented in operating.
- Interest and bank fees related to operating items presented in operating.
- Interest, FX and gains/losses on cash and securities presented in investing.

The assessment may change as further guidance and market practice develop. Other new or amended standards are not expected to have a material impact on the Group's consolidated financial statements.

**NOTE 1.8 ACCOUNTING ESTIMATES**

The preparation of financial statements in accordance with IFRS requires the management to make judgment estimates and assumptions that affect the application of accounting principles and carrying amounts of assets and liabilities, income, and expenses. The estimates and underlying assumptions are based on experience and other factors perceived to be relevant and probable when the judgments were made.

Estimates are reviewed on an ongoing basis, and actual values and results may deviate from the initial estimates. Revision to accounting estimates is recognised in the period in which the estimates are revised. The evaluations and estimates, deemed to be of greatest significance for Bakkafrost Group's Financial Statements, are described in the notes.

**NOTE 1.9 IXBRL REPORTING**

We are required to file our annual report in the European Single Electronic Format ('ESEF') using the XHTML format and to tag the primary consolidated financial statements using Inline eXtensible Business Reporting Language (iXBRL). The iXBRL tags comply with the ESEF taxonomy. Where a financial statement line item is not defined in the ESEF taxonomy, an extension to the taxonomy has been created. The annual report submitted to the Faroese Financial Supervisory Authority consists of the XHTML document together with certain technical files, all included in a ZIP file named Bakkafrost-2025-12-31-en.zip.

NOTES – SECTION 2

# Results for the Year

This section gives more details on the results for the year, including operating segments, taxes, and employee costs.

## NOTE 2.1 REVENUE

Revenue primarily comprises sale of salmon, VAP products, fish-meal, fish oil and fish feed. Revenue is recognised when control of the goods passes to the customer, generally upon delivery in accordance with agreed delivery terms. Revenue is measured net of discounts, rebates, VAT and other sales-related taxes. Contracts with customers generally contain one performance obligation only and revenue is recognised at a point in time. Trade receivables are recognised when consideration becomes unconditional. Due to the short-term nature of the Group's contracts, contract assets and contract liabilities are generally not material at year-end. The Group applies the practical expedient not to disclose remaining performance obligations for contracts with an original expected duration of one year or less.

## NOTE 2.2 MAJOR CUSTOMERS

In 2025, there were no major customers - as defined in IFRS 8.34, compared to no major customer in 2024.

**NOTE 2.3 OPERATING SEGMENT INFORMATION**

	Fishmeal, oil and feed	Freshwater Faroe Islands	Freshwater Scotland	Farming Faroe Islands	Farming Scotland	Services	Sales and other	Eliminations	Group
<b>2025 – DKK 1,000</b>									
External operating revenues	340,049	0	85	59	10,742	57,961	6,598,251	0	7,007,147
Internal operating revenues	2,264,188	896,770	169,375	4,050,650	1,110,360	862,558	3,678,869	-13,032,770	0
<b>Total operating revenues</b>	<b>2,604,237</b>	<b>896,770</b>	<b>169,460</b>	<b>4,050,709</b>	<b>1,121,102</b>	<b>920,519</b>	<b>10,277,120</b>	<b>-13,032,770</b>	<b>7,007,147</b>
Depreciation and amortization	-28,171	-127,419	-57,452	-138,692	-252,739	-101,662	-78,411	-578	-785,124
Change in internal margin	0	0	0	0	0	0	0	0	0
Operating expenses	-2,259,554	-442,077	-226,115	-3,479,192	-1,290,808	-694,473	-9,953,210	12,956,353	-5,389,076
Other income	0	0	1,642	0	10,533	0	42,418	0	54,593
<b>Operational EBIT</b>	<b>316,512</b>	<b>327,274</b>	<b>-112,465</b>	<b>432,825</b>	<b>-411,912</b>	<b>124,384</b>	<b>287,917</b>	<b>-76,995</b>	<b>887,540</b>
Fair value adjustments on biological assets	0	0	0	126,387	1,692	0	0	0	128,079
Income from associates	33,686	0	0	0	0	0	2,373	0	36,059
Revenue tax	0	0	0	-157,899	-15,959	0	0	0	-173,858
<b>EBIT</b>	<b>350,198</b>	<b>327,274</b>	<b>-112,465</b>	<b>401,313</b>	<b>-426,179</b>	<b>124,384</b>	<b>290,290</b>	<b>-76,995</b>	<b>877,820</b>
<b>Operational EBITDA</b>	<b>344,683</b>	<b>454,693</b>	<b>-55,013</b>	<b>571,517</b>	<b>-159,173</b>	<b>226,046</b>	<b>366,328</b>	<b>-76,417</b>	<b>1,672,664</b>
INVESTMENTS in Property, plant and equipment	125,515	295,930	262,459	256,952	33,248	121,663	39,311		1,135,078
<b>2024 – DKK 1,000</b>									
External operating revenues	696,889	0	878	740	4,429	42,428	6,588,310	0	7,333,674
Internal operating revenues	2,033,651	782,053	116,380	3,916,580	1,837,043	852,180	3,623,817	-13,161,704	0
<b>Total operating revenues</b>	<b>2,730,540</b>	<b>782,053</b>	<b>117,258</b>	<b>3,917,320</b>	<b>1,841,472</b>	<b>894,608</b>	<b>10,212,127</b>	<b>-13,161,704</b>	<b>7,333,674</b>
Depreciation and amortization	-26,402	-117,029	-36,368	-125,108	-209,241	-115,271	-74,886	0	-704,305
Change in internal margin	0	0	0	0	0	0	0	-84,258	-84,258
Operating expenses	-2,202,159	-375,911	-179,798	-3,057,810	-1,731,369	-696,809	-9,992,685	13,161,704	-5,074,837
Other income	0	0	0	14,886	0	0	64,532	0	79,418
<b>Operational EBIT</b>	<b>501,979</b>	<b>289,113</b>	<b>-98,908</b>	<b>749,288</b>	<b>-99,138</b>	<b>82,528</b>	<b>209,088</b>	<b>-84,258</b>	<b>1,549,692</b>
Fair value adjustments on biological assets	0	0	0	-60,260	-308,649	0	0	0	-368,909
Income from associates	46,536	0	0	0	0	214	214	0	46,964
Revenue tax	0	0	0	-199,841	-22,104	0	0	0	-221,945
<b>EBIT</b>	<b>548,515</b>	<b>289,113</b>	<b>-98,908</b>	<b>489,187</b>	<b>-429,891</b>	<b>82,742</b>	<b>209,302</b>	<b>-84,258</b>	<b>1,005,802</b>
<b>Operational EBITDA</b>	<b>528,381</b>	<b>406,142</b>	<b>-62,540</b>	<b>874,396</b>	<b>110,103</b>	<b>197,799</b>	<b>283,974</b>	<b>-84,258</b>	<b>2,253,997</b>
INVESTMENTS in Property, plant and equipment	234,148	151,093	192,383	225,458	84,775	80,369	45,073		1,013,299

<b>FARMING FO</b>	<b>2025</b>	<b>2025</b>	<b>2024</b>	<b>2024</b>
<b>DISTRIBUTION OF HARVESTED VOLUMES</b>	<b>tgw</b>	<b>%</b>	<b>tgw</b>	<b>%</b>
Harvested FO volume used in VAP production	17,180	20.5%	13,666	21.8%
Harvested FO volume sold fresh/frozen	66,458	79.5%	49,110	78.2%
<b>Total harvested volumes</b>	<b>83,638</b>	<b>100.0%</b>	<b>62,776</b>	<b>100.0%</b>

<b>FOF SEGMENT</b>	<b>tonnes</b>	<b>%</b>	<b>tonnes</b>	<b>%</b>
<b>DISTRIBUTION OF FEED</b>				
Volumes used internally	163,799	99.2%	138,424	98.6%
External sold	1,375	0.8%	1,937	1.4%
<b>Sold volumes</b>	<b>165,174</b>	<b>100.0%</b>	<b>140,361</b>	<b>100.0%</b>

<b>PRODUCTION OF FISHMEAL AND FISH OIL</b>	<b>tonnes</b>	<b>%</b>	<b>tonnes</b>	<b>%</b>
Fishmeal	74,770	86.7%	66,414	85.9%
Fish oil	11,473	13.3%	10,919	14.1%
<b>Total production</b>	<b>86,243</b>	<b>100.0%</b>	<b>77,333</b>	<b>100.0%</b>

<b>FARMING SCT</b>	<b>tgw</b>	<b>%</b>	<b>tgw</b>	<b>%</b>
<b>DISTRIBUTION OF HARVESTED VOLUMES</b>				
Harvested volume sold fresh/frozen	23,185	100.0%	27,880	100.0%
<b>Total harvested volumes</b>	<b>23,185</b>	<b>100.0%</b>	<b>27,880</b>	<b>100.0%</b>

**GEOGRAPHIC BREAKDOWN OF SALES REVENUES BASED ON SEGMENTS AND CUSTOMER LOCATION**

<b>2025 – DKK 1,000</b>	<b>Fishmeal, oil and feed</b>	<b>Freshwater Faroe Islands</b>	<b>Freshwater Scotland</b>	<b>Farming Faroe Islands</b>	<b>Farming Scotland</b>	<b>Services</b>	<b>Sales &amp; Other</b>	<b>Total</b>
Western Europe	340,049	0	85	59	10,742	57,961	3,513,569	3,922,465
North America	0	0	0	0	0	0	1,660,120	1,660,120
Asia	0	0	0	0	0	0	1,072,216	1,072,216
Eastern Europe	0	0	0	0	0	0	281,745	281,745
Rest of the world	0	0	0	0	0	0	70,601	70,601
<b>Total</b>	<b>340,049</b>	<b>0</b>	<b>85</b>	<b>59</b>	<b>10,742</b>	<b>57,961</b>	<b>6,598,251</b>	<b>7,007,147</b>

<b>2024 – DKK 1,000</b>	<b>Fishmeal, oil and feed</b>	<b>Freshwater Faroe Islands</b>	<b>Freshwater Scotland</b>	<b>Farming Faroe Islands</b>	<b>Farming Scotland</b>	<b>Services</b>	<b>Sales &amp; Other</b>	<b>Total</b>
Western Europe	696,889	0	878	740	4,429	42,428	3,978,680	4,724,044
North America	0	0	0	0	0	0	1,412,534	1,412,534
Asia	0	0	0	0	0	0	944,764	944,764
Eastern Europe	0	0	0	0	0	0	233,885	233,885
Rest of the world	0	0	0	0	0	0	18,447	18,447
<b>Total</b>	<b>696,889</b>	<b>0</b>	<b>878</b>	<b>740</b>	<b>4,429</b>	<b>42,428</b>	<b>6,588,310</b>	<b>7,333,674</b>

## ACCOUNTING POLICIES SEGMENT REPORTING

The Group has seven reportable segments in accordance with IFRS 8, Operating Segments. The main purpose of the segment structure is to derive to a clear definition of how the value creation is split across the value chain. The Group's main strategic business area is aquaculture, which now consists of the following seven segments: fishmeal, fish oil and fish Feed (FOF), freshwater Faroe Islands, freshwater Scotland, farming Faroe Islands, farming Scotland, services, and sales & other.

The same accounting principles, as described to the consolidated financial statements, have been applied for the segment reporting. Intersegment transfers or transactions are entered into under normal commercial terms and conditions, and the measurement used in the segment reporting is the same as used for third-party transactions. The pricing principle between the segments is based on market reference prices for spot sale.

### Fishmeal, fish oil and fish feed (FOF)

Fishmeal, fish oil and fish feed involve the production and sale of fishmeal, fish oil and fish feed. The production of fishmeal, fish oil and fish feed are operated by Bakkafrost's subsidiary Havsbrún, located in Fuglafjørður. Intersegment transfers follow standard commercial terms and are measured using the same criteria as transactions with third parties. The pricing principle between the FOF and the Farming segments is based on quarterly contracts.

### Freshwater Faroe Islands and Freshwater Scotland

The two Freshwater segments both include broodstock and smolt production in hatcheries on land. In the broodstock operation, eggs are produced from breeding self-owned salmon strains. Eggs are sold to the hatcheries who in turn produce from egg to smolt, which are sold to the Farming operations in the Faroe Islands and Scotland. The pricing principle between the freshwater segments and farming segments is based on estimates of prevailing market prices, ensuring fair and transparent pricing and transactions.

### Farming Faroe Islands and Farming Scotland

Fish farming involves the on-growing of salmon, nurturing them in the marine environment from smolt to harvest-ready salmon. The Group holds marine farming licences around the Faroe Islands and Scotland, which are reported as two separate segments (farming Faroe Islands and farming Scotland). The pricing principle between, the farming segments and the sales & other segment is determined by market reference prices for spot sales.

### Services

The services segment offers various services to the Group. It manages a fleet of farming service vessels, providing fish transportation, treatments, net cleaning, heavy marine support services, and it also converts organic waste into biogas, heating, electricity, and fertiliser for external sale. Furthermore, this segment provides harvesting services to both the Scottish and Faroese farming operations, along with producing Styrofoam boxes to the Faroese operation. Intersegmental transfers and transactions are priced based on direct market prices, if possible, or estimates derived from market pricing and external pricing approaches.

### Sales & Other

The sales & other segment optimises the value creation and retention from the harvested fish and provides freight & logistical services. The segment strategically utilises processing capacities located in key regions such as the Faroe Islands, Scotland, Denmark, and the United States to enhance the production of value-added products (VAP). The pricing approach for sales administration is based on benchmarking analysis from external sources as well as pricing contracts.

**NOTE 2.4 SALARIES AND OTHER PERSONNEL EXPENSES**

<b>DKK 1,000</b>	<b>2025</b>	<b>2024</b>
Wages and salaries	758,209	697,210
Share based payment	30,969	38,431
Social security taxes	54,680	58,755
Pension expenses	76,708	63,035
Other benefits	26,156	24,495
<b>Total payroll expenses</b>	<b>946,722</b>	<b>881,926</b>
Average number of full-time employees	1,635	1,567
<b>Fees paid to the Board of Directors</b>		
Rúni M. Hansen Chairman of the Board	562	555
Guðrið Højgaard*** Member of the Board	255	252
Annika Frederiksberg* Member of the Board	255	252
Einar Wathne** Member of the Board	281	277
Teitur Samuelsen** Member of the Board	334	329
Øystein Sandvik***** Former Member of the Board	111	329
Alf-Helge Aarskog**** Former Member of the Board	234	170
<b>Total remuneration</b>	<b>2,032</b>	<b>2,164</b>

\* Is also an employee in the Bakkafrost Group. For this, she received DKK 771 thousand (2024: DKK 704 thousand).

\*\* Member of the audit committee and remuneration committee.

\*\*\* Member of the remuneration committee, and member of audit committee since Nov 2025

\*\*\*\* Member of the Board of Directors and audit committee from May 2024 to Nov 2025 when he passed away.

\*\*\*\*\* Member of the board until April 2025

**REMUNERATION TO CORPORATE MANAGEMENT**

The total remuneration to the corporate management consists of basic salary (main element), benefits in-kind and pension schemes, but varies from person to person. The Group's Chief Executive Officer determines the remunerations to other management in agreement with the Remuneration Committee. The total remuneration is determined based on the need to offer competitive terms in the various business areas. The remunerations should promote the Group's competitiveness in the relevant labour market.

The total remuneration must neither pose a threat to Bakkafrost's reputation nor be market leading but should ensure that Bakkafrost attracts and retains senior executives with the desired skills and experience. The basic salary is subject to an annual evaluation and is determined based on general salary levels in the labour market.

**NOTICE OF TERMINATION AND SEVERANCE PAYMENT**

Bakkafrost may terminate employment by giving Group Management Executives a notice period. The company's period of notice for the Group's Chief Executive Officer is 24 months. The company's period of notice for other Group Management Executives covers a period from 6 to 12 months.

**SHARE-BASED PAYMENTS**

In 2021, Bakkafrost implemented a share-based bonus scheme for all employees in the Group. According to the scheme, all employees are awarded free bonus shares dependent on achieved performance against certain KPIs and Bakkafrost Group's adjusted earnings per share being above a certain threshold. The bonus shares are awarded quarterly as restricted shares units which are released pursuant only to the Annual General Meeting resolution to pay dividends to the shareholders. Employees still employed two calendar years after being awarded bonus shares, will additionally receive free loyalty shares.

Each quarter, the Board reviews and determines the parameters used in the bonus scheme – e.g. overall size of bonus pool, KPIs and thresholds. The Board has the right to decide, in its sole

discretion, whether the bonus scheme will be continued in the following quarter, and the terms of the plan.

**SHARE SAVING PLAN**

Bakkafrost has established a share saving plan for its employees in the Faroe Islands. In 2022, the savings plan was extended to all employees of the Group. It is the Board's intention that the plan shall be a continuing part of the company's employee incentive scheme. The Board shall, however, have the right to decide, in its sole discretion, whether the plan will be extended in the future, and the terms of the plan.

Employees may invest up to 5% of their base salary in Bakkafrost shares. The saved amount is deducted from the monthly net salary and used to purchase Bakkafrost shares on behalf of the employees. The purchase will be made from Bakkafrost's treasury

shares or on the market. An employee may not change the savings amount during the year, but an employee may cancel the subscription during the year. The purchase price and the number of shares acquired by the company will be reported in accordance with the applicable regulations.

After a lock-in period of two calendar years, one extra matching share will be awarded for each share purchased. Shares transferred to employees are acquired by the company on the market.

#### LOANS TO EMPLOYEES

As at 31.12.2025, there are no loans to employees.

#### ACCOUNTING POLICIES SHARE-BASED PAYMENTS

The share saving plan liabilities and payroll expense have been allocated over the employees' contribution period. The contribution period is from when the employee signed the share saving plan and until the shares are granted. The fair value of these liabilities will be determined using the number of shares contracted at the start of the share saving plan, using the share price on the date of the employee signature, adjustment is made for estimated leavers of the share saving plan. The difference between the fair value and the share price, when the shares are granted, will be booked as a financial item in the income statement. The liability is recognised in other equity reserves within equity.

#### PENSIONS

The Group operates a defined contribution pension scheme. Pension premiums are charged to the Income Statement as they accrue. The Group has no additional pension liabilities towards the employees, apart from these periodical payments.

#### REMUNERATION TO CORPORATE MANAGEMENT 2025

##### Fixed remuneration DKK 1,000

Salary and other benefits paid	Salary	Pension	Other	Total tDKK
Chief Executive Officer	2,654	292	89	3,035
Managing Director	1,917	211	0	2,128
Chief Financial Officer	1,917	211	89	2,217
<b>Total remuneration</b>	<b>6,488</b>	<b>714</b>	<b>178</b>	<b>7,380</b>

#### 2024

##### Salary and other benefits paid

Chief Executive Officer	2,653	265	89	3,007
Managing Director	1,848	185	0	2,033
Chief Financial Officer	1,848	185	89	2,122
<b>Total remuneration</b>	<b>6,349</b>	<b>635</b>	<b>178</b>	<b>7,162</b>

\* Restricted Stock Units 1 will be released out as shares if the AGM pays out a dividend

\*\* Restricted Stock Units 2 will be released in shares in 2028 if the AGM pays out a dividend and the employee still is hired

##### Variable remuneration number shares

Bonus	RSU 1*	RSU 2**	Share saving plan	Total
0	1,228	1,228	418	2,874
0	850	850	311	2,011
0	850	850	310	2,010
<b>0</b>	<b>2,928</b>	<b>2,928</b>	<b>1,039</b>	<b>6,895</b>
0	934	934	325	2,193
0	650	650	226	1,526
0	650	650	226	1,526
<b>0</b>	<b>2,234</b>	<b>2,234</b>	<b>777</b>	<b>5,245</b>

#### Movements in variable remuneration number of shares

	Outstanding per 01.01.25	Addition RSU	Released RSU	Outstanding per 31.12.25
Chief Executive Officer	7,306	2,874	2,412	7,768
Managing Director	5,107	2,011	1,705	5,413
Chief Financial Officer	5,292	2,010	1,704	5,598

	Outstanding per 01.01.24	Addition RSU	Released RSU	Outstanding per 31.12.24
Chief Executive Officer	6,290	2,395	1,379	7,306
Managing Director	4,425	1,666	984	5,107
Chief Financial Officer	4,568	1,666	942	5,292

**NOTE 2.5 OTHER OPERATING INCOME AND EXPENSES**

<b>DKK 1,000</b>	<b>2025</b>	<b>2024</b>
Maintenance	-334,519	-284,135
Operating expenses	-388,082	-444,337
Health	-205,082	-198,728
Freight	-625,834	-548,324
Energy	-463,339	-434,069
Other costs	-165,478	-162,610
<b>Other operating expenses total</b>	<b>-2,182,334</b>	<b>-2,072,203</b>
R&D Expenditure tax credit	54,536	64,533
Income related to former years	56	14,886
<b>Other income</b>	<b>54,592</b>	<b>79,419</b>

**NOTE 2.6 RESEARCH AND DEVELOPMENT EXPENSES**

R&D expenditure occurs throughout the value chain. R&D is built into the Bakkafrost business model DNA.

Bakkafrost is continually developing its entire value chain. This is not seen as R&D expenditures but rather as R&D-related activities, thus being an integrated part of other operating expenses and salaries.

Bakkafrost’s R&D efforts have been evaluated and improved in recent years. Lice abatement, biomass control, and smolt quality remain high priorities, and the development and improvement of vaccines, nutrition and feeding, as well as operating technologies, are equally topical. In addition, Bakkafrost continuously assesses its own operating practices.

Bakkafrost continues to expand its R&D activities in feed and feeding and sees the need for greater focus on the valuable knowledge of how fish are fed and how we can maintain a healthy salmon. We are convinced that our adaptation of the mix of raw materials has resulted in better nutritional quality in the feed. Bakkafrost’s clearly expressed goal is to continuously initiate better and more comprehensive research into these issues under large-scale conditions.

Bakkafrost continuously focuses on reducing biological risk and has made several new investments and procedures to diminish this risk. Bakkafrost focuses on non-medical methods for treating sea lice and has invested in new technology to support this strategy.

Bakkafrost has a large-smolt strategy and aims to increase the smolt size to around 500 grams smolts in the Faroe Islands. The strategy is also pivotal to the turnaround of the operation in Scotland. The benefits are shorter production time at sea and reduced biological risk. The hatchery at Strond, Klaksvík, is an essential part of this plan for the Faroe Islands. This fully operational hatchery can produce 8 million smolts at 500g. In addition, Bakkafrost has expanded the Faroese hatchery capacity of the hatcheries at Glyvradal, Viðareiði and Norðtoftir. Furthermore, Bakkafrost announced plans to build a new hatchery in Skálavík, which will be operational in late 2026. In Scotland, the completion of Applecross hatchery is pivotal in producing high-quality smolt. All Bakkafrost’s hatcheries are and will be based on state-of-the-art technology and advanced RAS (recirculating aquaculture systems). These investments are crucial for achieving the volume growth strategy.

In 2025, Bakkafrost had R&D-related activities on the following projects (but not limited to):

- Native Faroese and Hebridean broodstock programme
- Optimising nutritional quality
- Fish welfare related to lice and other risks
- Freshwater treatment optimisation
- Robust smolt strategy

R&D-related activities are large-scale developments and experiments that reflect the nature of Bakkafrost’s business. Examples of large-scale activities are (but not limited to):

- Large batch smolt related to the development and optimisation of freshwater treatment
- Batches on broodstock programmes and development
- Large-scale developments on fish welfare in sea farming operations

R&D expenditure tax credits are recognised in other operating income when reasonably assured, based on eligible R&D spend and subject to compliance with scheme requirements.

**NOTE 2.7 NET FINANCIAL ITEMS**

<b>DKK 1,000</b>	<b>2025</b>	<b>2024</b>
Other financial income	15,591	18,602
<b>Financial income</b>	<b>15,591</b>	<b>18,602</b>
Interest expenses on long-term loans	-135,619	-180,258
Interest expenses on credit lines	-1,542	-481
Interest expenses on IFRS 16 (leases)	-22,931	-8,067
Interest expenses on accounts payable	-1,309	-10,727
<b>Financial expenses</b>	<b>-161,401</b>	<b>-199,533</b>
Other exchange differences	-94,624	34,905
<b>Net currency effects</b>	<b>-94,624</b>	<b>34,905</b>
Other financial expenses	-1,945	-8,142
<b>Other financial items</b>	<b>-1,945</b>	<b>-8,142</b>
<b>Net financial items</b>	<b>-242,379</b>	<b>-154,168</b>

**ACCOUNTING POLICIES FINANCIAL INCOME**

Interest income is recognised on an accrual basis. Dividend income is recognised when the shareholders' right to receive a dividend has been approved by the Annual General Meeting.

**BORROWING COSTS**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings. Borrowings are classified as a current liability, unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

**NOTE 2.8 TAX**

The tax expense for the year breaks down as follows:

DKK 1,000	2025	2024
Tax payable	93,363	186,364
Change in deferred tax	17,761	19,855
Tax on treasury shares	559	620
<b>Tax expense on ordinary profit</b>	<b>111,683</b>	<b>206,839</b>
Tax payable	93,363	189,364
Tax paid during the year	-1,751	0
<b>Tax payable in the statement of financial position</b>	<b>91,612</b>	<b>186,364</b>

Specifications of temporary differences and deferred tax

DKK 1,000	2025		2024	
	Temporary Differences	Deferred tax	Temporary Differences	Deferred tax
<b>Deferred tax assets</b>				
Receivables	1,533	276	1,244	224
Currency effects	2,215	176	2,215	399
Derivatives (Equity posted)	1,806	325	3,412	614
Losses carried forward	2,801,401	697,916	2,365,636	589,093
<b>Total temporary differences</b>		<b>698,693</b>		<b>590,330</b>

**ACCOUNTING POLICIES**

The tax expense is matched against the profit or loss before tax, as it appears in the accounts. Tax ascribable to equity transactions is taken to equity. The tax expense comprises tax payable (tax on the year's direct taxable income) and changes in net deferred taxes. Deferred tax liabilities and deferred tax assets are presented net in the statement of financial position to the extent that tax assets and liabilities can be netted against each other.

Deferred tax in the statement of financial position is a nominal amount calculated based on temporary differences between accounting and tax values at their intended use, as well as the taxable loss carried forward at the end of the financial year.

Normal tax rate for countries in the Group:

- Faroe Islands 18% and +12% for seafarming
- UK/Scotland 25%
- USA 21% + New Jersey 11.5%
- Denmark 22%
- France 25%

DKK 1,000	2025		2024	
	Temporary Differences	Deferred tax	Temporary Differences	Deferred tax
<b>Deferred tax liabilities</b>				
Licences	3,692,769	896,380	3,692,769	896,380
Goodwill	9,268	2,039	9,268	2,039
Research and development	186	41	305	67
Property, plant and equipment	3,084,571	633,085	3,046,186	633,539
Financial assets	300,078	54,014	266,913	48,044
Biomass	2,823,949	573,180	2,823,949	457,913
Other differences	12,531	3,133	-7,950	-1,431
<b>Total temporary differences</b>		<b>2,161,872</b>		<b>2,036,551</b>

Deferred tax assets	-698,693	-590,330
Deferred tax liabilities	2,161,872	2,036,551
<b>Deferred tax liabilities (+) / assets (-)</b>	<b>1,463,179</b>	<b>1,446,221</b>

**Reconciliation from nominal to actual tax rate**

Profit before tax	635,441	851,634
Expected tax at nominal tax rate	114,379	153,294
Permanent differences	-2,696	53,545
<b>Calculated tax expense</b>	<b>111,683</b>	<b>206,839</b>

Effective tax rate excl. equity entries	17.58%	24.29%
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**SIGNIFICANT ASSUMPTION ACCOUNTING FOR DEFERRED TAX LIABILITIES**

The accounting of deferred taxes reflects tax rates and tax laws that have been enacted or substantively enacted by the date of the statement of financial position. The recognition of a deferred tax asset is based on expectations of profitability in the future. In addition, there are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain.

Deferred taxes are calculated using the nominal tax rate according to IAS 12.

**SIGNIFICANT ASSUMPTION ACCOUNTING FOR DEFERRED TAX ASSETS**

Deferred tax assets, including tax loss carry forwards, are assessed once a year. Losses are recognised if it is likely that they will be utilised in the foreseeable future.

**PILLAR II**

In May 2023 IASB issued amendments to IAS 12 (a narrow scope amendment) which states that the reporting entity subject to the scope of Pillar II are to provide disclosures on the expected impact of Pillar II. In addition, IASB provided a temporary exception from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements Pillar II model rules.

In short, the amendment to IAS 12 requires the reporting entities to disclose on the following:

- Application of the exception to recognise and disclose about deferred tax assets and liabilities related to Pillar II income taxes, cf. IAS 12 88A,
- Current tax expense (income) related to the Pillar II income taxes, cf. IAS 12 88B, and
- If Pillar II is enacted but not yet in force, disclosure in respect of known and reasonable estimable information that would help users of the financial statements to understand the reporting entity's exposure to Pillar II income taxes must be provided, cf. IAS 12 88C and 88D.

With regards to FY24 Pillar II is in force, hence IAS 12 requires disclosures in respect of

- The application of the exemption to recognise deferred taxes
- The current tax expense related to Pillar II income taxes.

As the IIR is in place in Denmark, any potential top-up taxes that would arise in a country that has not enacted a QDMTT, would be collected in Denmark through the IIR rule.

The Pillar II disclosure included in the Bakkafrost Annual report shows the following:

**OECD Pillar Two rules**

The Group is within scope of the OECD Pillar Two rules due operations in countries that have enacted the Pillar Two rules starting January 1, 2024.

The Pillar Two rules apply for 2024 to profits in Denmark, France, United Kingdom, USA.

Profits earned in Faroe Islands are not subject to Pillar Two rules for 2025 as the rules have not been enacted in Faroe Islands.

Under the Pillar Two rules, the Group will be obliged to pay a top-up tax for jurisdictions where the effective tax rate calculated under the Pillar Two rules is below 15 %.

During 2024-2026 a set of "Transitional Safe Harbor" rules apply, under which if one of three tests can fulfil, the Pillar Two top-up tax for the year will be deemed to be nil.

Management has prepared an analysis of whether the Transitional Safe Harbor tests can be fulfilled for 2025 and the conclusion from the analysis is that Safe Harbor tests can be fulfilled for all jurisdictions that the Group operates in. Hence no top-up tax is expected to be paid for FY 2025.

The Group applies the mandatory IAS 12 exemption, requiring it to avoid recognizing or disclosing deferred tax assets or liabilities related to Pillar Two taxes.

NOTES – SECTION 3

# Assets and Liabilities

This section gives more details on the assets that form the basis for the activities of Bakkafrost and the related liabilities.

## NOTE 3.1 INTANGIBLE ASSETS

DKK 1,000	Goodwill	Licences	Brands	Software	Total
Acquisitions costs as at 01.01.25	590,265	3,819,883	108,400	0	4,518,548
Additions during the year	0	0	0	1,149	1,149
Currency translation differences	-8,439	0	0	0	-8,439
<b>Acquisitions costs as at 31.12.25</b>	<b>581,826</b>	<b>3,819,883</b>	<b>108,400</b>	<b>1,149</b>	<b>4,511,258</b>
Amortization, impairments and write-downs 01.01.25	-785	0	0	0	-785
Amortization, impairments and write-downs during the year	-1,302	0	0	0	-1,302
<b>Accumulated impairments and amortization and write-downs as at 31.12.25</b>	<b>-2,087</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,087</b>
<b>Net book value as at 31.12.25</b>	<b>579,739</b>	<b>3,819,883</b>	<b>108,400</b>	<b>1,149</b>	<b>4,509,171</b>
Acquisitions costs as at 01.01.24	581,555	3,819,883	108,400	0	4,509,838
Currency translation differences	8,710	0	0	0	8,710
<b>Acquisitions costs as at 31.12.24</b>	<b>590,265</b>	<b>3,819,883</b>	<b>108,400</b>	<b>0</b>	<b>4,518,548</b>
Amortization, impairments and write-downs 01.01.24	-504	0	0	0	-504
Amortization, impairments and write-downs during the year	-281	0	0	0	-281
<b>Accumulated impairments and amortization and write-downs as at 31.12.24</b>	<b>-785</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-785</b>
<b>Net book value as at 31.12.24</b>	<b>589,480</b>	<b>3,819,883</b>	<b>108,400</b>	<b>0</b>	<b>4,517,763</b>

### ACCOUNTING POLICIES

Purchased intangible assets are initially measured at cost. Intangible assets acquired in a business combination are recognised separately from goodwill when identifiable (separable or arising from contractual/legal rights) and measured at fair value at the acquisition date (IFRS 3).

Intangible assets with finite useful lives are amortised over their useful lives. The amortisation method, useful life and residual value are reviewed at least annually, and amortisation begins when the asset is available for use.

Intangible assets are tested for impairment when indicators arise and written down if the carrying amount exceeds the recoverable amount.

Research and development costs are expensed as incurred.

Sea farming licences are recognised at cost or, in a business combination, at fair value at the acquisition date (IFRS 3/PPA), and subsequently measured at cost less impairment. Licences in the Faroe Islands and Scotland are treated as indefinite-lived (subject to regulatory conditions) and are therefore not amortised but tested annually for impairment, with losses recognised in profit or loss. The indefinite-life assessment is reviewed annually; if no longer appropriate, the useful life is revised prospectively

### LICENCES WITH INDEFINITE USEFUL LIVES

The sea farming licences in the Faroe Islands are defined as the right to utilise a given area of fjords for farming fish. There are no provisions as to the maximum allowed biomass at the given site, but the legislation has imposed strict measures to regulate the farming activity to be environmentally sustainable.

Licences are issued with a nominal term of 12 years and are generally renewed unless the licence holder fails to meet conditions (including veterinary, animal welfare and environmental requirements) or renewal conflicts with specific legislation (e.g., area planning).

Based on the historical renewal practice and the limited grounds for non-renewal, management expects renewal in the foreseeable future and therefore assesses these licences as having indefinite useful lives. This judgement is reassessed annually.

The sea farming licences in Scotland are perpetual if certain environmental, operational, and biological conditions specified in the licences continue to be met. Management therefore assesses these licences as having indefinite useful lives. This judgement is reassessed annually.

The Group has therefore decided to account for sea farming licences, which are capitalised, following the provisions for intangible rights with indefinite useful lives.

#### **GOODWILL**

When the company assumes control over a separate business entity for a consideration that exceeds the fair value of the individual assets, the difference is entered as goodwill in the statement of financial position. Goodwill is recognised on acquisition of a subsidiary as the excess of (i) the aggregate of the consideration transferred, the amount of any non-controlling interests and the fair value of any previously held equity interest over (ii) the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed.

Goodwill deriving from purchases of subsidiaries is presented under intangible assets. Goodwill relating to investments accounted for using the equity method (associates) is included in the carrying amount of the investment and is not presented as a separate intangible asset. Goodwill relating to investments accounted for using the equity method (associates) is included in the carrying amount of the investment and is not presented as a separate intangible asset.

Goodwill is not amortized but is tested for impairment annually or more often if there are indications that its value is lower than the carrying amount. When assessing the need to write-down goodwill, this is assigned to relevant cash flow generating units or groups, which are expected to benefit from the acquisition.

Write-downs are performed in accordance with an assessment of the recoverable value of each of the cash-flow generating units to which the goodwill is assigned. Recoverable amount is the higher of value in use and fair value less costs of disposal.

To identify the Group's cash-flow generating units, the assets are grouped according to the lowest level to which separate and independent cash flows may be ascribed. Recoverable value is calculated based on value in use. This is arrived at by estimating future cash flows. If the calculated value in use is less than the carrying amount of the cash-flow generating unit, goodwill is written down first, and then other assets as required.

#### **BRANDS**

Brands are recognised at cost (or at fair value at the acquisition date in a business combination) and subsequently measured at cost less impairment. Brands assessed as having an indefinite useful life are not amortised; the indefinite-life assessment is reviewed annually, and the brands are tested for impairment annually and whenever indicators of impairment arise.

#### **SOFTWARE**

Software is recognised at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when the software is available for use and is recognised on a straight-line basis over its estimated useful life. The useful life of software is 3 years. Residual value is assumed to be nil unless supported by an active market. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the software; all other subsequent expenditure (including maintenance and support) is expensed as incurred. Upon derecognition, the difference between the proceeds and the carrying amount is recognised in profit or loss.

**NOTE 3.2 IMPAIRMENT TESTING**

Impairment losses are recognised when the carrying amount of an asset or a cash-generating unit exceeds the higher of its value in use and its fair value less costs of disposal. Goodwill is allocated to cash-generating units on acquisition. Any impairment loss is allocated first to goodwill and then to other assets of the CGU. Intangible assets and property, plant and equipment are tested for impairment when there is an indication of impairment. Goodwill and other intangible assets with indefinite useful lives, as well as intangible assets not yet in use, are tested annually.

Non-financial assets, other than goodwill, that were impaired in prior periods are reviewed at each reporting date to assess whether there is an indication that the impairment has reversed.

Impairment losses and reversals are presented in operating profit and are included in/presented separately from depreciation and amortisation.

The Group holds significant intangible assets with indefinite useful lives, primarily farming licences. These licences are allocated to the relevant CGUs and tested for impairment together with the associated goodwill as part of the annual impairment testing.

In the Faroe Islands and Scotland, farming operations are each aggregated into one CGU per region. This reflects the way cash inflows are generated and how Management monitors operations, allocates resources and assesses performance.

**THE PROCEDURE OF IMPAIRMENT TESTING**

Impairment testing is carried out by calculating the net present value of estimated future cash flows (value in use) for the cash-generating unit in line with IAS 36 and comparing the net present value of the cash flow towards the carrying amount of net assets held by the cash-generating unit (CGU). The cash flow used in

the calculations represents the management's best estimate at the time of reporting. If the carrying amount is higher than the calculated value in use, the assets are considered impaired. The estimated cash flow assumes continued operation. The basis for the estimated cash flow is the strategic plan for the following years. The strategic plans have been reviewed and the targets approved by the Group's board of directors.

The recoverable amount was determined using value in use, as fair value less costs of disposal is not considered reliably measurable for the CGUs due to limited observable market data for comparable transactions.

The cash flow projections are prepared on a pre-tax basis and are discounted using pre-tax discount rates, consistent with IAS 36. The projected cash flows exclude financing activities and income taxes and reflect the current condition of the assets.

The considered operating conditions are the costs of feed, smolt, harvest, packaging, transport, and other costs. Other operating conditions considered the same are mortality, production time, following and harvest weight. All CGUs are calculated with the WACC differ by geography. If there will be variances between the assumptions for the different CGUs in the future, this will be incorporated into the impairment test.

**INDICATIONS OF IMPAIRMENT**

The impairment testing at year-end did not result in identification of impairment losses. Intangible assets were tested for impairment to evaluate if the cash flow was sufficient to support the carrying amount of net assets. The test confirmed the asset values.

**THE KEY ASSUMPTIONS**

The key assumptions in the calculations of value in use are harvest volume, prices, and costs, hence EBITDA and WACC. Amongst other assumptions are inflation, CAPEX, and terminal growth.

In general, the value in use has been determined based on future strategic plans, considering the expected development in both macroeconomic and company-related conditions. These projections rely on management judgement and assumptions, informed by experience and, where available, external data sources. Centralised processes and involvement of corporate functions help ensure consistent selection of indices and input data, while reflecting differences in risk and other circumstances.

The assumptions used, rest on uncertainty regarding product prices, input prices, biological performance, and future regulatory frameworks. Costs can normally be estimated with more accuracy than income. As profitability in the salmon farming industry historically has been very volatile, depending on developments in the prices of salmon. Bakkafrost uses budgets and long-term plans for the first five years of the analysis but returns to long-term historic averages for profitability in the terminal period.

Harvested volumes are based on the current stocking plans for each unit, and forecasted figures for growth, assumed harvest weight and mortality, based on historical figures.

The costs are based on the group's own assumptions, based on historical costs and expectations.

Bakkafrost's estimated sales prices are based on price expectations obtained from industry analysis. These estimates are

derived from market insights, industry trends, and external analysis to ensure a reliable basis for financial reporting

The WACC is FO: 10.1% (10.2%) and SCT 9.9% (9.8%) pre-tax and calculated in accordance with IAS 36. The WACC model is used for estimating the discount rate. The input data for the model is updated each year for the annual impairment test. The choice of input data for the model significantly influences the outcome of the model, and to ensure that there is as little uncertainty as possible with regards to the calculation of the WACC, third-party sources are used where available (interest, inflation, beta). The discount rate is based on a five-year average for ten-year bonds issued by the Danish government, with an adjustment margin for the food industry in the EU.

The inflation for the terminal period is 3% (3%) for Faroe Islands and 2% (2%) for Scotland. The terminal growth is set to 0%. The terminal growth rate does not exceed the long-term expected growth rate for the relevant markets.

Capital expenditure (CAPEX) in the 5-year forecast reflects required growth, replacement plans, regulatory compliance, and approved efficiency programmes. Changes in future laws and regulations are not reflected. Beyond the forecast period, CAPEX is generally assumed to equal depreciation and relate mainly to maintenance investments.

**SENSITIVITY**

In connection with the impairment testing of intangible assets, a sensitivity analysis has been carried out. Sensitivity analysis has been performed for each of the defined CGU.

<b>Sensitivity Analysis</b>									
<b>31/12/2025</b>									
<b>CGUs (DKK 1,000)</b>	<b>Licences</b>	<b>Goodwill</b>	<b>Other assets*</b>	<b>Booked value tested</b>	<b>Recoverable value exceeding carrying value</b>	<b>EBITDA change of +/-1%</b>	<b>WACC change of -1%</b>	<b>WACC change of +1%</b>	<b>WACC change of +1%</b>
Scotland	3,456,420	550,400	2,620,096	6,626,916	1,776,710	458,858	1,683,726	-1,211,585	
Faroe Islands	368,601	3,537	4,149,267	4,521,405	11,041,421	570,627	3,928,477	-2,616,615	
<b>TOTAL</b>	<b>3,825,021</b>	<b>553,937</b>	<b>6,769,363</b>	<b>11,148,321</b>	<b>12,818,131</b>	<b>1,029,485</b>	<b>5,612,203</b>	<b>-3,828,200</b>	
<b>31/12/2024</b>									
<b>CGUs (DKK 1,000)</b>	<b>Licences</b>	<b>Goodwill</b>	<b>Other assets*</b>	<b>Booked value tested</b>	<b>Recoverable value exceeding carrying value</b>	<b>EBITDA change of +/-1%</b>	<b>WACC change of -1%</b>	<b>WACC change of +1%</b>	<b>WACC change of +1%</b>
Scotland	3,456,420	550,400	2,598,607	6,605,427	1,480,774	482,855	2,015,975	-1,435,136	
Faroe Islands	368,601	3,537	3,209,216	3,581,354	9,404,226	515,578	3,344,978	-2,242,815	
<b>TOTAL</b>	<b>3,825,021</b>	<b>553,937</b>	<b>5,807,823</b>	<b>10,186,781</b>	<b>10,885,000</b>	<b>998,433</b>	<b>5,360,953</b>	<b>-3,677,951</b>	

\* Other assets consist of PP&E, inventory, receivables, etc. which can be allocated to CGUs or are directly attributable to CGUs.

**NOTE 3.3 PROPERTY, PLANT AND EQUIPMENT**

<b>DKK 1,000</b>	<b>Land and buildings</b>	<b>Machinery, operating equipment, etc.</b>	<b>Other operating equipment</b>	<b>Vessels</b>	<b>Assets under construction</b>	<b>Total</b>
Acquisition costs as at 01.01.25	2,686,001	4,195,247	619,105	1,352,164	1,491,989	10,344,506
Reclassification	219,119	287,808	118	28,262	-535,070	237
Acquisitions during the year	207,736	568,303	43,444	47,902	267,693	1,135,078
Disposals and scrapping during the year	-5,286	-56,679	-7,254	-1,983	0	-71,202
Currency translation differences	-23,853	-54,606	-2,348	-13,094	-31,129	-125,030
<b>Acquisition costs as at 31.12.25</b>	<b>3,083,717</b>	<b>4,940,073</b>	<b>653,065</b>	<b>1,413,251</b>	<b>1,193,483</b>	<b>11,283,589</b>
Accumulated depreciations and write-downs as at 01.01.25	-823,510	-2,126,336	-297,530	-363,824	0	-3,611,200
Reclassification	-1,405	1,250	-210	13	0	-352
Depreciations during the year	-98,470	-387,175	-52,688	-83,463	0	-621,796
Accumulated depreciation and write-downs on disposals and scrapping	5,286	41,070	9,177	1,758	0	57,291
Currency translation differences	2,760	20,660	1,364	3,704	0	28,488
<b>Accumulated depreciations and write-downs as at 31.12.25</b>	<b>-915,339</b>	<b>-2,450,531</b>	<b>-339,887</b>	<b>-441,812</b>	<b>0</b>	<b>-4,147,569</b>
<b>Net book value as at 31.12.25</b>	<b>2,168,378</b>	<b>2,489,542</b>	<b>313,178</b>	<b>971,439</b>	<b>1,193,483</b>	<b>7,136,020</b>
Acquisition costs as at 01.01.24	2,483,994	3,785,620	567,333	1,269,415	1,200,595	9,306,957
Reclassification	135,833	93,882	17,329	27,367	-293,383	-18,972
Acquisitions during the year	48,735	311,711	35,980	46,923	569,950	1,013,299
Disposals and scrapping during the year	-1,939	-42,917	-3,017	-3,038	0	-50,911
Currency translation differences	19,378	46,951	1,480	11,497	14,827	94,133
<b>Acquisition costs as at 31.12.24</b>	<b>2,686,001</b>	<b>4,195,247</b>	<b>619,105</b>	<b>1,352,164</b>	<b>1,491,989</b>	<b>10,344,506</b>
Accumulated depreciations and write-downs as at 01.01.24	-628,302	-1,819,455	-351,432	-287,287	0	-3,086,476
Reclassification	-88,755	15,389	92,527	92	0	19,253
Depreciations during the year	-105,895	-348,149	-42,839	-77,072	0	-573,955
Accumulated depreciation and write-downs on disposals and scrapping	923	31,944	5,191	2,979	0	41,037
Currency translation differences	-1,481	-6,065	-977	-2,536	0	-11,059
<b>Accumulated depreciations and write-downs as at 31.12.24</b>	<b>-823,510</b>	<b>-2,126,336</b>	<b>-297,530</b>	<b>-363,824</b>	<b>0</b>	<b>-3,611,200</b>
<b>Net book value as at 31.12.24</b>	<b>1,862,491</b>	<b>2,068,911</b>	<b>321,575</b>	<b>988,340</b>	<b>1,491,989</b>	<b>6,733,306</b>

	<b>Estimated lifetime</b>	<b>Depreciation method</b>	<b>Scrap value</b>
Land and buildings	10-25 years	linear	10%
Plant, machinery, operating equipment, fixtures etc.	3-20 years	linear	0%-10%
Other operating equipment	3-8 years	linear	0
Ships	15-25 years	linear	10%-13%

**ACCOUNTING POLICIES**

Property, plant, and equipment is capitalised at acquisition cost, less accumulated depreciation and write downs. When assets are sold, or divested, the book value is deducted, and any loss or gain entered to the Income Statement. Ordinary depreciation commences from the date on which the asset goes into normal operation and is calculated based on its economic lifespan. Depreciation is assigned in a straight line over the expected economic lifespan of the assets, taking into consideration the estimated residual value.

If an asset comprises significant components with varying lifespan, these components are depreciated separately. The scrap value of the property, plant, and equipment as well as the depreciation period and depreciation method employed are reassessed annually.

Facilities under construction are not depreciated. Depreciation is charged to expenses when the facilities are ready for use. If the situation or circumstances indicate that the carrying amount of an asset cannot be recovered, an assessment is made about whether to write-down its value. If the recoverable value of the assets is less than the carrying amount and the impairment is not expected to be temporary, the assets are written down to the recoverable value. The recoverable value is the greater of net sales price or value in use. Value in use is the present value of the future cash flows, which the asset will generate.

**NOTE 3.4 LEASING**

	Land and buildings & properties	Ships, and other equipment	TOTAL
<b>Right of use</b>			
Beginning balance 01.01.25	120,060	200,787	320,847
Additions	34,941	3,251	38,192
Adjustments	3,506	689,525	693,031
Depreciation	-9,574	-152,452	-162,026
Effect of changes in currency exchange rate	-5,194	-55,813	-61,007
<b>Ending balance 31.12.25</b>	<b>143,739</b>	<b>685,298</b>	<b>829,037</b>
<b>Lease liability</b>			
Beginning balance 01.01.25	-136,698	-162,055	-298,753
Additions	-34,941	-3,251	-38,192
Effect of changes in currency exchange rate	0	-31,195	-31,195
Adjustments	-1,923	-689,525	-691,448
Lease payments	13,533	159,979	173,512
Interests	-2,351	-19,953	-22,304
Effect of changes in currency exchange	250	7,198	7,448
Effect of changes in currency exchange rate primo	-2,244	56,232	53,988
<b>Ending balance 31.12.25</b>	<b>-164,374</b>	<b>-682,570</b>	<b>-846,944</b>
Current lease liability	-8,574	-39,975	-48,549
Non-current lease liability	-155,799	-642,596	-798,395
<b>Maturity analysis, undiscounted cash flow</b>			
Up to 1 year			48,549
1-2 years			178,052
2-3 years			175,430
3-4 years			174,723
4-5 years			91,791
More than 5 years			178,399
			<b>846,944</b>

Bakkafrost has applied the rules for short-term leases and leases with low value leasing assets and has expensed these in the Income Statement. The amount is not material to the Group.

**ACCOUNTING POLICIES**

Bakkafrost recognises a right-of-use asset and a lease liability at the commencement date of all leases granting control over an identified asset for a period. The commencement date is when the lessor makes the asset available to the lessee.

Right-of-use assets are recognised at cost, comprising the discounted lease payments (the lease obligation), upfront payments, less any lease incentives, plus direct costs related to the agreement and obligations to demolish or restore the asset.

Subsequent measurement follows the same practice as similar owned assets. Leased assets are classified as tangible fixed assets, even if legally a right-of-use asset.

	Land and buildings & properties	Ships, and other equipment	TOTAL
<b>Right of use</b>			
Beginning balance 01.01.24	118,042	295,235	413,277
Additions	274	9,809	10,083
Adjustments	9,627	6,293	15,920
Depreciation	-9,265	-120,805	-130,070
Effect of changes in currency exchange rate	1,382	10,255	11,637
<b>Ending balance 31.12.24</b>	<b>120,060</b>	<b>200,787</b>	<b>320,847</b>
<b>Lease liability</b>			
Beginning balance 01.01.24	-145,580	-251,383	-396,963
Additions	-274	-9,808	-10,083
Effect of changes in currency exchange rate	0	19,915	19,915
Adjustments	-9,745	-6,294	-16,039
Lease payments	13,805	109,249	123,054
Interests	-2,418	-5,020	-7,438
Effect of changes in currency exchange rate	85	2,381	2,465
Effect of changes in currency exchange rate primo	7,430	-21,094	-13,665
<b>Ending balance 31.12.24</b>	<b>-136,698</b>	<b>-162,056</b>	<b>-298,753</b>
Current lease liability	-10,034	-54,822	-64,856
Non-current lease liability	-126,664	-107,233	-233,897
<b>Maturity analysis, undiscounted cash flow</b>			
Up to 1 year			64,856
1-2 years			56,244
2-3 years			41,612
3-4 years			12,913
4-5 years			11,397
More than 5 years			111,731
			<b>298,753</b>

The lease obligation equals the present value of lease payments, discounted using the company's marginal borrowing rate, as the internal rate is not reliably determinable.

Lease payments include fixed payments, guaranteed residual values, purchase options, or cancellation payments when reasonably certain to occur. Variable payments linked to an index are included, while consumption-based payments are excluded from the asset and liability.

Lease payments are divided into instalment and interest portions. The lease obligation is recalculated at a constant interest rate,

matching the discount rate. At initial recognition, the leased asset's value equals the lease obligation, unless upfront payments or recovery obligations apply.

The Group applies IFRS 16 exceptions for short-term leases (under 12 months) and low-value assets (under DKK 35,000)

**NOTE 3.5 COMPANIES IN THE GROUP**

The consolidated accounts include the following subsidiaries and associates:

Subsidiary Companies	Currency	Nature of Business	Head Office	Ownership	Nominal share capital
Bakkafrost Farming P/F	DKK	Salmon farming	Glyvrar	100%	19,762,181
Bakkafrost FSV P/F	DKK	Vessels for farming and other related activities	Glyvrar	100%	500,000
Bakkafrost Freshwater P/F	DKK	Smolt farming	Glyvrar	100%	500,000
Bakkafrost Processing P/F	DKK	Value adding of salmon (VAP)	Glyvrar	100%	150,000,000
Bakkafrost Sales P/F	DKK	Sales of salmon and VAP products	Glyvrar	100%	667,000
Havsbrún P/F	DKK	Production and sales of fishmeal, fish oil and fish feed	Fuglafjörður	100%	2,000,000
Bakkafrost UK Ltd.	GBP	Sales of salmon	Grimsby	100%	2 GBP
Bakkafrost USA LLC	USD	Sales of salmon	Clifton, New Jersey	100%	2,000,000 USD
Förka P/F	DKK	Production of biogas and fertiliser	Glyvrar	100%	5,000,000
Bakkafrost Scotland Limited	GBP	Salmon Farming	Edinburgh	100%	415,000,000 GBP
Bakkafrost Freshwater Svínay Sp/f	DKK	Broodstock facility	Glyvrar	100%	8,102,222
Faroe Seafood 2011 P/F	DKK	Trading fish	Glyvrar	100%	2,000,000
Bakkafrost France SARL	EUR	Trading fish	Boulogne, France	100%	160,000 EUR
Munkebo Seafood A/S	DKK	Production and sales of canned fish	Munkebo	90%	1,800,000
FarCargo P/F	DKK	Freight transportation of goods	Glyvrar	100%	80,000,000

Associated Companies	Head Office	Ownership	Net Additions	Share of the result	Carrying value 2025	Carrying value 2024
Pelagos P/F	Fuglafjörður	30%	-4,881	26,884	131,676	109,673
Salmon Proteins P/F *	Eiði	79%	0	0	5,176	5,176
FF Skagen A/S	Skagen	25%	-8,283	-1,920	208,434	218,637
<b>Total</b>					<b>345,286</b>	<b>333,486</b>

	Total assets 2025	Total assets 2024	Equity 2025	Equity 2024	Result 2025	Result 2024
Pelagos P/F **	716,891	442,951	361,531	316,989	50,543	30,722
Salmon Proteins P/F */**	12,364	14,810	7,320	7,240	421	663
FF Skagen A/S**	1,519,838	1,862,863	812,289	756,540	99,714	215,113

\*Voting rights 30%. The voting rights are limited in the Articles of Association of P/F Salmon Proteins.

\*\*Information from 2024

**NOTE 3.6 SHARES AND HOLDINGS IN OTHER COMPANIES**

DKK 1,000	2025	2024
Other companies	798	983
<b>Total</b>	<b>798</b>	<b>983</b>

**NOTE 3.7 INVENTORY**

DKK 1,000	2025	2024
Raw materials and goods in-progress	640,899	476,044
Finished goods	148,824	194,891
<b>Total inventory</b>	<b>789,723</b>	<b>670,935</b>

Raw materials primarily consist of raw material to produce fish-meal, fish oil and fish feed and packaging materials used in processing. Goods in-progress include semi-finished products and spare parts. Finished products include all products ready for sale, such as fish feed, fresh and frozen whole salmon, as well as processed salmon products. Inventories are measured at full cost price.

**ACCOUNTING POLICIES**

Inventories consist of inventories in the Farming FO segment, Farming SCT segment, Freshwater FO segment, Freshwater SCT segment, Sales & Other segment and the FOF segment.

Farming FO, Farming SCT and Freshwater FO, Freshwater SCT

Inventories include mainly packaging materials and finished goods. Inventories of goods are stated at the lower of cost and net realisable value.

The cost of processed goods is a full production cost that includes direct material and personnel costs, and a percentage of indirect processing costs. Interest costs are not included in the value of inventory.

The cost of purchased goods is the acquisition price. Cost is based on the FIFO principle.

Net realisable value is estimated sales price less selling expenses.

**ACCOUNTING POLICIES**

Investments in other companies are classified as available for sale. Shares and holdings in which the Group does not have significant influence are valued at cost as fair value cannot be measured reliably.

**Services, and Sales & Other**

Inventories consist of raw material, additives, packaging material and finished goods. Raw material in the VAP unit consists basically of processed salmonids. Raw material is measured at fair value at the time of harvesting.

Packaging material and additives are valued at the lesser of cost or expected sales price less sales costs. The FIFO principle is used concerning the periodic assignment of inventory costs.

Finished goods in inventory, fresh or frozen, are measured at the lesser of cost or the expected sales price less sales costs. In a case, where the cost price exceeds the sales price less sales cost, impairment is entered and charged to the Income Statement.

The cost price of goods produced in-house is the full production cost, including production costs, which can be only indirectly allocated to produce goods, less general administration costs.

**FOF**

Raw materials and purchased commodities are valued at the lower of historical cost and net realizable value in accordance with the FIFO principle.

Finished goods are fishmeal, oil and feed ready for delivery to customer, valued at the lower of cost and net realisable value. The cost of finished goods includes any processing costs that have incurred. Processing costs consist of logistics, handling and storage costs.

The cost price of goods produced in-house is the full production cost, including production costs, which can be only indirectly allocated to produce goods, less general administration costs.

**NOTE 3.8 BIOLOGICAL ASSETS**

DKK 1,000	2025	2024
Biological assets carrying amount 01.01.	3,138,657	3,335,570
Increase due to production or purchases	5,259,497	4,794,473
Reduction due to harvesting or sale (costs of goods sold)	-4,773,586	-4,481,597
Reduction due to mortality (costs of incident-based mortality)	-172,348	-95,218
Fair value adjustment at the beginning of the period reversed	-372,524	-741,433
Fair value adjustments at the end of the period	500,604	372,525
Reversal of elimination at the beginning of the period	498,799	434,167
Eliminations	-576,207	-498,799
Currency translation differences	-80,839	18,969
<b>Biological assets carrying amount 31.12.</b>	<b>3,422,053</b>	<b>3,138,657</b>
Cost price biological assets	3,578,495	3,245,962
Fair value adjustments at the end of the period	500,604	372,525
Eliminations	-576,207	-498,799
Currency translation differences	-80,840	18,969
<b>Biological assets carrying</b>	<b>3,422,053</b>	<b>3,138,657</b>
<b>Volume of biomass at sea (tonnes)</b>		
< 1 kg	5,785	4,505
1 < 2 kg	6,174	7,336
2 < 3 kg	7,021	9,035
3 < 4 kg	10,183	7,190
4 kg <	45,861	35,580
<b>Volume of biomass at sea</b>	<b>75,024</b>	<b>63,646</b>
<b>Number of fish (thousand)</b>		
< 1 kg	9,426	8,573
1 < 2 kg	4,178	4,648
2 < 3 kg	2,710	3,800
3 < 4 kg	2,886	2,071
4 kg <	8,210	6,736
<b>Total number of fish at sea</b>	<b>27,410</b>	<b>25,828</b>

	2025	2024
<b>Harvested volumes (TGW)</b>	<b>106,824</b>	<b>90,656</b>
<b>Number of smolts released (thousand)</b>		
Q1	3,762	3,677
Q2	6,351	5,478
Q3	8,421	8,334
Q4	7,527	7,111
<b>Total number of smolts released</b>	<b>26,061</b>	<b>24,600</b>

**Sensitivity analysis of biomass DKK 1,000**

Change in discount rate +1%	-157,320	-164,354
Change in discount rate -1%	157,320	164,354
Change in sales price +5 DKK	465,565	426,073
Change in sales price -5 DKK	-465,565	-426,073
Change in biomass volume +1%	13,783	8,442
Change in biomass volume -1%	-13,783	-8,442

**One-year forward prices in EUR FCA Oslo\***

At year end	7.90	8.10
Q1 (forward)	8.35	9.53
Q2 (forward)	7.76	9.39
Q3 (forward)	6.30	6.39
Q4 (forward)	7.00	7.06

\* Forward prices have been calculated based on price expectations obtained from industry analysts.

## VALUATION OF BIOLOGICAL ASSETS

IAS 41 requires biomass to be accounted for at the estimated fair value net of sales costs and harvesting costs. The calculation of the estimated fair value is based on market prices for harvested fish. In the accounts, the change in estimated fair value is entered to the Income Statement on a continuous basis.

The Group's biological assets are salmon at all stages of the life cycle. The fish is divided into two main groups, depending on the stage of the life cycle. The first group is fish produced on land in fresh water. The second is, when the fish are released to sea.

For the first group, historical cost is deemed a reasonable approach to fair value, as there is little biological transformation. This assessment must be seen in the light of the fact that smolts are currently released to sea at a stage when their weight is still relatively low.

For the second group, the fair value is calculated by applying a present value model at level 3 in the fair value hierarchy in IFRS 13. In accordance with the principle in IFRS 13 for highest and best use, the Group considers optimal harvest weight to be for Farming FO 5.2 kg gutted weight (6.3 kg live weight) and for Farming SCT 5.0 kg gutted weight (6.1 kg live weight).

### The valuation model

The valuation model calculates the net present value of expected cash flow from biological assets.

Changes to the estimated fair value of biological assets are presented on the line Fair value adjustments of biological assets in the Income Statement.

The measurement unit is the individual fish. However, for practical reasons, cash flows and estimates are carried out per locality.

Main components in the model are:

- Volume
- Production costs
- Sales price
- Discount rate

Estimated harvest volume is based on the actual number of fish in the sea on the balance sheet date, minus estimated future mortality from balance sheet date and multiplied by optimal harvest weight per fish.

Future monthly mortality is estimated to be for Farming FO 0.9% (2024: 0.9%) and for Farming SCT 2.0% (2024: 2.0%) of the number of incoming fish per month.

### Cost

Estimated future costs are based on the Group's forecasts for each locality. Cost comprises mainly feed, production, harvest, and transport costs.

### Price

Forward prices are based on analysis from Fishpool and Kontali to ensure a reliable basis for financial reporting.

## Discounts

The estimated future cash flow is discounted monthly. The monthly discount rate on 31 December 2025 is 6.0% (2024: 6.0%) per month for Farming FO and 4.0% (2024: 4.0%) per month for Farming SCT. The discount rate considers a risk adjustment and time value. The risk adjustment considers the volatility in volume, cost, and price.

## Mortality

Mortality above normal will be accounted for when a farming site either experiences elevated mortality over time or mortality due to an incident.

Costs related to abnormal mortality will be recognised in the Income Statement and presented on the line for changes in inventory, while normal mortality is classified as part of production costs.

Bakkafrost uses a common indicator and threshold for all farming sites to assess normal and abnormal mortality. Indication of abnormal mortality is when a farming site in a month registers mortality exceeding 1.5% (2024: 1.5%) for Farming FO and 4.0% (2024: 4.0%) for Farming SCT of the incoming number of fish. A more detailed assessment is then carried out to evaluate, whether mortality is abnormal. These assessments consider the cause of mortality and the size of the fish.

## SIGNIFICANT ASSUMPTIONS SENSITIVITY

The estimate of fair value of biomass will always be based on uncertain assumptions, even though the company has built substantial expertise in assessing these factors.

The Group considers three components to be key parameters for valuation. These are: average price, monthly discount rate and estimated biomass volume. In the table above a simulated sensitivity analysis to changes in fair value of the biological assets is portrayed in the event of changes in these parameters

**NOTE 3.9 ACCOUNTS RECEIVABLES AND OTHER RECEIVABLES**

<b>DKK 1,000</b>	<b>2025</b>	<b>2024</b>
Accounts receivables	701,268	674,903
Provisions for bad debts	-1,572	-84
<b>Net accounts receivables</b>	<b>699,696</b>	<b>674,819</b>
VAT	152,259	111,296
Other	145,246	101,206
<b>Other receivables</b>	<b>297,505</b>	<b>212,502</b>
<b>Total short-term accounts receivables and other receivables</b>	<b>997,201</b>	<b>887,321</b>

**AGE DISTRIBUTION OF ACCOUNTS RECEIVABLES**

<b>DKK 1,000</b>	<b>2025</b>	<b>2024</b>
Receivables not overdue	554,788	465,255
Overdue 0–6 months	144,333	205,200
Overdue more than 6 months	2,147	4,364
<b>Total</b>	<b>701,268</b>	<b>674,819</b>

**CURRENCY DISTRIBUTION OF ACCOUNTS RECEIVABLES**

<b>DKK 1,000</b>	<b>2025</b>	<b>2024</b>
DKK	93,032	122,690
EUR	308,907	241,907
USD	246,057	191,782
GBP	52,643	99,067
JPY	0	2,651
NOK	629	16,722
<b>Total</b>	<b>701,268</b>	<b>674,819</b>

The Group's exposure to credit risk related to trade receivables is disclosed in Note 4.1.

The Group holds trade receivables in foreign currencies amounting to DKK 608 million at 31 December 2025 (2024: DKK 552 million).

**ACCOUNTING POLICIES**

Trade receivables and other receivables are measured at amortised cost. The Group applies the simplified approach under IFRS 9 to trade receivables and recognises lifetime expected credit losses from initial recognition. The loss allowance is based on historical credit loss experience, adjusted where relevant for current conditions, forward-looking information and relevant credit enhancements. Due to the short credit period, amortised cost is considered to approximate carrying amount.

### NOTE 3.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise bank deposits held both in the Company's own bank accounts and under a group cash pooling arrangement.

The Company participates in the Group's centralised cash management system, whereby liquidity placed in the cash pool is managed on a net basis. In accordance with the cash pooling agreement, positive and negative balances with participating group entities are offset, and the recognised amount therefore represents the Company's net position in the cash pool together with balances held outside the arrangement.

Cash and cash equivalents amounted to DKK 300 million at 31 December 2025 (DKK 481 million).

### NOTE 3.11 SHARE CAPITAL AND MAJOR SHAREHOLDERS

<b>Share capital:</b>		
<b>DKK 1,000</b>	<b>2025</b>	<b>2024</b>
Share capital at 1 January	59,305	59,228
Increase in the year	85	77
<b>Share capital at 31 December</b>	<b>59,390</b>	<b>59,305</b>

#### The parent company's share capital comprises:

<b>DKK</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
Ordinary shares	59,304,619	59,227,607
Increase in the year	85,122	77,012
<b>Total share capital</b>	<b>59,389,741</b>	<b>59,304,619</b>

<b>Reconciliation of outstanding shares:</b>	<b>2025</b>	<b>2024</b>
Outstanding shares at 1 January	59,303,397	59,211,562
Purchase of treasury shares	-100,000	0
Sale of own shares to cover the employee bonus program	5,917	14,823
Issuing new shares	85,122	77,012
<b>Outstanding shares at 31 December</b>	<b>59,294,436</b>	<b>59,303,397</b>
Treasury shares at 31 December	95,305	1,222

### SHAREHOLDERS

These shareholders held directly or indirectly more than 5% of the shares in the company as at 31 December 2025: Folketrygdfondet, Regin Jacobsen, and Oddvør M. Jacobsen. Shares owned directly and indirectly by the members of the Board of Directors and Group Management:

<b>Name</b>	<b>Position</b>	<b>No. of shares</b>	<b>Shareholding</b>
Rúni M. Hansen	Chairman of the Board	10,761	0.02%
Guðrið Højgaard	Member of the Board	0	0.00%
Teitur Samuelson	Member of the Board	100	0.00%
Annika Frederiksberg	Member of the Board	17,485	0.03%
Øystein Sandvik	Former Member of the Board	0	0.00%
Einar Wathne	Member of the Board	0	0.00%
Alf Helge Aarskog	Former Member of the Board	300	0.00%
Regin Jacobsen	Chief Executive Officer	4,656,515	7.84%
Odd Eliassen	Managing Director	189,938	0.31%
Høgner D. Jakobsen	Chief Financial Officer	80,812	0.13%

### DIVIDEND

The Board has proposed a dividend per share of DKK 3.45 for 2025. DKK 501 million were paid out for 2024. The dividends proposed are to be approved at the Annual General Meeting and if approved, the total dividend payment will amount to DKK 205 million. The dividend proposal has not been recognised as a liability on 31 December 2025 but is presented as an item within equity.

**NOTE 3.12 NET INTEREST-BEARING DEBT**

**LONG-TERM INTEREST-BEARING DEBT**

<b>DKK 1,000</b>	<b>2025</b>	<b>2024</b>
Long-term interest-bearing debt	4,196,642	3,480,527
<b>Total long-term interest-bearing debt 31.12.</b>	<b>4,196,642</b>	<b>3,480,527</b>
Total interest-bearing debt	4,196,642	3,480,527
Cash and cash equivalents	-299,749	-480,506
<b>Net interest-bearing debt</b>	<b>3,896,893</b>	<b>3,000,021</b>

The maturity structure of the Group's financial commitments is based on undiscounted contractual payments. As the credit limit is not necessarily in the same currency of debt drawn, currency fluctuations affect the amount available under the facilities at any time.

The maturity plan of the Group's interest-bearing debt is as follows

**The maturity plan of the Group's interest-bearing debt is as follows**

<b>DKK 1,000</b>	<b>2025</b>		<b>2024</b>	
	<b>Carrying amount</b>	<b>Contractual payments</b>	<b>Carrying amount</b>	<b>Contractual payments</b>
Long-term interest-bearing debt	4,196,642	4,172,435	-3,480,527	-3,504,734
<b>Gross interest-bearing debt</b>	<b>4,196,642</b>	<b>4,172,435</b>	<b>-3,480,527</b>	<b>-3,504,734</b>
Credit line	5,385,599		5,380,144	
Long-term interest-bearing debt	-4,196,642		-3,480,527	
Cash and cash equivalents	299,749		480,506	
<b>Total available credit lines</b>	<b>1,488,706</b>		<b>2,380,123</b>	

The difference between the carrying amount and the total expected payment in the table above is due to upfront arrangement and legal fees incurred in connection with the refinancing of the credit facilities. One long-term bank borrowing is drawn from a revolving credit facility, under which the Group may draw and pay down any amount. The contractual payments illustrated in the table above do not reflect rollover dates of loans drawn but are based on the maturity date of the credit facilities.

**INTEREST-BEARING DEBT IN MORE DETAIL**

Financing of the Bakkafrost Group is mainly executed by the parent company. Subsidiaries can only enter external financing if it is seen favourable for the whole Bakkafrost Group.

**Sustainability-linked financing**

In March 2022 the Group signed a five-year EUR 700 million multicurrency sustainability-linked revolving credit facility with Coöperatieve Rabobank U.A, DNB Bank ASA and Nordea Bank ABPm (Filial i Norge). The Facility includes flexibility for the parties to agree an additional amount of up to EUR 150 million during the tenor. In January 2024 the Group made use of the second and final extension option and extended the Facility with 12 months until February 2029.

The purpose of the Facility was to refinance Bakkafrost's existing bank facilities as well as general corporate purposes including acquisitions. The Facility will serve as a robust and flexible

financial framework for the Group's investment plans aimed at organic growth for the Group.

As The Facility is sustainability-linked means that the margin payable will be linked to Bakkafrost's performance against certain sustainability KPIs, consistent with the Group's overall ESG targets and ambitions. The principal financial covenants of the Facility are: (1) an equity ratio of no less than 35% and (2) an interest coverage ratio (EBITDA to net interest payable) of no less than 2x. The Bakkafrost Group complied with these covenants at the end of 2025.

At the end of 2025, the Group had unused committed credit facilities of DKK 1,489 million (DKK 2,380 million). In addition, the Group has an accordion of EUR 150 million.

**REMAINING PERIOD**

<b>31.12.2025</b>	<b>1–3 months</b>	<b>3–12 months</b>	<b>1–5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
Interest-bearing bank loans	0	0	4,196,642	0	4,196,642
Accounts payable and other debt	684,809	108,232	0	0	793,041

<b>31.12.2024</b>	<b>1–3 months</b>	<b>3–12 months</b>	<b>1–5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
Interest-bearing bank loans	0	0	0	3,480,527	3,480,527
Accounts payable and other debt	508,941	189,249	0	0	698,190

**Maturity analysis - contractual payments**

<b>DKK 1,000</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Long-term credit facilities	0	0	0	4,196,642	0
<b>Gross interest-bearing debt</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,196,642</b>	<b>0</b>

**Reconciliation of development in interest-bearing debt**

	<b>01.01.2025</b>	<b>New borrowings</b>	<b>Repayments</b>	<b>Other</b>	<b>31.12.2025</b>
Long term interest-bearing debt	3,480,527	1,475,000	-775,000	16,115	4,196,642
<b>Total interest-bearing debt</b>	<b>3,480,527</b>	<b>1,475,000</b>	<b>-775,000</b>	<b>16,115</b>	<b>4,196,642</b>

	<b>01.01.2024</b>	<b>New borrowings</b>	<b>Repayments</b>	<b>Other</b>	<b>31.12.2024</b>
Long term interest-bearing debt	3,944,498	1,600,000	-2,138,047	74,076	3,480,527
<b>Total interest-bearing debt</b>	<b>3,944,498</b>	<b>1,600,000</b>	<b>-2,138,047</b>	<b>74,076</b>	<b>3,480,527</b>

**NOTE 3.13 MORTGAGES AND GUARANTEES**

**Carrying amount of debt secured by mortgages and pledges**

As part of the guarantees are also any insurance refunds. In addition, the shares in larger subsidiaries have been pledged to the bank syndicate

The Bakkafrøst Group has a group financing. The Group companies are liable jointly and severally for the balance without limitations for each other.

<b>DKK 1,000</b>	<b>2025</b>	<b>2024</b>
Long-term debt to financial institutions	4,196,642	3,480,527
<b>Total</b>	<b>4,196,642</b>	<b>3,480,527</b>

**Carrying amount of assets pledged as security for recognised debt**

Licences	3,819,883	3,819,883
Property, plant, and equipment	1,871,543	1,826,950
Biological assets (biomass)	3,422,052	3,138,657
Inventory	111,276	67,606
<b>Total</b>	<b>9,224,754</b>	<b>8,853,096</b>

**NOTE 3.14 DERIVATIVES**

<b>DKK 1,000</b>	<b>2025</b>	<b>2024</b>
Currency derivatives	1,840	3,447
<b>Derivatives total</b>	<b>1,840</b>	<b>3,447</b>

The fair value of derivatives held at the balance sheet date can be allocated as follows:

	<b>Fair Value</b>	<b>Recognised in the Income Statement</b>	<b>Recognised in equity</b>	<b>Fair Value</b>	<b>Recognised in the Income Statement</b>	<b>Recognised in equity</b>
	<b>2025</b>	<b>2025</b>	<b>2025</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>
Currency derivatives	1,840	0	1,840	3,447	0	3,447
<b>Total</b>	<b>1,840</b>	<b>0</b>	<b>1,840</b>	<b>3,447</b>	<b>0</b>	<b>3,447</b>

The expected timing of the effect on the income statement is as follows:

	<b>Currency derivatives</b>	<b>Interest and currency derivatives</b>	<b>Total</b>	<b>Currency derivatives</b>	<b>Interest and currency derivatives</b>	<b>Total</b>
	<b>2025</b>	<b>2025</b>	<b>2025</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>
Within one year	1,840	0	1,840	3,447	0	3,447
Between one and five years	0	0	0	0	0	0
After five years	0	0	0	0	0	0
<b>Total</b>	<b>1,840</b>	<b>0</b>	<b>1,840</b>	<b>3,447</b>	<b>0</b>	<b>3,447</b>

**FINANCIAL INSTRUMENTS**

In accordance with IFRS 9, financial instruments falling within its remit are classified into the following categories: fair value with changes in value entered to the Income Statement, hold until maturity, loans and receivables, available for sale, and other liabilities.

Financial instruments at fair value with changes in value entered to the Income Statement.

Fair value of derivatives falls within level 2 of the fair value hierarchy and is calculated on the basis of observable market data as of the end of the reporting period.

Financial instruments, which are held primarily for buying or selling in the short term, are classified as being held for trading purposes. These instruments are included in the category of financial instruments recognised at fair value with changes in value entered to the Income Statement alongside forward currency contracts, which are recognised at fair value with changes in value, entered to the Income Statement.

**Hedge accounting**

Forward currency contracts are used as hedges of the Group's exposure to foreign currency risk arising from forecast USD cash flows. The Group operates a rolling, layered foreign exchange hedging programme, typically covering the next 12 months. The hedges are cash flow hedges.

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve.

Amounts recognised in other comprehensive income are transferred to the Income Statement when the hedged transaction affects profit or loss, and when financial liabilities are settled, such as when the forecast transaction occurs or settlement payments are made.

If the forecast transactions or commitments are no longer expected to occur, the cumulative gain or loss, previously recognised in equity, is transferred to the Income Statement. If the hedging instrument expires or is sold, terminated, or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remains in other comprehensive income until the forecast transaction affects profit or loss, or settlement payments are made.

### NOTE 3.15 PROVISIONS

A provision is recognised when, and only when, the company has a valid liability (legal or self-imposed) deriving from an event which has occurred, and when it is probable (more likely than not) that a financial settlement will take place because of that liability, and when the amount in question can be reliably quantified. Provisions are reviewed on each closing date, and the level reflects the best estimate for the liability. The Group has no provisions as per 31 December 2025, compared to no provisions as per 31 December 2024.

### PROVISIONS FOR ONEROUS CONTRACTS

#### ACCOUNTING POLICIES

The Group enters sales contracts for value added salmon products (VAP) on an on-going basis. The contracts involve physical settlement, and deliveries associated with the contracts form part of the Group's normal business activities. The contracts contain no built-in derivative elements.

With respect to fixed-price contracts, which result in the Group being obligated to sell salmon products at a price less than production cost (including fair value adjustment of raw materials at the point of harvesting), the contracts are considered onerous, and provisions are calculated and entered to the statement of financial position. The provision is charged to the Income Statement.

### SIGNIFICANT ASSUMPTION

The company holds long-term sale contracts related to salmon products. These contracts do not contain any elements of embedded derivatives and are therefore not treated as financial instruments. The contracts are settled, based exclusively on the assumption that delivery of salmon products should take place. The contracts are not tradable, nor do they contain a clause for settlement in cash or cash equivalents.

Provisions are made for estimated onerous contracts that oblige the Group to sell fish at a price less than calculated production costs including raw materials, biomass, measured at fair value.

NOTES - SECTION 4

# Capital Structure and Financing Items

This section gives an insight into the capital structure and financing items.

## NOTE 4.1 FINANCIAL RISK MANAGEMENT

### CAPITAL MANAGEMENT

The Group's objective, when managing capital, is to maintain a capital structure able to support the operations and maximise shareholder value. The farming business is characterised by price volatility and challenging production dynamics. The Group must be financially solid to be able to cope with fluctuations in profit and financial position, and the consolidated equity ratio shall at no time be lower than 35%. On 31 December 2025, the Group's equity ratio was 58% (63%).

The Group manages the capital structure and adjusts corresponding to changes in the underlying economic conditions. In December Bakka Frost entered a term sheet for a sustainability linked EUR 700 million multicurrency revolving credit facility with a tenor of five years. The facility agreement was signed in March 2022. The Facility has a final maturity in February 2029

According to the Group's dividend policy, under normal circumstances, average dividends over several years should be 30 to 50% of the adjusted net profit. The Board has proposed a dividend of DKK 3.45 per share for the financial year 2025, corresponding to a distribution to shareholders of DKK 205 million (DKK 501 million).

On 31 December 2025, net interest-bearing debt amounted to DKK 3,897 million (DKK 3,000 million). Note 3.11 provides an overview of the debt's maturity profile and information on the debt's financial covenants. Bakka Frost complied with the covenants loan agreements at the end of 2025.

### FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments: market risk, liquidity risk and credit risk. This note presents information about the Group's exposure to each of these risks, the Group's objectives, policies, and procedures for measuring and managing risks.

Further quantitative disclosures are included throughout these consolidated financial statements.

The main objective of Bakka Frost's financial risk management policies is to ensure the ongoing liquidity of the Group, defined as being always in a position to meet the liabilities of the Group

as they fall due. This also includes being able to meet financial covenants on Group debt under normal circumstances.

Concerning insurance coverage, the Group insures against material risks, where the insurance is economically viable. The balance between the amount covered by insurance and what is left to own risk varies, depending on the nature of the risk, the value of the assets and prospective liabilities and the cost, actual coverage, and the availability of insurance.

The Board of Directors believes that the most important measure against any risk is to have a strong financial position. On 31 December 2025, the Group's equity ratio was 58% (63%).

Risk management policies and procedures are reviewed regularly to reflect changes in market conditions and the Group's activities.

### FINANCIAL RISK

Financial risk can be defined as the risk that the Group will not be able to meet its financial obligations.

In addition to bank loans, the Group has financial instruments such as accounts receivable, cash, shares, accounts payable, etc., which are ascribable directly to day-to-day business operations.

The Group uses financial derivatives, mainly currency forward contracts. The purpose of these instruments is to manage the currency risks arising from the Group's operations.

The Group does not employ financial instruments, including financial derivatives, for the purpose of arbitrage

The most important financial risks to which the company is exposed are interest rate risk, foreign exchange risk, liquidity risk and credit risk. The management monitors these risks on an ongoing basis and draws up guidelines for how these should be managed.

### MARKET RISK

Market risk can be defined as the risk that the Group's income and expenses, future cash flows or fair value of financial instruments will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rates risk

and other price risk (such as commodity prices and salmon spot prices).

Market risk is monitored and actively managed by the Group. Exposure to these risks is reduced by diversification, suitable controls, and business tactics. In some cases, market risks are transferred to third parties via contractual price adjustment clauses, but rarely by means of financial derivatives.

### Foreign exchange risk

Because of the international nature of its operations, the Group is exposed to fluctuations of foreign currency rates. For risk management purposes, three types of currency exposure have been identified: Translational exposure, Transactional exposure, and Economic currency exposure.

### Translational exposure

Bakka Frost has subsidiaries abroad in Scotland, England, USA, France, and Denmark. Thus, Bakka Frost faces currency risks arising from the translation of subsidiaries whose functional currency differs from the presentation currency of the Group. The exposure related to the equity of foreign subsidiaries is generally not hedged.

### Transactional exposure

Most of the operating companies in the Group are exposed to changes in the value received or paid under foreign currency denominated committed transactions. For the sales & other segment, exposure arises mainly from export sales, while for the FOF segment, exposure results from the sourcing of raw materials in the international commodities markets.

The Group normally has a net positive cash flow exposure from USD and EUR and net negative cash flow exposure from DKK, GBP, and NOK. The predominant exposure comes from the USD. The Group has therefore a policy of a 12-month layered hedging program for USD/DKK.

The table below summarises the foreign currency exposure to the net monetary position of all Group entities against their functional currency. The exposure of translating the financial statements of subsidiaries into the presentation currency is not included in the analysis.

**Exposure to currency risk**

**DKK 1,000**

<b>2025</b>	<b>EUR/DKK</b>	<b>GBP/DKK</b>	<b>USD/DKK</b>	<b>NOK/DKK</b>	<b>JPY/DKK</b>
Cash and cash equivalents	224,911	0	179,604	0	2,389
Accounts receivables	308,907	52,643	246,057	629	0
Trade payables	-39,481	-10,768	-64,048	-11,306	0
Interest-bearing debt	-847,518	0	0	0	0
Forward contracts	0	0	-605,616	0	0
<b>Net exposure</b>	<b>-353,181</b>	<b>41,875</b>	<b>-244,003</b>	<b>-10,677</b>	<b>2,389</b>

<b>2024</b>	<b>EUR/DKK</b>	<b>GBP/DKK</b>	<b>USD/DKK</b>	<b>NOK/DKK</b>	<b>JPY/DKK</b>
Cash and cash equivalents	141,965	6,729	141,346	18,265	30,427
Accounts receivables	241,907	99,067	191,782	16,722	2,651
Trade payables	-14,726	-22,321	-13,350	-15,306	0
Interest-bearing debt	-708,700	0	0	0	0
Forward contracts	0	0	-83,757	0	0
<b>Net exposure</b>	<b>-339,554</b>	<b>83,475</b>	<b>236,021</b>	<b>19,681</b>	<b>33,078</b>

**Sensitivity analysis**

**DKK 1,000**

<b>2025</b>	<b>EUR/DKK</b>	<b>GBP/DKK</b>	<b>USD/DKK</b>	<b>NOK/DKK</b>	<b>JPY/DKK</b>	<b>Result</b>
Net exposure	-353,181	41,875	-244,003	-10,677	2,389	
Historical volatility for the last 5 years	0.23%	6.12%	7.60%	9.87%	9.01%	
<b>Total effect on Profit of +/- movements</b>	<b>-812</b>	<b>2,563</b>	<b>-18,544</b>	<b>-1,054</b>	<b>215</b>	<b>-17,632</b>
<b>Total effect on Profit of -movements</b>	<b>812</b>	<b>-2,563</b>	<b>18,544</b>	<b>1,054</b>	<b>-215</b>	<b>17,632</b>

<b>2024</b>	<b>EUR/DKK</b>	<b>GBP/DKK</b>	<b>USD/DKK</b>	<b>NOK/DKK</b>	<b>JPY/DKK</b>	<b>Result</b>
Net exposure	-339,554	83,475	236,021	19,681	33,078	
Historical volatility for the last 5 years	0,27%	6,46%	7,56%	10,65%	9,08%	
<b>Total effect on Profit of +/- movements</b>	<b>-917</b>	<b>5,393</b>	<b>17,843</b>	<b>2,096</b>	<b>3,003</b>	<b>27,418</b>
<b>Total effect on Profit of -movements</b>	<b>917</b>	<b>-5,393</b>	<b>-17,843</b>	<b>-2,096</b>	<b>-3,003</b>	<b>-27,418</b>

The analysis is based on the currencies that the Group is most exposed to at the end of 2025. The reasonable shifts in exchange rates in the table above are based on 5 years of historical volatility.

If the relevant cross foreign exchange rates moved by the amounts showed in the table above, the effect on the Group's net income would be DKK -18 million (2024: DKK -27 million).

**Currency forward contracts at 31 December 2025**

<b>Bakkafrost Group buys</b>		<b>Bakkafrost Group sells</b>	
<b>DKK 1,000</b>			
DKK	605,616	USD	95,332

**Currency forward contracts at 31 December 2024**

<b>Bakkafrost Group buys</b>		<b>Bakkafrost Group sells</b>	
<b>DKK 1,000</b>			
DKK	83,757	USD	12,243

<b>Significant exchange rates (average) during the year</b>	<b>EUR/DKK</b>	<b>GBP/DKK</b>	<b>USD/DKK</b>	<b>NOK/DKK</b>	<b>JPY/DKK</b>
<b>2025</b>	746.34	871.27	662.10	63.70	4.42
<b>2024</b>	745.89	881.21	689.06	64.17	4.56

**Interest rate risk**

The Group is exposed to increase in interest rates as a result of having debt with floating interest rate terms. An increased cost of borrowing might adversely affect the Group's profitability. The Group does not have fixed interest rate debt.

According to the Group's finance policy, the main objective of interest rate risk management activities should be to minimise the risk of breach of the Group's debt covenants and to avoid situations of financial distress that might jeopardise strategic flexibility. Trading in interest rate derivatives is undertaken to cover existing exposures. Purely speculative transactions are not allowed.

The Group has no fixed rate liabilities and is therefore not exposed to the risk that changes in interest rates might drive changes in market value of outstanding debt.

A 100 basis points increase in interest rate at the reporting date would have a negative impact on the income statement amounting to DKK 39 million (2024: DKK 30 million), based on NIBD.

**Price risk**

The farming segments are sensitive to fluctuations in the spot prices of salmon, which are determined by global supply and demand. The impact of changes in salmon spot prices is partly mitigated by long-term contracts at fixed prices in the VAP segment and financial contracts, however, due to long production cycles, it is difficult to respond quickly to global trends in market prices. Salmon is to a large extent traded based on spot prices, although this would vary with different markets and with the market position of the Group.

**Other price risk**

The Group's FOF segment is active in the international commodity markets. A large portion of raw materials needed in production is contracted in advance of periodic sales price regulations, this way the risk associated with increases in commodity prices is effectively transferred to feed customers, mainly inside the Group. Constraints in the availability of certain raw materials might result in increased sourcing costs in those cases, where an unexpected surge in sales volume makes it necessary to purchase raw

materials outside of previously negotiated purchase agreements. Under these circumstances, it might not be possible to charge the customers with the increased cost, and profitability would thus be impacted.

**Liquidity risk**

Liquidity risk arises from the Group's potential inability to meet its financial obligations towards suppliers and debt capital providers. The Group's liquidity situation is closely monitored and rolling forecasts of cash flows and cash holdings are prepared regularly.

Liquidity risk is managed through maintaining flexibility in funding by securing available committed credit lines, provided by our bank, and through maintaining sufficient liquid assets with the same relationship bank.

The Group seeks to maintain committed facilities to cover forecast borrowings for the next 24 months, plus financial headroom to cover the planned investments and unforeseen movements in cash requirements. Please also refer to Note 3.11 for information

on committed credit facilities, available credit lines, and maturity of interest-bearing debt.

In addition to the above-described sources of liquidity, Bakkafrost monitors funding options available in the capital markets as well as trends in the availability and cost of such funding with a view to maintain financial flexibility and limiting refinancing risk. Bakkafrost's overall liquidity as at 31 December 2025 included DKK 300 million (2024: DKK 481 million) (see Note 3.11) of cash and cash equivalents held in various currencies.

**Credit risk**

Credit risk represents the accounting loss that would have to be recognised if other parties failed to perform as contracted and is related to financial instruments such as cash and cash equivalents, receivables, and derivative financial instruments.

Bakkafrost has a Group-wide credit management policy, governed by Bakkafrost's credit committee. The committee is responsible for granting credits to the Groups customers. In

general, Bakkafrost uses credit insurance, bank guarantees, parent company guarantees, or other securities such as pledges on biological assets, thus reducing the actual risk on outstanding receivables significantly. Historically, losses due to bad debts have been low in Bakkafrost. Recoverable Tax and VAT, included in the balance, also reduces the risk. In addition to such risk mitigating measures, the Group focuses on detailed credit management in operating companies, supported by regular follow up by central functions.

The concentration of credit risk is at the outset not considered significant, since the Group's customers represent various industries and geographic areas. Counterparty risk against financial institutions is not considered significant, due to limited liquid assets and low traded volumes in derivatives. For these transactions, the Group relies upon Nordic relationship banks, other relationship banks or widely recognised commodity exchanges.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date consists of accounts receivables, other receivables, tax receivables and cash and cash equivalents and amounts to DKK 1,314 million as at 31 December 2025 (2024: DKK 1,367 million). For the age distribution of accounts receivable, please refer to Note 3.8.

Bakkafrost has implemented a Group-wide cash management policy with the overall objective of minimising cash holdings, while ensuring sufficient liquidity to meet business needs, avoid shortage of cash and limit the need for borrowing. The cash management is carried out from the Group's head office

Credit Risk	2025	2024
Accounts receivables	699,696	674,819
Other receivables	297,505	212,502
Cash and Cash equivalents	299,749	480,506
<b>Total</b>	<b>1,296,950</b>	<b>1,367,827</b>

**NOTE 4.2 CATEGORIES AND FAIR VALUE OF FINANCIAL INSTRUMENTS AND BIOMASS**

All assets/liabilities, for which fair value is recognised or disclosed, are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1:** Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities.

**Level 2:** Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable).

Fair value of derivatives falls mainly within level 2 of the fair value hierarchy and is calculated on the basis of observable market data as of the end of the reporting period, refer to note 3.14.

**Level 3:** Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

For biological assets, the fair value calculation is done using a valuation model (level 3 in the valuation hierarchy), where the value is estimated based on observable market prices per period end. For more information on these calculations, refer to Note 3.7.

For assets/liabilities that are recognised at fair value on a recurring basis, the Group determines, whether transfers have occurred between Levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement).

There have been no transfers into or out of Level 3 fair value measurements.

As at December 31st the Group held the following classes of assets/liabilities measured at fair value:

DKK 1,000	Fair value	Cost amount	Level 1	Level 2	Level 3
<b>Assets and liabilities measured at fair value</b>					
Biological assets (biomass)	3,422,052	2,921,449	0	0	3,422,052
<b>Assets measured at fair value 31-12-25</b>	<b>3,422,052</b>	<b>2,921,449</b>	<b>0</b>	<b>0</b>	<b>3,422,052</b>
Financial derivatives	1,840	N/A	0	1,840	0
<b>Liabilities measured at fair value 31-12-25</b>	<b>1,840</b>	<b>0</b>	<b>0</b>	<b>1,840</b>	<b>0</b>
Biological assets (biomass)	3,138,657	2,766,132	0	0	3,138,657
<b>Assets measured at fair value 31-12-24</b>	<b>3,138,657</b>	<b>2,766,132</b>	<b>0</b>	<b>0</b>	<b>3,138,657</b>
Financial derivatives	3,447	N/A	0	3,447	0
<b>Liabilities measured at fair value 31-12-24</b>	<b>3,447</b>	<b>0</b>	<b>0</b>	<b>3,447</b>	<b>0</b>

**NOTE 4.3 EARNINGS PER SHARE**

<b>DKK 1,000</b>	<b>2025</b>	<b>2024</b>
Profit for the year to the shareholders of P/F Bakkafrost	523,758	644,795
Fair value adjustment of biomass (IAS 41)	-128,079	368,909
Tax on fair value adjustment	13,266	-13,546
<b>Adjusted profit for the year to shareholders of P/F Bakkafrost</b>	<b>408,945</b>	<b>1,000,158</b>
Ordinary shares as at 01.01.	59,389,741	59,304,619
<b>Ordinary shares as at 31.12.</b>	<b>59,389,741</b>	<b>59,304,619</b>
<b>Time-weighted average number of shares outstanding through the year</b>	<b>59,291,387</b>	<b>59,270,686</b>
<b>Earnings per share</b>		
Basic (DKK)	8.83	10.88
Diluted (DKK)	8.83	10.88
<b>Adjusted earnings per share (before fair value adjustments of biomass and provision for onerous contracts (adjusted EPS))</b>		
Basic (DKK)	6.90	16.87
Diluted (DKK)	6.90	16.87

**Earnings per share (EPS)**

**Basic earnings per share**

Basic EPS is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the company and held as treasury shares.

**Diluted earnings per share**

Diluted earnings per share are adjusted for the dilution effect of issued share options. Bakkafrost has no share options outstanding.

**Adjusted earnings per share**

Adjusted EPS is based on the reversal of certain fair value adjustments shown in the table above, as it is Bakkafrost's view that this figure provides a more reliable measure of the underlying performance.

NOTES - SECTION 5

# OTHER DISCLOSURES

This section gives more details on the statutory notes that have secondary importance from the perspective of Bakkafrost.

## NOTE 5.1 CAPITAL COMMITMENTS

2025	2026	2027	2028	Total
Total contractual new Hatchery stations in the Faroe Islands	216,488	114,282	3,097	333,867
Total contractual new marine sites and development of an existing freshwater site in Scotland	17,927	0	0	17,927
Total contractual other PPE investments	152,207	0	0	152,207
<b>Total</b>	<b>386,622</b>	<b>114,282</b>	<b>3,097</b>	<b>504,001</b>

2024	2025	2026	2027	Total
Total contractual new Hatchery stations in the Faroe Islands	242,324	201,186	53,168	496,678
Total contractual new marine sites and development of an existing freshwater site in Scotland	167,179	0	0	167,179
Total contractual other PPE investments	258,000	0	0	258,000
<b>Total</b>	<b>667,503</b>	<b>201,186</b>	<b>53,168</b>	<b>921,857</b>

## NOTE 5.2 RELATED-PARTY TRANSACTIONS

Related parties are in this respect considered as persons or legal entities, which directly or indirectly possess significant influence on the Bakkafrost Group through shareholding or position and vice versa. Related party transactions are at arm's length terms.

DKK 1,000	2025	2024
<b>Based on key personnel</b>		
Revenues - Betri Trygging P/F	0	6,665
Purchase - Betri Trygging P/F	71,218	71,918
Accounts payable - Betri Trygging P/F	7,414	14,382
Purchase - Tjaldur P/F	358,345	318,976
Accounts payable - Tjaldur P/F	19,246	14,595
Purchase - Tunnil P/F	1,551	1,604
Accounts payable - Tunnil P/F	51	61
Revenues - Posta P/F	97	0
Purchase - Posta P/F	594	608
Accounts payable - Posta P/F	26	19
Revenues - P/F J.F. Kjølbro Heilsøla	801	758
Purchase - P/F J.F. Kjølbro Heilsøla	3,816	2,620
Accounts receivables - P/F J.F. Kjølbro Heilsøla	524	315
Accounts payable - P/F J.F. Kjølbro Heilsøla	1,154	215
Purchase - Sp/F Oygjaleikir	250	250
<b>Based on association</b>		
Purchase - FF Skagen A/S	29,298	0
Accounts receivable - FF Skagen A/S	1,655	0
Accounts payable - FF Skagen A/S	921	367
Revenues - Pelagos P/F	748	0
Purchase - Pelagos P/F	89,263	86,007
Accounts receivables - Pelagos P/F	10	5
Accounts payable - Pelagos P/F	33	9,332
Revenues - Salmon Proteins P/F	16,232	17,591
Accounts receivables - Salmon Proteins P/F	0	2,936
Accounts payable - Salmon Proteins P/F	1,984	0

**NOTE 5.3 AUDITOR’S FEES**

Fees paid to auditors (ex. VAT) break down as follows:

DKK 1,000	2025	2024
Statutory auditing	1,561	1,506
Other assurance engagements	218	217
Tax advisory services	35	14
Other services	125	109
<b>Total auditor’s fees to AGM elected auditors</b>	<b>1,939</b>	<b>1,846</b>
Other auditors in subsidiaries in Scotland, France, Denmark and USA	2,233	2,355
<b>Total auditor’s fees</b>	<b>4,172</b>	<b>4,201</b>

**NOTE 5.4 BUSINESS COMBINATIONS**

There have not been any new business combinations in 2025, nor in 2024.

**NOTE 5.5 EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION**

This is regarding new information regarding the company’s financial position on the statement of financial position, which is received after the date of the statement of financial position, has been recognised in the annual accounts. Events after the date of the statement of financial position, which do not affect the company’s financial position on the statement of financial position date, but which will affect the company’s future financial position, are disclosed if material.

These agreements represent a material non-adjusting event under IAS 10, and no adjustments have been made to the financial statements for the year ended 31 December 2025.

**NOTE 5.6 GOING CONCERN**

The Group’s financial statements for 2025 have been prepared on a going concern basis. The Board has assessed the Group’s ability to continue as a going concern for at least twelve months from the reporting date and considers that the Group has adequate financial resources and liquidity to meet its obligations as they fall due. Based on this assessment, the Board is not aware of any material uncertainties that may cast significant doubt on the Group’s ability to continue as a going concern.

**NOTE 5.7 MISSING INTERCOMPANY ELIMINATION IN REPORTED INTERIM REPORTS FOR 2024**

During the preparation of the 2024 annual consolidated financial statements, the management discovered that intragroup sales of DKK 146 million were not eliminated against COGS in the interim statements for 2024; whereof DKK 115 million in Q2. This overstated both Revenue and COGS by the same amount but did not affect EBIT or net profit.

Under IFRS 10, intragroup transactions must be fully eliminated to reflect a single economic entity. Although 2% of revenue (DKK 146 million of DKK 7,480 million), it equals about 9% of EBIT (DKK 1,550 million), which the management deems material under IAS 1.

This is corrected in the annual figures for 2024. As permitted by IFRS 34, no restatement of earlier interim reports is required, but the Group will disclose the correction in future interim reports. Management has strengthened controls to prevent similar omissions.

**NOTE 5.8 ALTERNATIVE PERFORMANCE MEASURES**

The Groups financial information is prepared in accordance with international financial reporting standards (IFRS). In addition, the management’s intention is to provide alternative performance measures, which are regularly reviewed by the management to enhance the understanding of the company’s performance, but not replacing the financial statements prepared in accordance with IFRS. The alternative performance measures presented may be determined or calculated differently by other companies. Bakkafrost’s experience is that these APM’s are frequently used by analysts, investors and other parties.

These APM’s are adjusted IFRS measures defined, calculated and used in a consistent and transparent manner over the years and across the company where relevant.

**NIBD**

DKK 1,000	31 Dec 2025	31 Dec 2024
Cash and cash equivalents	299,749	480,506
Long- and short-term interest-bearing debt	-4,196,642	-3,480,527
<b>Net interest-bearing debt</b>	<b>-3,896,893</b>	<b>-3,000,021</b>

Net interest-bearing debt consists of both current and non-current interest-bearing liabilities, less related current and non-current hedging instruments, financial instruments, such as debt instruments and derivatives, and cash and cash equivalents. The net interest-bearing debt is a measure of the Group’s net indebtedness that provides an indicator of the overall balance sheet strength. It is also a single measure that can be used to assess both the Group’s cash position and its indebtedness. The use of the term ‘net debt’ does not necessarily mean that the cash included in the net debt calculation is available to settle the liabilities included in this measure. Net debt is an alternative performance measure as it is not defined in IFRS. The most directly comparable IFRS measure is the aggregate interest-bearing liabilities (both current and non-current) and cash and cash equivalents. A reconciliation from these to net debt is provided below

**EBITDA**

Earnings before interest, tax, depreciations and amortizations (EBITDA) is a key financial parameter for Bakkafrost’s FOF segment. EBITDA before other income and other expenses is defined as EBITDA less gains and losses on disposals of fixed assets and operations and is reconciled in the section Group overview. This measure is useful to users of Bakkafrost’s financial information in evaluating operating profitability on a more variable cost basis, as it excludes depreciations and amortisation expenses related primarily to capital expenditures and acquisitions, which occurred in the past, nonrecurring items, as well as evaluating operating performance in relation to Bakkafrost’s FOF segments competitors. The EBITDA margin presented is defined as EBITDA before other income and other expenses divided by total revenues.

**Operational EBIT**

DKK 1,000	2025	2024
<b>EBIT</b>	<b>877,820</b>	<b>1,005,802</b>
Fair value adjustments of biological assets	-128,079	368,909
Result from associates	-36,059	-46,964
Revenue tax	173,858	221,945
<b>Operational EBIT</b>	<b>887,540</b>	<b>1,549,692</b>

Operational EBIT is EBIT aligned for fair value adjustments, onerous contracts provisions, income from associates and revenue tax.

Operational EBIT is a major alternative performance measure in the salmon farming industry. A reconciliation from EBIT to Operational EBIT is provided below.

**Operational EBIT per kg:**

<b>Freshwater FO segment:</b>	<b>Freshwater SCT segment:</b>	<b>Farming FO segment:</b>	<b>Farming SCT segment:</b>	<b>Services segment:</b>	<b>Sales &amp; Other segment:</b>
Operational EBIT Freshwater FO segment	Operational EBIT Freshwater SCT segment	Operational EBIT Farming FO segment	Operational EBIT Farming SCT segment	Operational EBIT Service segment	Operational EBIT Freshwater FO segment
Total released smolt FO (kg)	Total released smolt SCT (kg)	Total harvested volumes FO (gw)	Total harvested volumes SCT (gw)	Total harvested volumes (gw)	Total harvested volumes (gw)

**Adjusted EPS**

Adjusted EPS is based on the reversal of certain fair value adjustments shown in the table above, as it is Bakkafrøst's view that this figure provides a more reliable measure of the underlying performance

	<b>YTD</b>	<b>YTD</b>
<b>DKK 1,000</b>	<b>2025</b>	<b>2024</b>
Profit for the period to the shareholders of P/F Bakkafrøst	523,758	644,795
Fair value adjustment of biomass	-128,079	368,909
Tax on fair value adjustment and onerous contracts provisions	13,266	-13,546
<b>Adjusted profit for the period to shareholders of P/F Bakkafrøst</b>	<b>408,945</b>	<b>1,000,158</b>
<b>Time-weighted average number of shares outstanding through the period</b>	<b>59,291,387</b>	<b>59,270,686</b>
<b>Adjusted earnings per share (before fair value adjustment of biomass and provisions for onerous contracts) (adjusted EPS)</b>	<b>6.90</b>	<b>16.87</b>

# Financial Statements

P/F BAKKAFROST



## P/F BAKKAFROST

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P/F BAKKAFROST

# Income Statement

FOR THE YEAR ENDED 31 DECEMBER

DKK 1,000	Note	2025	2024
Operating revenue		274,402	250,834
Salary and personnel expenses	2	-84,674	-75,922
Other operating expenses		-165,036	-158,345
Depreciation	4	-30,247	-30,018
<b>Earnings before interest and taxes (EBIT)</b>		<b>-5,555</b>	<b>-13,451</b>
Dividends from subsidiaries		1,297,266	1,469,448
Financial income	3	64,244	224,211
Net interest expenses	3	-135,061	-181,472
Net currency effects	3	20,187	65,454
Other financial expenses	3	-5,041	-5,859
<b>Earnings before taxes (EBT)</b>		<b>1,236,040</b>	<b>1,558,331</b>
Taxes	8	10,735	-16,177
<b>Profit to shareholders of P/F Bakkafrost</b>		<b>1,246,775</b>	<b>1,542,154</b>
<b>Distribution of profit</b>			
Dividend proposed		204,895	500,531
Retained earnings		1,041,880	1,041,623
<b>Distribution in total</b>		<b>1,246,775</b>	<b>1,542,154</b>

# Statement of Other Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER

	2025	2024
<b>Profit for the year</b>	<b>1,246,775</b>	<b>1,542,154</b>
<b>Other comprehensive income:</b>		
Fair value adjustment on financial derivatives	-1,607	-3,697
Income tax effect	289	564
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>	<b>-1,318</b>	<b>-3,133</b>
<b>Total comprehensive income</b>	<b>1,245,457</b>	<b>1,539,021</b>

P/F BAKKAFROST

# Statement of Financial Position

AS AT 31 DECEMBER

DKK 1,000	Note	2025	2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets		2,149	1,000
<b>Total intangible assets</b>		<b>2,149</b>	<b>1,000</b>
<b>Property, plant and equipment</b>			
Land, buildings and other real estate	4	180,632	192,395
Plant, machinery and other operating equipment	4	23,817	40,493
<b>Total property plant and equipment</b>		<b>204,449</b>	<b>232,888</b>
<b>Non-current financial assets</b>			
Investments in subsidiaries	5	9,239,918	8,583,979
Investments in stocks and shares	6	790	790
<b>Total non-current financial assets</b>		<b>9,240,708</b>	<b>8,584,769</b>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>9,447,306</b>	<b>8,818,657</b>
Inventory		49,908	43,670
<b>Total inventory</b>		<b>49,908</b>	<b>43,670</b>
Receivables from Group companies		14,440,701	9,604,721
Accounts receivables		1,475	1,564
Other receivables		31,361	4,466
<b>Total receivables</b>		<b>14,473,537</b>	<b>9,610,751</b>
Cash and cash equivalents		9,840	351,312
<b>TOTAL CURRENT ASSETS</b>		<b>14,533,285</b>	<b>10,005,733</b>
<b>TOTAL ASSETS</b>		<b>23,980,591</b>	<b>18,824,390</b>

DKK 1,000	Note	2025	2024
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	7	59,390	59,304
Other equity		12,418,686	11,666,309
<b>Total equity</b>		<b>12,478,076</b>	<b>11,725,613</b>
<b>Non-current liabilities</b>			
Long-term interest-bearing debt	9	4,052,446	3,320,972
Deferred taxes	8	10,176	7,399
<b>Total non-current liabilities</b>		<b>4,062,622</b>	<b>3,328,371</b>
<b>Current liabilities</b>			
Derivatives	3.13*	1,840	3,447
Payables to Group companies		7,406,703	3,736,933
Accounts payable		24,722	26,048
Other short-term liabilities		6,628	3,978
<b>Total current liabilities</b>		<b>7,439,893</b>	<b>3,770,406</b>
<b>Total liabilities</b>		<b>11,502,515</b>	<b>7,098,777</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>23,980,591</b>	<b>18,824,390</b>

P/F BAKKAFROST

# Cash Flow Statement

FOR THE YEAR ENDED 31 DECEMBER

DKK 1,000	Note	2025	2024
<b>Cash flow from operations</b>			
<b>EBIT</b>		<b>-5,555</b>	<b>-13,451</b>
Adjustments for write-downs and depreciation	4	30,247	30,019
Adjustments for net currency effects	3	20,187	65,454
Adjustments for share-based payment	2	749	6,424
Taxes paid	8	2,185	-4,253
Change in inventory		-6,238	101
Change in receivables		-26,806	986,621
Change in current debts		12,362	18,621
<b>Cash flow from operations</b>		<b>27,131</b>	<b>1,089,536</b>
<b>Cash flow from investments</b>			
Increase of share capital in subsidiaries, etc., net	5	-655,939	-2,531,480
Payments made for purchase of fixed assets	4	-2,957	-3,703
<b>Cash flow from investments</b>		<b>-658,896</b>	<b>-2,535,183</b>
<b>Cash flow from financing</b>			
Changes in interest-bearing debt (short and long)		731,474	-454,022
Financial income	3	64,244	224,211
Financial expenses	3	-140,102	-187,331
Financing of associates/subsidiaries		-1,166,210	969,082
Acquisition/sale treasury shares		-23,199	8,002
Dividend from subsidiaries		1,297,266	1,469,448
Emission - increase of share capital		27,340	31,381
Dividend paid		-500,520	-515,266
<b>Cash flow from financing</b>		<b>290,293</b>	<b>1,545,505</b>
<b>Net change in cash and cash equivalents</b>		<b>-341,472</b>	<b>99,858</b>
Cash and cash equivalents – opening balance		351,312	251,454
<b>Cash and cash equivalents – closing balance total</b>		<b>9,840</b>	<b>351,312</b>

## P/F BAKKAFROST

# Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER

DKK 1,000	Share capital	Share premium account	Treasury shares	Share-based payment	Derivatives	Proposed dividends	Retained earnings	Total
<b>1 January 2025</b>	<b>59,305</b>	<b>3,838,206</b>	<b>-476</b>	<b>2,160</b>	<b>-2,827</b>	<b>500,531</b>	<b>7,328,714</b>	<b>11,725,613</b>
<b>Net annual profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,246,775</b>	<b>1,246,775</b>
Fair value adjustment on financial derivatives	0	0	0	0	1,607	0	0	1,607
Income tax effect	0	0	0	0	-289	0	0	-289
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,318</b>	<b>0</b>	<b>0</b>	<b>1,318</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,318</b>	<b>0</b>	<b>1,246,775</b>	<b>1,248,093</b>
Emission - increase sharecapital	85	0	0	0	0	0	27,255	27,340
Treasury shares	0	0	-23,049	0	0	0	-150	-23,199
Share-based payment	0	0	0	749	0	0	0	749
Dividend treasury shares	0	0	0	0	0	0	11	11
Paid-out dividends	0	0	0	0	0	-500,531	0	-500,531
Proposed dividends	0	0	0	0	0	204,895	-204,895	0
<b>Total transaction with owners</b>	<b>85</b>	<b>0</b>	<b>-23,049</b>	<b>749</b>	<b>0</b>	<b>-295,636</b>	<b>-177,779</b>	<b>-495,630</b>
<b>Total changes in equity</b>	<b>85</b>	<b>0</b>	<b>-23,049</b>	<b>749</b>	<b>1,318</b>	<b>-295,636</b>	<b>1,068,996</b>	<b>752,463</b>
<b>31 December 2025</b>	<b>59,390</b>	<b>3,838,206</b>	<b>-23,525</b>	<b>2,909</b>	<b>-1,509</b>	<b>204,895</b>	<b>8,397,710</b>	<b>12,478,076</b>
<b>1 January 2024</b>	<b>59,228</b>	<b>3,838,206</b>	<b>-8,478</b>	<b>1,374</b>	<b>306</b>	<b>515,284</b>	<b>6,257,673</b>	<b>10,663,593</b>
<b>Net annual profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,542,154</b>	<b>1,542,154</b>
Fair value adjustment on financial derivatives	0	0	0	0	-3,697	0	0	-3,697
Income tax effect	0	0	0	0	564	0	0	564
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-3,133</b>	<b>0</b>	<b>0</b>	<b>-3,133</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-3,133</b>	<b>0</b>	<b>1,542,154</b>	<b>1,539,021</b>
Emission - increase sharecapital	77	0	0	0	0	0	31,304	31,381
Treasury shares	0	0	8,002	0	0	0	-1,904	6,098
Share-based payment	0	0	0	786	0	0	0	786
Dividend treasury shares	0	0	0	0	0	0	18	18
Paid-out dividends	0	0	0	0	0	-515,284	0	-515,284
Proposed dividends	0	0	0	0	0	500,531	-500,531	0
<b>Total transaction with owners</b>	<b>77</b>	<b>0</b>	<b>8,002</b>	<b>786</b>	<b>0</b>	<b>-14,753</b>	<b>-471,113</b>	<b>-477,001</b>
<b>Total changes in equity</b>	<b>77</b>	<b>0</b>	<b>8,002</b>	<b>786</b>	<b>-3,133</b>	<b>-14,753</b>	<b>1,071,041</b>	<b>1,062,020</b>
<b>31 December 2024</b>	<b>59,305</b>	<b>3,838,206</b>	<b>-476</b>	<b>2,160</b>	<b>-2,827</b>	<b>500,531</b>	<b>7,328,714</b>	<b>11,725,613</b>

P/F BAKKAFROST

# Notes to the Financial Statements

## NOTE 1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), endorsed by the European Union (EU), and the additional requirements according to the Faroese Financial Reporting Act. The accounting policies applied to the consolidated accounts have also been applied to the parent company, P/F Bakkafrost. The notes to the consolidated accounts provide additional information to the parent company's accounts, which is not presented here separately. The company's financial statements are presented in DKK. Investments in subsidiaries are measured at historic cost unless there is any indication of impairment. In case of impairment, an investment is written down to fair value.

## NOTE 2. SALARIES AND OTHER PERSONNEL EXPENSES

DKK 1,000	2025	2024
Wages and salaries	59,424	52,747
Share based payments	7,136	6,424
Social security taxes	3,212	3,754
Pension expenses	6,418	5,517
Other benefits	8,484	7,480
<b>Total payroll expenses</b>	<b>84,674</b>	<b>75,922</b>
Average number of full-time employees	82	79

## REMUNERATION TO SENIOR EXECUTIVES AND AUDITORS

For details of remuneration paid to senior executives, see notes to the consolidated financial statements.

## NOTE 3. NET FINANCIAL ITEMS

DKK 1,000	2025	2024
Interests received deposit	18,370	17,501
Interests received from Group companies	45,874	206,710
<b>Financial income</b>	<b>64,244</b>	<b>224,211</b>
Interest expenses on long- and short-term loans	-135,057	-181,204
Interests expences from Group companies	0	-268
Interest expenses on accounts payable	-4	0
<b>Financial expenses</b>	<b>-135,061</b>	<b>-181,472</b>
Other exchange differences	20,187	65,454
<b>Net currency effects</b>	<b>20,187</b>	<b>65,454</b>
Other financial expenses	-5,041	-5,859
<b>Other financial items</b>	<b>-5,041</b>	<b>-5,859</b>
<b>Net financial items</b>	<b>-55,671</b>	<b>102,334</b>

**NOTE 4. PROPERTY, PLANT AND EQUIPMENT**

DKK 1,000	Land and buildings	Other equipment	Total
Acquisition cost as at 01.01.25	301,761	183,263	485,024
Acquisitions during the year	0	1,808	1,808
<b>Acquisition cost as at 31.12.25</b>	<b>301,761</b>	<b>185,071</b>	<b>486,832</b>
Accumulated depreciation and write-down as at 01.01.25	-109,366	-142,770	-252,136
Depreciations during the year	-11,763	-18,484	-30,247
<b>Accumulated depreciation and write-down as at 31.12.25</b>	<b>-121,129</b>	<b>-161,254</b>	<b>-282,383</b>
<b>Net book value as at 31.12.25</b>	<b>180,632</b>	<b>23,817</b>	<b>204,449</b>
Acquisition cost as at 01.01.24	300,118	181,203	481,321
Acquisitions during the year	1,643	2,060	3,703
<b>Acquisition cost as at 31.12.24</b>	<b>301,761</b>	<b>183,263</b>	<b>485,024</b>
Accumulated depreciation and write-down as at 01.01.24	-97,621	-124,497	-222,118
Depreciations during the year	-11,745	-18,273	-30,018
<b>Accumulated depreciation and write-down as at 31.12.24</b>	<b>-109,366</b>	<b>-142,770</b>	<b>-252,136</b>
<b>Net book value as at 31.12.24</b>	<b>192,395</b>	<b>40,493</b>	<b>232,888</b>
	<b>Estimated lifetime</b>	<b>Depreciation method</b>	<b>Scrap value</b>
Land and buildings	15-25 years	linear	10%
Other operating equipment	3-8 years	linear	0%

**NOTE 5. SUBSIDIARIES AND ASSOCIATES**

DKK 1,000			2025	2024		
Acquisition cost as at 01.01.			8,586,745	6,055,265		
Additions during the year			655,939	2,531,480		
<b>Acquisition cost as at 31.12.</b>			<b>9,242,684</b>	<b>8,586,745</b>		
Re-evaluations as at 01.01.			-2,766	-2,766		
<b>Re-evaluations as at 31.12.</b>			<b>-2,766</b>	<b>-2,766</b>		
<b>Net book value as at 31.12.</b>			<b>9,239,918</b>	<b>8,583,979</b>		
DKK 1,000 Company	Method	Head Office	Ownership	Voting share	Carrying Amonut 2025	Carrying Amonut 2024
Bakkafrost Processing P/F	Cost	Glyvrrar	100%	100%	266,372	266,372
Bakkafrost Sales P/F	Cost	Glyvrrar	100%	100%	879	879
Bakkafrost Farming P/F	Cost	Glyvrrar	100%	100%	313,887	313,887
Bakkafrost FSV P/F	Cost	Glyvrrar	100%	100%	500	500
Bakkafrost Freshwater P/F	Cost	Glyvrrar	100%	100%	500	500
Havsbrún P/F	Cost	Glyvrrar	100%	100%	908,884	908,884
Bakkafrost UK Ltd	Cost	Grimsby	100%	100%	24,462	4,649
Bakkafrost Scotland Ltd	Cost	Edinburgh	100%	100%	7,589,583	7,034,457
Förka P/F	Cost	Glyvrrar	100%	100%	5,000	5,000
Faroe Seafood 2011 P/F	Cost	Glyvrrar	100%	100%	14,000	14,000
Munkebo Seafood A/S	Cost	Munkebo	90%	90%	22,851	22,851
FarCargo P/F	Cost	Glyvrrar	100%	100%	93,000	12,000
<b>Total subsidiaries</b>					<b>9,239,918</b>	<b>8,583,979</b>

P/F Bakkafrost and subsidiaries, the Group, own a total of 78.7% in P/F Salmon Proteins, which is an associated company on the Group level.

P/F Bakkafrost owns 14.23% in P/F Salmon Proteins and this is classed in investment in stocks and shares.

DKK 1,000	Dividends*	Excess dividends on result	Result 2025	Result 2024
Bakkafrost Farming P/F	451,805	-267,019	184,786	447,818
Bakkafrost FSV P/F	39,027	-25,340	13,687	39,027
Bakkafrost Freshwater P/F	229,677	29,808	259,485	229,677
Bakkafrost Sales P/F	109,276	-128,219	-18,943	109,276
Bakkafrost Processing P/F	31,368	84,535	115,903	31,368
Havsbrún P/F	436,113	-150,881	285,232	449,408
Bakkafrost UK Ltd.	0	0	0	1,024
Bakkafrost Scotland Ltd	0	-422,018	-422,018	-227,259
Förka P/F	0	3,714	3,714	5,146
Faroe Seafood P/F	0	-38	-38	1,892
Munkebo Seafood A/S	0	1,937	1,937	-3,668
FarCargo P/F	0	-18,438	-18,438	-28,129
<b>Total revenue Group contribution</b>	<b>1,297,266</b>	<b>-891,959</b>	<b>405,307</b>	<b>1,055,580</b>

\* Dividends from subsidiaries paid out in 2025

**NOTE 6. INVESTMENTS IN STOCKS AND SHARES**

DKK 1,000	2025	2024
Acquisition cost as at 01.01.	183	183
<b>Acquisition cost as at 31.12.</b>	<b>183</b>	<b>183</b>
Re-evaluations as at 01.01.	607	607
<b>Re-evaluations as at 31.12.</b>	<b>607</b>	<b>607</b>
<b>Net book value as at 31.12.</b>	<b>790</b>	<b>790</b>

Shares and holdings, in which the Group does not have significant influence. These are valued using the equity method or at cost since fair value cannot be measured reliably

**NOTE 7. SHARE CAPITAL AND MAJOR SHAREHOLDERS**

DKK 1,000	2025	2024
Share capital at 31.12.	59,305	59,228
Emission - increase of share capital	85	77
<b>Share capital at 31.12.</b>	<b>59,390</b>	<b>59,305</b>

The share capital is distributed into shares of DKK 1 and multiples thereof. For shareholders holding more than 5% in the Company as at 31 December 2025, see Group Accounts

**NOTE 8. TAX**

DKK 1,000	2025	2024
Tax payable	13,222	2,185
Change in deferred tax	-2,487	-18,362
<b>Tax expense on ordinary profit</b>	<b>10,735</b>	<b>-16,177</b>
<b>Tax in the statement of financial position</b>	<b>10,176</b>	<b>7,399</b>
<b>Reconciliation from nominal to actual tax rate</b>		
Profit before tax	1,236,040	1,558,331
Expected tax at nominal tax rate (18%)	-222,487	-280,500
Permanent differences, including Group contribution without tax effect (18)	233,508	264,501
Other permanent differences (18%)	-286	-178
<b>Calculated tax expense</b>	<b>10,735</b>	<b>-16,177</b>
Effective tax rate	0.87%	-1.04%

As Parent company in the Bakkafrost Group, Bakkafrost P/F is the administrating company in a Faroese Group Joint Taxation and is liable towards the Faroese Tax Authorities for taxes payable on behalf of the Faroese subsidiaries included in the Faroese Group Joint Taxation.

**NOTE 9. SECURITY PLEDGES AND CONTINGENT LIABILITIES**

DKK 1,000	2025	2024
Long-term debt to financial institutions	4,052,446	3,320,972
<b>Total</b>	<b>4,052,446</b>	<b>3,320,972</b>
<b>Carrying amount of assets pledged as security for recognised debt</b>		
Land and buildings	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

The company participates in a Group financing for the Bakkafrost Group. In relation to this matter, the company has together with other Group companies pledged licences, property, plant, and equipment, shareholdings, inventory and receivables as surety for the Group's total debt to the banks. In addition, the Group companies have guaranteed severally and jointly for the balance without limitations for each other. As part of the guarantees are also any insurance refunds. In addition, the shares in larger subsidiaries have been pledged to the bank syndicate.

#### **NOTE 10. RELATED-PARTY TRANSACTIONS**

The company operates cash pooling arrangements in the Group. Further, the company extends loans to subsidiaries and associates at terms and conditions reflecting prevailing market conditions for corresponding services, allowing a margin to cover administration and risk. The company allocates costs for corporate staff services and shared services to subsidiaries and renting of buildings.

The total amounts for rent are DKK 23 million (DKK 21 million), allocation of administration etc. DKK 145 million (DKK 131 million), financial incomes of DKK 46 million (DKK 207 million). The principle of arm's length is used in all transactions with related parties.

#### **NOTE 11. AUDITOR'S FEE**

The company paid DKK 907,600 (DKK 872,500) for audit service, DKK 34,600 (DKK 14,500) for tax advisory DKK 218,300 (DKK 217,500), for other assurance engagements DKK 82,470 (DKK 67,000) for other service. Please also see note 5.5 in the consolidated financial statements.

# Key Figures – 5 Year Overview for the BAKKAFROST GROUP

DKK 1,000

## Income Statement

	2025	2024	2023	2022	2021
Operating revenues	7,007,147	7,333,674	7,140,849	7,129,967	5,553,849
Operational EBIT	887,540	1,549,692	1,543,810	1,705,165	821,194
Operational EBITDA	1,672,664	2,253,997	2,181,019	2,242,645	1,351,628
Earnings before interest and taxes (EBIT)	887,820	1,005,802	1,319,961	1,826,153	1,144,685
Earnings before taxes (EBT)	635,441	851,634	1,148,351	1,690,335	1,137,662
<b>Net earnings</b>	<b>523,758</b>	<b>644,795</b>	<b>955,216</b>	<b>1,344,330</b>	<b>964,036</b>

Earnings per share before fair value adjustments of biomass and provision for onerous contracts (DKK)	6.90	16.87	17.45	19.02	10.28
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Earnings per share after fair value adjustments of biomass and provision for onerous contracts (DKK)	8.83	10.88	16.14	22.75	16.32
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## Statement of Financial Position

Total non-current assets	13,519,005	12,496,716	11,944,278	11,164,639	10,059,184
Total current assets	5,508,726	5,177,419	5,896,883	5,716,933	4,568,984
<b>TOTAL ASSETS</b>	<b>19,027,731</b>	<b>17,674,135</b>	<b>17,841,161</b>	<b>16,881,572</b>	<b>14,628,168</b>

Total equity	11,044,012	11,156,667	10,865,854	10,395,813	9,347,545
Total liabilities	7,983,719	6,517,468	6,975,307	6,485,759	5,280,623
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>19,027,731</b>	<b>17,674,135</b>	<b>17,841,161</b>	<b>16,881,572</b>	<b>14,628,168</b>

Net interest-bearing debt	3,896,893	3,000,021	3,532,824	2,663,686	2,125,811
Equity ratio	58%	63%	61%	62%	64%

# APPENDIX 2

## Quarterly Financial Figures 2023 – 2025 for the BAKKAFROST GROUP

DKK 1,000	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
<b>Operating revenue</b>	<b>2,049,881</b>	<b>1,669,658</b>	<b>1,859,408</b>	<b>1,561,902</b>	<b>2,200,673</b>	<b>1,952,295</b>	<b>1,710,928</b>	<b>1,469,778</b>	<b>1,899,428</b>	<b>1,574,628</b>	<b>1,686,196</b>	<b>1,846,895</b>
Purchase of goods/Change in inventory at cost	-575,103	-501,441	-792,842	-390,477	-603,441	-683,473	-622,743	-295,310	-486,930	-574,773	-663,564	-534,753
Salary and personnel expenses	-224,361	-201,942	-219,271	-217,096	-214,601	-203,214	-242,647	-221,464	-225,741	-237,206	-245,358	-238,417
Other operating expenses	-540,966	-464,001	-432,287	-437,985	-508,977	-537,070	-511,900	-514,254	-515,974	-518,896	-566,674	-580,790
Depreciation	-148,450	-154,248	-155,127	-179,384	-169,334	-167,826	-182,175	-184,971	-189,251	-193,071	-196,223	-206,579
Other income	4,287	5,314	9,109	19,232	5,389	27,174	21,090	25,765	23,603	14,300	7,772	8,918
<b>Operational EBIT</b>	<b>565,288</b>	<b>353,340</b>	<b>268,990</b>	<b>356,192</b>	<b>709,709</b>	<b>387,886</b>	<b>172,553</b>	<b>279,544</b>	<b>505,135</b>	<b>64,982</b>	<b>22,149</b>	<b>295,274</b>
Fair value adjustments on biological assets	53,530	-432,065	55,236	181,634	-70,176	-393,192	-266,253	360,712	-376,112	-187,156	121,615	569,732
Onerous contracts	0	0	0	0	0	0	0	0	0	0	0	0
Income from associates	23,933	-3,384	10,713	39,390	0	2,423	-915	45,456	2,180	13,825	5,111	14,943
Revenue tax	-38,040	-30,002	-57,305	-27,489	-111,585	-84,147	-7,934	-18,279	-79,103	-24,777	-17,531	-52,447
<b>Earnings before interest and taxes (EBIT)</b>	<b>604,711</b>	<b>-112,111</b>	<b>277,634</b>	<b>549,727</b>	<b>527,948</b>	<b>-87,030</b>	<b>-102,549</b>	<b>667,433</b>	<b>52,100</b>	<b>-133,126</b>	<b>131,344</b>	<b>827,502</b>
Net interest revenue	2,665	2,737	3,538	11,871	4,886	3,883	6,509	3,324	4,978	3,503	3,464	3,646
Net interest expenses	-32,266	-37,672	-48,550	-66,192	-61,171	-46,484	-47,816	-44,062	-40,360	-38,027	-30,849	-52,165
Net currency effects	13,669	-1,193	4,506	-14,198	12,224	-7,044	-15,123	44,848	-52,529	-26,969	-25,123	9,997
Other financial expenses	-2,428	-4,792	-1,223	-2,082	-1,899	-2,688	-1,705	-1,850	-737	2,910	-1,897	-2,221
<b>Earnings before taxes (EBT)</b>	<b>586,351</b>	<b>-153,031</b>	<b>235,905</b>	<b>479,126</b>	<b>481,988</b>	<b>-139,363</b>	<b>-160,684</b>	<b>669,693</b>	<b>-36,548</b>	<b>-191,709</b>	<b>76,939</b>	<b>786,759</b>
Taxes	-119,467	30,491	-17,061	-87,098	-81,020	22,813	44,383	-193,015	30,852	53,439	-383	-195,591
<b>Profit or loss for the period</b>	<b>466,884</b>	<b>-122,540</b>	<b>218,844</b>	<b>392,028</b>	<b>400,968</b>	<b>-116,550</b>	<b>-116,301</b>	<b>476,678</b>	<b>-5,696</b>	<b>-138,270</b>	<b>76,556</b>	<b>591,168</b>
Earnings per share (DKK)	7.90	-2.07	3.70	6.62	6.77	-1.97	-1.96	8.04	-0.10	-2.33	1.46	9.97
Diluted earnings per share (DKK)	7.90	-2.07	3.70	6.62	6.77	-1.97	-1.96	8.04	-0.10	-2.33	1.46	9.97

DKK 1,000	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
<b>ASSETS</b>												
<b>Non-current assets</b>												
Intangible assets	4,508,712	4,512,179	4,511,663	4,509,334	4,511,632	4,513,690	4,515,020	4,517,763	4,516,269	4,511,006	4,508,081	4,509,171
Property, plant and equipment	5,737,923	5,950,975	6,062,698	6,220,481	6,312,012	6,447,425	6,574,817	6,733,306	6,873,131	6,917,724	7,060,111	7,136,020
Right of use assets	503,681	480,573	448,376	413,277	391,035	366,774	349,000	320,847	986,844	924,841	862,159	829,037
Financial assets	258,010	238,911	249,545	288,701	299,618	299,142	288,908	334,469	322,106	319,937	323,572	346,084
Deferred tax assets	336,297	354,015	428,873	512,485	512,872	512,872	512,871	590,331	588,442	588,438	683,923	698,693
<b>Total non-current assets</b>	<b>11,344,623</b>	<b>11,536,653</b>	<b>11,701,155</b>	<b>11,944,278</b>	<b>12,027,169</b>	<b>12,139,903</b>	<b>12,240,616</b>	<b>12,496,716</b>	<b>13,286,792</b>	<b>13,261,946</b>	<b>13,437,846</b>	<b>13,519,005</b>
<b>Current assets</b>												
Biological assets (biomass)	3,035,517	2,776,846	2,765,951	3,335,570	3,315,563	2,906,409	2,601,564	3,138,657	2,720,615	2,588,847	2,742,661	3,422,053
Inventory	1,127,713	1,049,933	1,291,521	1,148,788	1,114,554	884,229	720,645	670,935	808,848	992,962	887,916	789,723
<b>Total inventory</b>	<b>4,163,230</b>	<b>3,826,779</b>	<b>4,057,472</b>	<b>4,484,358</b>	<b>4,430,117</b>	<b>3,790,638</b>	<b>3,322,209</b>	<b>3,809,592</b>	<b>3,529,463</b>	<b>3,581,809</b>	<b>3,630,577</b>	<b>4,211,776</b>
Financial derivatives	5,966	0	0	374	0	3,323	0	0	0	0	0	0
Accounts receivable	787,204	782,329	951,483	850,338	1,058,040	732,311	729,185	674,819	819,087	333,312	793,272	699,696
Other receivables	172,785	145,813	171,170	150,139	174,305	132,142	127,432	212,502	168,316	206,335	128,169	297,505
<b>Total receivables</b>	<b>965,955</b>	<b>928,142</b>	<b>1,122,653</b>	<b>1,000,851</b>	<b>1,232,345</b>	<b>867,776</b>	<b>856,617</b>	<b>887,321</b>	<b>987,403</b>	<b>560,074</b>	<b>941,868</b>	<b>997,201</b>
<b>Cash and cash equivalents</b>	<b>570,056</b>	<b>543,793</b>	<b>370,397</b>	<b>411,674</b>	<b>572,185</b>	<b>607,754</b>	<b>839,221</b>	<b>480,506</b>	<b>250,457</b>	<b>205,403</b>	<b>286,328</b>	<b>299,749</b>
<b>Total current assets</b>	<b>5,699,241</b>	<b>5,298,714</b>	<b>5,550,522</b>	<b>5,896,883</b>	<b>6,234,647</b>	<b>5,266,168</b>	<b>5,018,047</b>	<b>5,177,419</b>	<b>4,767,323</b>	<b>4,347,286</b>	<b>4,858,773</b>	<b>5,508,726</b>
<b>TOTAL ASSETS</b>	<b>17,043,864</b>	<b>16,835,367</b>	<b>17,251,677</b>	<b>17,841,161</b>	<b>18,261,816</b>	<b>17,406,071</b>	<b>17,258,663</b>	<b>17,674,135</b>	<b>18,054,115</b>	<b>17,609,232</b>	<b>18,296,619</b>	<b>19,027,731</b>

DKK 1,000	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
<b>EQUITY AND LIABILITIES</b>												
<b>Equity</b>												
Share capital	59,143	59,228	59,228	59,228	59,228	59,305	59,305	59,305	59,305	59,390	59,390	59,390
Other equity	10,820,551	10,213,926	10,420,244	10,803,571	11,257,584	10,683,677	10,597,860	11,106,110	11,060,040	10,372,392	10,392,996	10,982,751
Non-controlling interests	4,514	5,104	4,577	3,055	2,793	-1,865	-4,450	-8,748	-8,857	-10,843	-10,707	1,871
<b>Total equity</b>	<b>10,884,208</b>	<b>10,278,258</b>	<b>10,484,049</b>	<b>10,865,854</b>	<b>11,319,605</b>	<b>10,741,117</b>	<b>10,652,715</b>	<b>11,156,667</b>	<b>11,110,488</b>	<b>10,420,939</b>	<b>10,441,679</b>	<b>11,044,012</b>
<b>Non-current liabilities</b>												
Deferred and other taxes	1,931,241	1,914,371	2,005,450	1,952,668	2,033,907	2,011,766	1,964,205	2,036,551	2,005,456	1,954,671	1,952,994	2,161,872
Long-term interest-bearing debt	2,927,265	3,454,307	3,415,259	3,944,498	3,752,546	3,573,853	3,549,392	3,480,527	3,038,670	4,029,296	4,250,295	4,196,642
Long-term leasing debt	415,744	389,391	359,768	331,115	307,128	279,351	260,716	233,897	904,059	867,278	830,748	798,395
<b>Total non-current liabilities</b>	<b>5,274,250</b>	<b>5,758,069</b>	<b>5,780,477</b>	<b>6,228,281</b>	<b>6,093,581</b>	<b>5,864,970</b>	<b>5,774,313</b>	<b>5,750,975</b>	<b>5,948,185</b>	<b>6,851,245</b>	<b>7,034,037</b>	<b>7,156,909</b>
<b>Current liabilities</b>												
Financial derivatives	0	2,435	9,767	0	730	0	6,059	3,447	17	0	9,007	1,840
Short-term leasing debt	76,745	65,656	81,068	65,848	59,513	68,242	63,620	64,856	94,030	54,149	54,001	48,549
Accounts payable and other debt	808,661	730,949	896,316	681,178	788,387	731,742	761,956	698,190	901,395	282,899	757,895	776,421
<b>Total current liabilities</b>	<b>885,406</b>	<b>799,040</b>	<b>987,151</b>	<b>747,026</b>	<b>848,630</b>	<b>799,984</b>	<b>831,635</b>	<b>766,493</b>	<b>995,442</b>	<b>337,048</b>	<b>820,903</b>	<b>826,810</b>
<b>Total liabilities</b>	<b>6,159,656</b>	<b>6,557,109</b>	<b>6,767,628</b>	<b>6,975,307</b>	<b>6,942,211</b>	<b>6,664,954</b>	<b>6,605,948</b>	<b>6,517,468</b>	<b>6,943,627</b>	<b>7,188,293</b>	<b>7,854,940</b>	<b>7,983,719</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>17,043,864</b>	<b>16,835,367</b>	<b>17,251,677</b>	<b>17,841,161</b>	<b>18,261,816</b>	<b>17,406,071</b>	<b>17,258,663</b>	<b>17,674,135</b>	<b>18,054,115</b>	<b>17,609,232</b>	<b>18,296,619</b>	<b>19,027,731</b>

# Statement by the Management and the Board of Directors on the Annual Report

Today, the Management and the Board of Directors have considered and approved the Integrated Annual Report and Consolidated Report and Accounts of P/F Bakkafrost for the financial year 1 January 2025 to 31 December 2025.

The Integrated Annual Report has been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and Faroese disclosure requirements for listed companies.

In our opinion, the accounting policies used are appropriate, and the Integrated Annual and Consolidated Report and Accounts gives a true and fair view of the Group's and parent company's financial positions at 31 December 2025, as well as the results of the Group's and the parent company's activities and cash flows for the financial year 1 January 2025 to 31 December 2025.

In our opinion, the management's review provides a true and fair account of the development in the Group's and the parent company's operations and financial circumstances, of the results for the year and of the overall financial position of the Group and the parent company as well as a description of the most significant risks and elements of uncertainty facing the Group and the parent company.

In our opinion, the Sustainability statements included in the Management's Report represent a reasonable, fair, and balanced representation of the Group's sustainability performance and are prepared in accordance with the stated accounting policies.

In our opinion, the Integrated Annual Report of Bakkafrost P/F for the financial year 1 January – 31 December 2025 with the file name: Bakkafrost-2025-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation. We recommend that the Integrated Annual Report be adopted at the annual general meeting.

Glyvrrar, 25 March 2026

Management

Regin Jacobsen CEO

The Board of Directors of P/F Bakkafrost

Rúni M. Hansen

Chairman of the Board

Annika Frederiksberg

Board Member

Teitur Samuelsen

Board Member

Guðrið Højgaard

Board Member

Alf-Helge Aarskog, deceased

Former Board Member

Einar Wathne

Board Member

# Independent Auditor's Report

TO THE SHAREHOLDERS OF P/F BAKKAFROST

## Report on the Audit of the Consolidated financial statements and parent company financial statements

### Our opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2025, and of the result of their operations and cash flows for the financial year 1 January to 31 December 2025 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Faroese Financial Statements Act.

Our opinion is consistent with our auditor's long-form report to the audit committee and the board of directors.

### What we have audited

The Consolidated Financial Statements of P/F Bakkafrost for the financial year 1 January to 31 December 2025, pages 184-226 and 241, comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes to the consolidated financial statements, including material accounting policy information.

The Parent Company Financial Statements of P/F Bakkafrost for the financial year 1 January to 31 December 2025, pages 227-236, comprise the income statement, statement of comprehensive income, the balance sheet, the cash flow statement, the statement of changes in equity, and the notes, including material accounting policy information.

Collectively referred to as the 'Financial Statements'.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in the Faroe Islands. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the audit of the Financial Statements section of our report.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), as applicable to audits of financial statements of public interest entities, and the additional ethical requirements applicable in the Faroe Islands to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in article 5(1) of Regulation (EU) no 537/2014 were not provided.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Appointment

P/F Januar was first appointed auditors of P/F Bakkafrost on 18 April 2013 for the financial year 2013. We have been reappointed annually by shareholders on AGMs for an annual engagement every year since.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<i>Key Audit matter</i>	<i>Our response to the matter during our audit</i>
<p><b>Valuation of biomass</b></p> <p>Biomass at marine sites is not accurately ascertainable prior to harvest and material accounting estimates are applied at the balance sheet date regarding existence and valuation. Estimates are based on information on the number at launch, feeding, sea temperature, exposure to daylight and treatment for lice and other health issues, and knowledge about how salmon responds to these factors in terms of growth rate, mortality, feed consumption ratio, and liability to stress and decrease. Material inherent risk is related to biomass at sea. Biomass is valued at fair value less cost to sell. Measuring biomass at fair value includes present value calculations based on complex inputs regarding the properties of existing biomass and forecast regarding growth and mortality rates from the balance sheet date to harvest, quality distributions, as well as market conditions at expected harvest date. Given the significant amount of biological assets and the degree of judgement involved in the estimation, we consider valuation of biological assets to be a key audit matter. Reference is made to note 3.8 in the consolidated financial statements.</p>	<p><b>Summary of the audit approach</b></p> <p>During our audit, we:</p> <ul style="list-style-type: none"> <li>• Applied our experience and knowledge about the characteristics of the salmon production process when considering the accounting estimates.</li> <li>• Assured ourselves, that the estimates are based on factual data and data which can be supported empirically.</li> <li>• Assured ourselves, that management is applying estimates in a way consistent with knowledge of the production process, and that the estimates are performed consistently, and that the estimates are free from bias.</li> <li>• Assured ourselves of the ability of management to perform these estimates by examining estimates made by management at prior balance sheet dates on a back-end basis.</li> <li>• Reviewed and reconciled the company-specific characteristics of inputs into the valuation models</li> <li>• Reconciled inputs into the calculations model to observable market conditions at the balance sheet date.</li> <li>• Reviewed the calculation model and ascertained that it is comparable to industry standards.</li> <li>• On a sample bases reperformed net present value calculation</li> </ul>
<p><b>Valuation of licences and goodwill</b></p> <p>The group has acquired production licences at significant amounts as part of business combinations where the group is identified as acquiree according to IFRS 3. During the Purchase Price Allocation process, licences and goodwill at material amounts were identified. The goodwill and licences with indefinite life are tested for impairment on at least annual basis. Management prepares an impairment model based on cash flows from approved budget. Cash flows are based on key assumptions, that require considerable insight and judgement from management and uncertainty will exist in relation to these key assumptions, such as harvesting volumes, margins, capital expenditure etc. The impairment assessment was a key audit matter due to significant judgments involved in the estimates used in the budgeted and forecasted cash flows. Reference is made to note 3.1 and 3.2 in the consolidated financial statements.</p>	<p>During our audit, we:</p> <ul style="list-style-type: none"> <li>• Reviewed impairment model, and ascertained that it is built on observable assumptions</li> <li>• Aligned inputs to board approved plans and budgets, and historical performance of the individual licences</li> <li>• Reviewed valuation models for mathematical coherence and reperformed calculations on a test basis.</li> <li>• Reviewed and challenged the indefinite useful life assumptions</li> </ul>

### Management's responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Faroese Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in the Faroe Islands will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in the Faroe Islands, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Statement on the Management's review

Management is responsible for the management's review.

Our opinion on the Financial Statements does not cover the management's review, and we do not express any kind of assurance opinion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the management's review and, in doing so, consider whether the management's review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or whether it otherwise appears to be materially misstated.

Further, it is our responsibility to consider whether the management's review provides the information required by relevant law and regulations.

Based on the work we have performed; we believe that the management's review is in accordance with the Financial Statements and that it has been prepared in accordance with the requirements relevant law and regulations. We did not identify any material misstatement in the management's review.

### Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements, we performed procedures to express an opinion on whether the annual report of P/F Bakkafrost for the financial year 1 January to 31 December 2025 with the filename Bakkafrost-2025-12-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format.
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary.
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human-readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

Testing whether the annual report is prepared in XHTML format.

- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process.
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes.
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified.
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the Consolidated Financial Report of P/F Bakkafrost for the financial year 1 January to 31 December 2025 with the file name Bakkafrost-2025-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Tórshavn, 25 March 2026

**Januar P/F**

løggilt grannskoðanarvirki  
State Authorised Public Accountants  
Company reg.no. 5821

John Michal Petersen

State Authorised Public Accountant

Óli Joensen

State Authorised Public Accountant

# Independent Auditor's Limited Assurance Report on Sustainability Statement

## TO THE STAKEHOLDERS OF P/F BAKKAFROST

### Limited assurance conclusion

We have conducted a limited assurance engagement on the sustainability statement of P/F Bakkafrost Group included in the the sustainability statement, for the financial year 1 January – 31 December 2025.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the sustainability statement is not prepared, in all material respects, in accordance with the Faroese Financial Statements Act paragraph 99 a, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the management to identify the information reported in the sustainability statement (the "Process") is in accordance with the description set out in the subsection Double materiality assessment process; and
- compliance of the disclosures in subsection EU Taxonomy within the environmental section of the sustainability statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

### Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)") and the additional requirements applicable in Faroe Islands.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the *Auditor's responsibilities for the assurance engagement* section of our report.

### Our independence and quality management

We are independent of the Bakkafrost Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Faroe Islands. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

P/F Januar applies International Standard on Quality Management 1, 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.

### Inherent limitations in preparing the sustainability statement

In reporting forward-looking information in accordance with ESRS, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Bakkafrost Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

### Management's responsibilities for the sustainability statement

Management is responsible for designing and implementing a process to identify the information reported in the sustainability statement in accordance with the ESRS and for disclosing this Process in the subsection Double Materiality assessment process of the sustainability statement. This responsibility includes:

- understanding the context in which the Bakkafrost Group activities and business relationships take place and developing an understanding of its affected stakeholders;
  - the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Bakkafrost Group financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
  - the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
  - making assumptions that are reasonable in the circumstances.
- Management is further responsible for the preparation of the sustainability statement, in accordance with the Faroese Financial Statements Act paragraph 99 a, including:
- compliance with the ESRS;
  - preparing the disclosures in subsection EU Taxonomy within the environmental section of the sustainability statement, in compliance with Article 8 of the Taxonomy Regulation;

- designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the sustainability statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

### Auditor's responsibilities for the assurance engagement

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the sustainability statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Process include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS, and
- Designing and performing procedures to evaluate whether the Process is consistent with the Bakkafrost Group description of its Process, as disclosed in the subsection Double materiality assessment Process.

Our other responsibilities in respect of the sustainability statement include:

- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to disclosures in the sustainability statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

### Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the sustainability statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the sustainability statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by performing inquiries to understand the sources of the information used by management; and reviewing the Bakkafrost Group internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Bakkafrost Group was consistent with the description of the Process set out in the subsection Double materiality assessment process.

In conducting our limited assurance engagement, with respect to the sustainability statement, we:

- Obtained an understanding of the Bakkafrost Group reporting processes relevant to the preparation of its sustainability statement including the consolidation processes by obtaining an understanding of the Bakkafrost Group control environment, processes and information systems relevant to the preparation of the Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness.

- Evaluated whether material information identified by the Process is included in the sustainability statement;
- Evaluated whether the structure and the presentation of the sustainability statement are in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected information in the sustainability statement;
- Performed substantive assurance procedures on selected information in the sustainability statement;
- Evaluated methods, assumptions and data for developing material estimates and forward-looking information and how these methods were applied;
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the sustainability statement.
- Where applicable, compared selected disclosures in the sustainability statement with the corresponding disclosures in the financial statements and management's review

Tórshavn, 25 March 2026

#### Januar P/F

Løggilt Grannskoðanarvirki  
State Authorised Public Company  
Company Reg. no. 5821

John Michal Petersen  
State Authorised Public Accountant

Óli Joensen  
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