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# REMUNERATION REPORT

2025

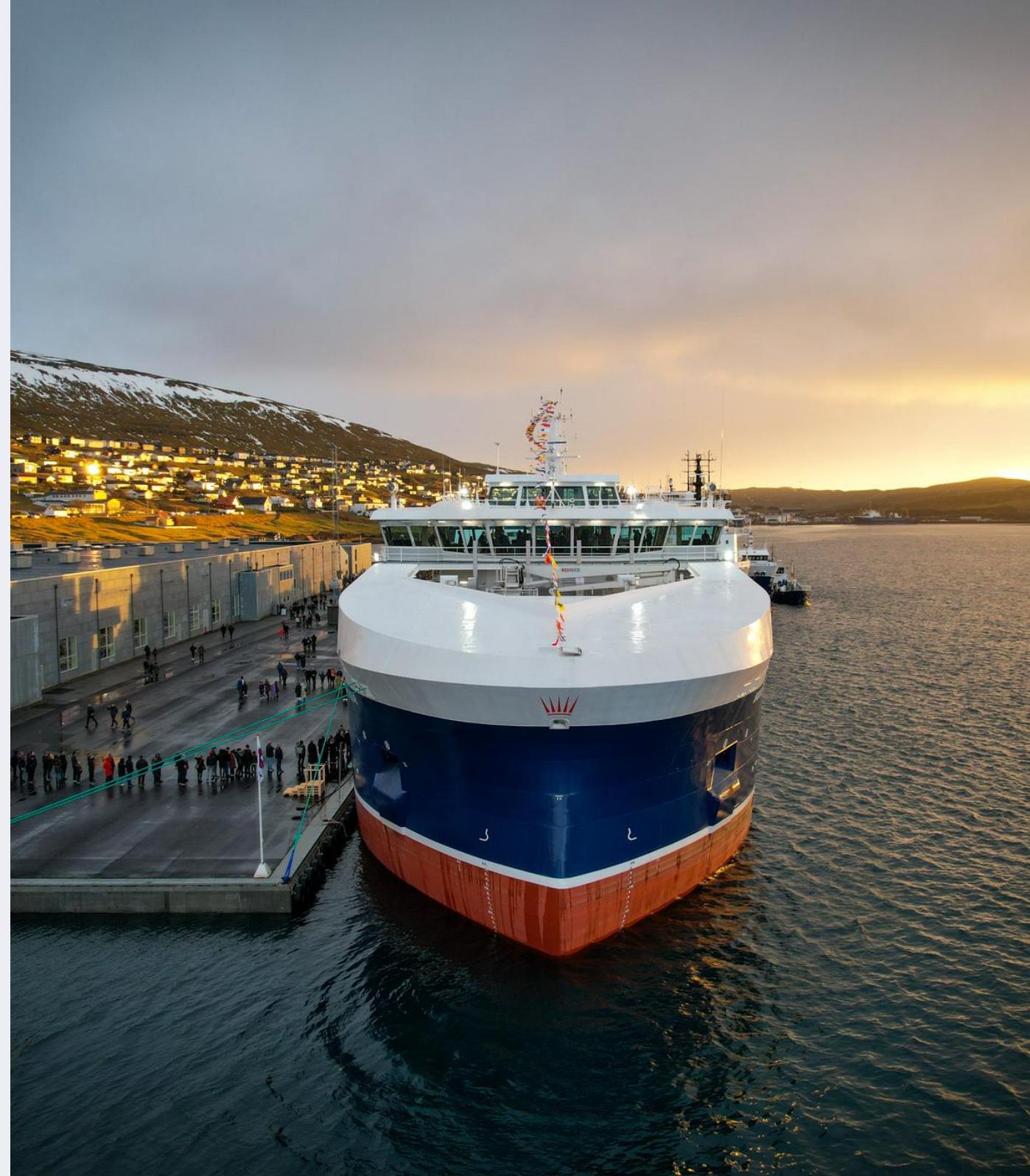
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Faroese Company Registration No. 1724  
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# Chair's Letter on Remuneration

## DEAR SHAREHOLDERS,

On behalf of the Board of Directors and the Remuneration Committee, I am pleased to present Bakkafrost's Remuneration Report for the 2025 financial year.

The operating environment in 2025 was shaped by a pronounced increase in global salmon supply — up around 10% in volume — which weighed heavily on market prices and compressed margins across the industry. Against that backdrop, the Committee notes that management delivered an exceptionally strong operational performance. In the Faroe Islands, biological results reached record levels: mortality was at historic lows, growth rates were robust, and farming costs fell materially compared to the prior year. These outcomes reflect the quality of execution on the factors that management can directly influence — biological management, cost control, and day-to-day operational discipline. At the same time, Bakkafrost continued to invest in strengthening its operational platform in both the Faroe Islands and Scotland, reinforcing the basis for sustainable long-term value creation.

Group operational EBIT for 2025 was DKK 888 million (DKK 1,550 million), a 43% decline driven almost entirely by lower achieved salmon prices rather than operational shortcomings. Harvest volumes reached a record 106,823 tonnes gutted weight (90,656 t<sub>gw</sub>), and the Group remained profitable with positive cash flow throughout the year. Net profit was DKK 524 million (DKK 645 million), earnings per share were DKK 8.83 (DKK 10.88), and adjusted earnings per share before fair value adjustments were DKK 6.90 (DKK 16.87). The Board proposes a dividend of DKK 3.45 per share for 2025. In the Committee's assessment, these results confirm that the underlying business model proved resilient even in a year of significant external headwinds.

In Scotland, the long-term transformation programme continued to advance. Smolt releases from the Applecross hatchery rose to 7.3 million in 2025 (6.0 million), and biological control showed improvement during the year. However, disease-related events — notably at the Portree site in Q3 — had a material adverse

effect on Scottish financial results. The Committee recognises that the de-risking process and the transition to a large-smolt-based farming model are multi-year undertakings; the operational benefits are expected to build progressively as legacy fish are replaced, and the Applecross facility reaches full capacity. To accelerate knowledge transfer, the Scottish freshwater operations were placed under the Group Freshwater Director, ensuring a unified approach to best-practice management across both regions. The Committee is satisfied that these are the right strategic decisions for the long term, even where they contribute to near-term financial pressure.

## RESPONDING TO SHAREHOLDER FEEDBACK AND DISSENT

Following the 2025 AGM, the Board and management have held consultations with shareholders on remuneration matters. The Board has engaged external advisory support to assist in designing and conducting a comprehensive shareholder engagement exercise ahead of the 2026 AGM. The objective is to ensure that the views of our major institutional shareholders and proxy advisors are systematically gathered, understood, and reflected in our remuneration framework going forward.

The primary concerns raised during these consultations were:

1. A need for greater transparency on variable pay targets and outcomes.
2. The absence of formal executive share ownership guidelines.
3. The lack of a formal malus and clawback policy.
4. A desire for a clearer link between our unique biological KPIs and long-term financial value.

This 2025 Remuneration Report is the direct result of that review and engagement. We have made several significant enhancements to our framework and disclosures to directly address the feedback received and align our report with the highest international best-practice standards. Furthermore, we confirm that this Remuneration Report will be submitted for a separate advisory shareholder vote at our 2026 Annual General Meeting on 30 April 2026.

The key changes, which are detailed in the following sections, are summarised below:

**Enhanced KPI Transparency:** We have moved to a best-in-class disclosure model for our variable pay KPIs. In Section 7, you will now find a detailed breakdown of the performance targets for

each metric, including the scoring bands, alongside the actual achieved result.

**Introduction of Share Ownership Guidelines:** To further strengthen the alignment between our executives and shareholders, the Board has introduced formal share ownership guidelines for the Executive Management.

**Formalised Commitment on Malus & Clawback:** We have included a forward commitment to implement formal malus and clawback provisions in our Remuneration Policy, to be presented at the 2027 AGM.

**Strengthened Strategic Narrative:** We have improved the narrative connecting our unique ESG-focused KPIs — Salmon Survivability and Feed Conversion Ratio, which comprise 50% of the scorecard — to long-term, sustainable financial value creation.

## REMUNERATION OUTCOMES IN 2025

The remuneration outcomes for 2025 directly reflect the challenging market environment. The quarterly Adjusted EPS threshold of 2 DKK/share, which must be met before any bonus accrues — was achieved in Q1 and Q4 only. In Q2 and Q3, the combination of historically low salmon prices and losses in the Scottish operations meant the threshold was not reached, and no bonus was accrued for those quarters. This outcome demonstrates that the remuneration framework functions as intended: rewarding performance in strong quarters while providing no variable pay when results fall short.

For the two qualifying quarters, the KPI scorecard was applied, and the resulting bonus was delivered as a combination of STI (1-year vesting) and LTI (3-year vesting), split 50/50 for the Executive Management. The Committee is satisfied that this outcome appropriately reflects both the exceptional operational achievements and the financial reality of the year.

## LOOKING AHEAD

Looking into 2026, the market outlook is more constructive. Global salmon supply growth is expected to moderate to around 2%, and towards year-end 2025, market conditions stabilised as supply growth moderated and demand across key regions remained firm. Bakkafrost enters 2026 with the highest year-end biomass ever recorded in the Faroe Islands, with biomass at sea 34% higher year-on-year, providing a strong foundation for future

harvest volumes. The 5.0 billion DKK investment plan for 2026-2030, announced at our Capital Markets Day in June 2025, will further strengthen our competitive position and support sustainable growth towards an annual harvest of 162,000 tonnes by 2030.

We believe the changes made this year represent a significant step forward in our remuneration governance and reporting. The Committee will continue to monitor market practices and stakeholder expectations to ensure our framework remains effective in attracting and retaining world-class talent, driving performance, and creating long-term, sustainable value for our shareholders.

I thank our shareholders for their constructive engagement, which has been invaluable in shaping these enhancements. We welcome continued dialogue and feedback on our remuneration practices.

Sincerely,

**Guðrið Højgaard**

Chair of the Remuneration Committee



# Introduction

This Remuneration Report for P/F Bakkafrost has been prepared for the financial year ending 31 December 2025. It provides a comprehensive overview of the remuneration awarded to the Board of Directors and the Executive Management, and it has been prepared in accordance with best-practice disclosure standards.

While Bakkafrost, as a Faroese limited company, is not formally subject to the EU Shareholders' Rights Directive II, we have voluntarily prepared this report to provide our international shareholders and stakeholders with full transparency into our remuneration principles, framework, and outcomes.

All remuneration for the 2025 financial year has been awarded in accordance with the Company's Remuneration Policy, which was approved at the Annual General Meeting on 30 April 2025. This Remuneration Report will be submitted for a separate advisory shareholder vote at the 2026 Annual General Meeting on 30 April 2026.

**CEO Pay Ratio Trend**



## Remuneration at a Glance

[NOTE: Historical comparison starts from 2023 due to updated calculation methods. Bakkafrost is building towards a 5-year.]

Year	CEO Total Rem. (DKK 1,000)	% Change	Avg. Employee Rem. (DKK 1,000)	Pay Ratio (CEO: Employee)	Group Op. EBIT (mDKK)	Adjusted EPS (DKK)
2023	2,893	N/A	333	9.2:1	1,544	17.45
2024	3,007	3.94%	358	8.5:1	1,550	16.87
2025	3,035	0.93%	389	8.3:1	888	6.90



# Financial and Strategic Summary 2025

## MARKET AND OPERATING CONTEXT

Global salmon supply grew by approximately 10% in volume during 2025, driven principally by stronger-than-anticipated biological outcomes in Norway and Chile. The resulting oversupply compressed market prices throughout much of the year, with the most acute pressure felt in the first half. Conditions improved towards year-end as the pace of supply growth eased and underlying demand — particularly in Asia, the US, and European retail — held firm. For the purposes of assessing management performance and remuneration outcomes, the Committee considers this market backdrop an important contextual factor: the price environment in 2025 was largely outside management’s control, while the operational response was not.

## GROUP FINANCIAL PERFORMANCE

Bakkafrost reported Group operating revenues of DKK 7,007 million in 2025 (DKK 7,334 million) and operational EBIT of DKK 888 million (DKK 1,550 million), representing a 43% year-on-year reduction in operating profit. The decline was attributable almost exclusively to lower realised salmon prices; record harvest volumes and continued cost discipline partially mitigated the impact. The Group remained profitable and generated positive cash flow in every quarter. Net profit for the year was DKK 524 million (DKK 645 million), with earnings per share of DKK 8.83 (DKK 10.88). On an adjusted basis, excluding fair value movements on biological assets, earnings per share were DKK 6.90 (DKK 16.87).

## HARVEST VOLUMES AND FAROESE OPERATIONS

Group harvest volumes reached a record 106,823 tonnes gutted weight (90,656 t<sub>gw</sub>), an 18% increase reflecting the strength of biological performance across both regions. In the Faroe Islands, volumes rose 33% to 83,638 t<sub>gw</sub>, underpinned by very low mortality rates, favourable growth conditions, and the ongoing benefits of large-smolt deployment from the freshwater operations. The Faroese freshwater segment delivered its strongest year on record across all key metrics. During 2025, 18.7 million smolt were transferred at an average weight of 453g. By year-end,

standing biomass at sea in the Faroe Islands stood 34% above the prior-year level, providing a robust platform for harvest volumes in the periods ahead.

## SCOTTISH OPERATIONS

Harvest volumes in Scotland fell 17% to 23,185 t<sub>gw</sub>, reflecting the multi-year transition underway and the adverse impact of disease events — most notably at the Portree site — on production during the year. The Applecross hatchery, which at full capacity is designed to produce 14–16 million smolts at 250g, continued to scale up. In 2025, 7.3 million smolt were released (6.0 million), with the average transfer weight from Applecross reaching 216g. To strengthen operational consistency and accelerate the adoption of best practices developed in the Faroe Islands, the Scottish freshwater operations were brought under the leadership of the Group Freshwater Director. The Committee acknowledges that the Scottish turnaround is a multi-year programme; as legacy fish are progressively replaced by large, high-quality smolt and the Applecross facility matures, biological outcomes and cost efficiency are expected to improve incrementally.

## REGIONAL PROFITABILITY

The Faroese farming operation recorded a regional operational EBIT/kg of DKK 15.11 (DKK 24.94). While significantly below the prior year owing to lower prices, the result was supported by meaningful reductions in farming costs and record biological outcomes. The Scottish region posted a regional operational EBIT/kg of DKK –16.24 (DKK –0.57), reflecting the compounding effect of lower prices, disease-related costs, and the ongoing investment required to complete the Scottish transformation. Note: Regional EBIT/kg as used for bonus purposes reflects the consolidated regional result including freshwater and allocated costs, and differs from the farming segment EBIT/kg reported in the Integrated Annual Report.

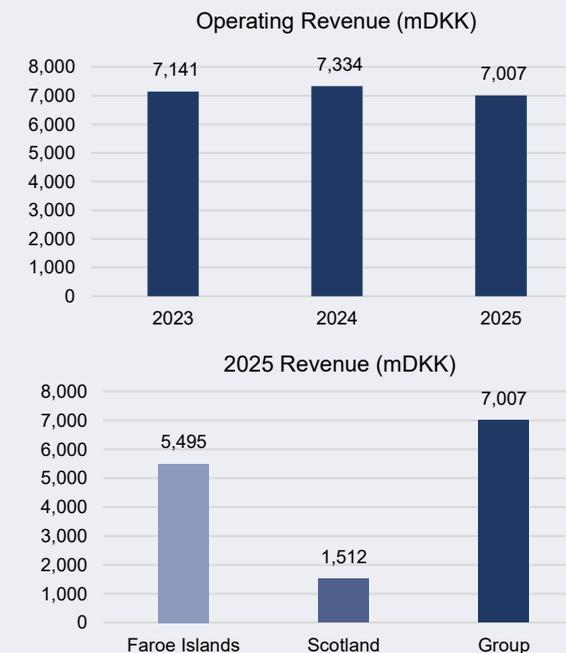
## DIVIDEND

The Board proposes a dividend of DKK 3.45 per share (DKK 8.44), consistent with the lower earnings base while maintaining the Group’s long-term policy of distributing 30–50% of earnings per share.

## STRATEGIC INVESTMENT PROGRAMME

At the Capital Markets Day in June 2025, Bakkafrost outlined a DKK 5.0 billion investment programme for 2026–2030, with the objective of growing annual harvest capacity to 162,000 tonnes by 2030. Priority investments include the Skálavík hatchery, which is expected to begin delivering smolt from H2 2027, additional feed production capacity at Havsbrún, next-generation farming technology, and a new harvest and processing facility in Scotland. Collectively, these projects are intended to deepen biological control in both regions and underpin the Group’s long-term growth and value-creation ambitions.

For further information, please refer to the Bakkafrost Integrated Annual Report 2025.



## Group Performance and Regional Performance

Metric	2023	2024	2025
Operating Revenue (mDKK)	7,141	7,334	7,007
Operational EBIT (mDKK)	1,544	1,550	888
Adj. EPS (DKK)	17.45	16.87	6.90
ROCE	9.3%	9.1%	5.1%
Total Harvest Volume (t <sub>gw</sub> )	73,006	90,656	106,823
Total Smolt Transferred (million)	23.2	23.1	26.1
Equity Ratio	61%	63%	58%
Proposed Dividend (DKK/share)	8.70	8.44	3.45
Full-time Employees	1,686	1,567	1,635

Metric	Group	Scotland	Faroe Islands
Operating Revenue (mDKK)	7,007	1,512	5,495
Operational EBIT (mDKK)	888	-376	1,264
Operational EBIT/kg (DKK)	8.31	-16.24	15.11
Harvest Volume (t <sub>gw</sub> )	106,823	23,185	83,638
Smolt Transferred (million)	26.1	7.3	18.7

# Remuneration Principles and Framework

## REMUNERATION POLICY AND PRINCIPLES

Our remuneration policy is designed to attract, retain, and motivate the Executive Management and all other employees, ensuring continued focus on the Group's strategic goals and long-term value creation. The policy is based on the following core principles:

**Alignment with Shareholder Interests:** A significant portion of executive remuneration is linked to the company's performance and the value delivered to shareholders.

**Pay for Performance:** Variable remuneration is tied to the achievement of ambitious and measurable financial, operational, and strategic targets.

**Competitiveness:** Total remuneration is benchmarked to be competitive with that of comparable Nordic and international companies. 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.

**Transparency:** The remuneration framework and its outcomes are designed to be clear, understandable, and transparent to all stakeholders.

**Sustainability:** Our remuneration structure supports and incentivises the achievement of our long-term sustainability goals, which are fundamental to long-term value creation.

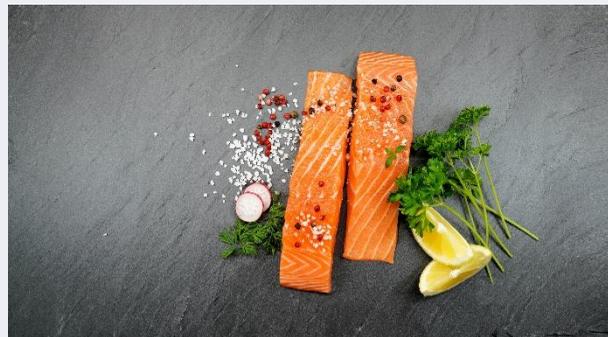
## Our Remuneration Principles



Component	Description
<b>Fixed Remuneration</b>	Base salary, pension contributions, and other benefits (e.g., company car). Provides a stable income based on role, responsibility, and experience. The base salary is subject to an annual evaluation.
<b>Share-Based Bonus Programme</b>	The sole variable incentive. Awards are based on the achievement of quarterly performance KPIs and are delivered as a combination of STI (1-year vesting) and LTI (3-year vesting). There is no cash bonus component. The awards are based on quarterly performance, but they do not guarantee conversion into shares. An entitlement to any Bonus Shares or Restricted Shares is created only when and if a decision to grant a dividend is made at the Annual General Meeting (AGM).
<b>Share Saving Plan</b>	A voluntary plan that allows all employees, including executives, to purchase Bakkafrost shares and receive matching shares after a 2-year lock-in period.

**REMUNERATION FRAMEWORK**

The timeline illustrates the lifecycle of the Bakkafrøst share-based bonus program, from earning to final allotment. The process begins with the Bonus Earning Year (e.g., 2024, where employees accrue potential bonus awards based on quarterly performance, contingent on dividend approval at the AGM. Following this year, the final Allotment of Bonus Shares (STI) occurs around May/June of the next year (Year 1), contingent on the Annual General Meeting's (AGM) approval of dividends. For eligible employees, a portion of the award is also deferred as Restricted Shares (LTI), subject to a multi-year Loyalty Period and finally allotted at the beginning of the third year after the Bonus Earning Year (Year 3).



*[Note: Shares are to be granted in the year following the bonus earning year, provided the targets are met, the decision to allocate dividends is approved at the AGM, and the employee qualifies as an Eligible Employee at the time of the AGM.]*

### SHARE-BASED BONUS PROGRAMME

The cornerstone of Bakkafróst's variable remuneration is its quarterly Share-Based Bonus Programme. The Board has designed this as a hybrid scheme that links rewards to the achievement of quarterly performance targets while promoting long-term shareholder alignment and executive retention through a split award of short-term and long-term share awards.

The total variable pay opportunity for an executive under this programme is capped at 100% of their annual base salary.

#### BONUS POOL CALCULATION:

The total bonus pool for each quarter is determined by a formula linked to the Group's adjusted profit for that quarter. For 2025, the bonus pool was set at 3% of adjusted profit. It is important to note that this bonus pool covers all employees across the Bakkafróst Group — it is not reserved for the Executive Management alone. The same performance-driven framework applies at every level of the organisation, with the allocation per employee determined by work level and the quarterly KPI scorecard outcome.

#### PERFORMANCE METRICS (KPIs) AND SCORING:

All KPIs except Group EBIT/kg are measured at the regional level (Faroe Islands and Scotland separately), reflecting the distinct operational realities of each geography. Performance against each KPI is converted into a score from 0 to 10 based on pre-defined performance bands. The weighted average of these scores determines the final bonus outcome for each region.

An Adjusted EPS threshold of 2 DKK/share must be reached in a quarter for any bonus to be allocated for that quarter. In 2025, this threshold was met only in Q1 and Q4. In Q2 and Q3, the combination of historically low salmon prices and losses in the Scottish operations meant the threshold was not reached, and no bonus accrued for those quarters.

#### QUARTERLY ADJ. EPS THRESHOLD – RATIONALE

The Board has adopted a quarterly Adjusted EPS threshold of 2 DKK/share, rather than an annual threshold, as the gateway for bonus allocation. This quarterly approach was chosen because it provides a more immediate and responsive link between the Group's financial performance and variable pay outcomes. In a cyclical industry such as salmon farming — where market prices, biological events, and seasonal patterns can cause significant quarter-to-quarter variation — a quarterly threshold ensures that bonuses are awarded only when the Group is generating

adequate returns for shareholders. This prevents a single strong quarter from masking underperformance in other periods and, conversely, ensures that executives are rewarded promptly when performance warrants it. In 2025, this mechanism operated as intended: the threshold was met in Q1 and Q4, but not in Q2 and Q3, where challenging market conditions prevented the minimum profitability standard from being met.

#### AWARD STRUCTURE: STI AND LTI

The total bonus earned for each quarter is delivered as a combination of two types of share awards:

This structure ensures that half of the variable pay is tied to long-term, sustained performance through the 3-year vesting period, while the other half provides a more immediate reward for quarterly results. The Board acknowledges that this structure differs from a traditional standalone Long-Term Incentive Plan (LTIP) with multi-year forward-looking performance conditions. The Board believes the combination of quarterly performance measurement, full delivery in shares, and the 50/50 split between short-term and long-term vesting provides an effective balance appropriate for Bakkafróst's size and operating context.

KPI	Weighting	Level	Strategic Rationale
Regional EBIT/kg	40%	Regional	Core measure of operational profitability. FO: DKK 15.11/kg; SCT: DKK -16.24/kg in 2025.
Regional Salmon Survivability	40%	Regional	Higher survivability reduces costs, increases biomass, and demonstrates a commitment to animal welfare. Record FO survivability contributed to 12–14% cost reductions in 2025. These sustainability KPIs are aligned with the corresponding targets in Bakkafróst's sustainability-linked financing framework, reinforcing the direct connection between biological performance, ESG commitments, and the Group's financial strategy.
Regional Biological FCR	10%	Regional	Feed Conversion Ratio — lower FCR reduces feed costs and environmental impact. This metric is also aligned with the targets in Bakkafróst's sustainability-linked financing framework, ensuring consistency between operational incentives and the Group's ESG financing commitments.
Group EBIT/kg	10%	Group	Aligns regional performance with overall Group profitability. Group: DKK 8.31/kg in 2025 (2024: DKK 17.09/kg).

Work Level	Title	Bonus Cap (% of salary)	STI (1-yr)	LTI (3-yr)
6	Chief Executives	100%	50%	50%

Award Type	Vesting Period	Purpose	Executive Split
STI	1 year	Short-Term Incentive (STI) rewards quarterly performance	50%
LTI	3 years	Long-Term Incentive (LTI) promotes retention and long-term alignment	50%

**PERFORMANCE SCORING METHODOLOGY**

Performance against each KPI is converted into a score from 0 to 10 using pre-defined performance bands set by the executive management at the beginning of each financial year. The scoring follows a stepped approach rather than a linear scale — each performance band corresponds to a fixed score, ensuring clarity and predictability in outcomes.

For Regional EBIT/kg, the scoring bands range from 0 (where EBIT/kg is zero or negative) to 10 (where EBIT/kg exceeds DKK 28.01/kg). Performance within each DKK 4/kg band corresponds to a single score point, creating a clear and transparent link between profitability and reward.

For Regional Salmon Survivability, scoring is based on deviation from a pre-set target. Performance at or above target receives the maximum score of 10, with the score reducing progressively for each percentage point of deviation below target, down to 0 for deviations exceeding 10 percentage points below target.

For Regional Biological FCR, the same deviation-from-target methodology applies. Performance at or better than the target FCR receives the maximum score, with the score decreasing by 0.1 points for each 0.1 point deviation above the target ratio.

The weighted average of these individual KPI scores determines the final bonus outcome for each region and quarter. The specific target levels and scoring bands are reviewed annually by the Remuneration Committee to ensure they remain appropriately stretching and aligned with the Group's strategic objectives and sustainability-linked financing commitments.



**EBIT/kg scoring (DKK)**

From	To	Score
28,01		10
24,01	28,00	9
20,01	24,00	8
16,01	20,00	7
13,01	16,00	6
10,01	13,00	5
8,01	10,00	4
6,01	8,00	3
3,01	6,00	2
0,01	3,00	1
0,00	0,00	0
-100,00	0,00	

**Sustainability Scoring  
Survivability deviation**

Deviation from target is between:		Score
-10,00%	lower	0
-5,00%	-9,99%	2
-2,50%	-4,99%	5
-0,50%	-2,49%	7
0,50%	-0,49%	8
4,00%	0,51%	9
higher	4,01%	10

**bFCR deviation**

Deviation from target is between:		Score
-6,00%	lower	10
-0,50%	-5,99%	9
0,50%	-0,49%	8
0,51%	2,49%	7
2,50%	4,99%	5
5,00%	9,99%	2
10,00%	higher	0

### RATIONALE AND FORWARD COMMITMENT ON MALUS AND CLAWBACK

In response to shareholder feedback, the Board has reviewed its position on malus and clawback provisions. The Board has relied on its discretionary authority to adjust or withhold unvested variable remuneration in exceptional circumstances. The current Executive Management team has extensive service, proven loyalty and significant ownership in the company, so malus and clawback provisions have not been deemed necessary from a risk assessment perspective. However, we acknowledge shareholders' desire for a more formalised approach.

Therefore, the Board makes a forward commitment to introduce formal malus and clawback provisions into the Company's Remuneration Policy. An update and review of this process will be disclosed in next year's Remuneration Report.



### EXECUTIVE SHARE OWNERSHIP GUIDELINES

To further align the interests of our senior executives with those of our shareholders, the Board has introduced formal share ownership guidelines for Executive Management, effective from 1 January 2026.

### Executive Service Contracts and Termination Provisions

In response to shareholder feedback requesting greater transparency on termination arrangements, this section outlines the key provisions of the service contracts for the Executive Management. For vesting awards, the rules are dictated by the Termination Matrix, which concludes whether the vested bonus will be granted or forfeited, see Termination Matrix

Role	Required Shareholding	Build-up Period
Chief Executive Officer (CEO)	200% of the annual base salary	5 years
Other Executive Management	100% of the annual base salary	5 years

Provision	CEO	Other Executive Management
Notice Period from Employee	6 months	6 months
Notice Period from Company	24 months of base salary	12 months of base salary
Severance on Gross Misconduct / Voluntary Resignation	None	None

# Governance

## ROLE OF THE REMUNERATION COMMITTEE

The Remuneration Committee is a sub-committee of the Board of Directors, established to ensure that Bakkafrost's remuneration framework is fair, competitive, and aligned with the long-term interests of shareholders. The committee is responsible for preparing, reviewing, and recommending the Remuneration Policy to the Board, as well as determining the individual remuneration packages for the Executive Management.

The committee consists of three members: Guðrið Højgaard (Chair), Einar Wathne, and Teitur Samuelsen.

## COMMITTEE ACTIVITIES DURING 2025

During 2025, the Committee held two meetings. The key activities and topics of discussion included:

**Comprehensive Review of Shareholder Feedback:** A thorough analysis of the voting outcome and feedback from the 2024 AGM, including engagement with proxy advisors to understand the root causes of the shareholder dissent.

**Benchmarking Against Best Practices:** A detailed review of the remuneration reports of leading Nordic and international companies to identify best-in-class standards.

**Redevelopment of the Remuneration Framework:** The committee oversaw the introduction of Share Ownership Guidelines, a forward commitment for Malus and Clawback, and a new, transparent KPI disclosure format.

**Setting of 2025 Performance Targets:** The Committee reviewed and recommended to the Board the specific performance targets and scoring bands for the 2025 financial year.

**Review of 2025 Performance and Outcomes:** The Committee conducted an assessment of the performance achieved against the 2025 targets and recommended the resulting remuneration outcomes for the Executive Management to the Board for approval. The Committee noted that the EPS threshold was met in only two of four quarters, resulting in a materially lower bonus pool than in a typical year.

**Preparation of the 2025 Remuneration Report:** The Committee oversaw the preparation of this report and recommended it to the Board for approval prior to submission to shareholders at the 2026 AGM.



# Remuneration of the Board of Directors

Members of Bakkafróst's Board of Directors receive a fixed annual remuneration as approved by the Annual General Meeting. The remuneration does not include any variable or performance-based components, and Board members are not eligible to participate in the Company's incentive schemes.

At the 2026 AGM on 30 April 2026, shareholders will vote on the proposed fees for the period from the 2026 AGM until the 2027 AGM. Members of the Audit Committee and the Remuneration Committee are entitled to an additional fixed fee for their participation, reflecting the additional responsibilities and time commitment of these roles.

DKK 1,000	Board Role	2025	2024	2023
Rúni M. Hansen	Chairman	562	555	489
Guðrið Højgaard	Member, Chair RemCo	255	252	222
Annika Frederiksberg*	Member	255	252	222
Einar Wathne	Member, RemCo, AuditCo	281	277	260
Teitur Samuelsen	Member, RemCo, Chair AuditCo	334	329	282
Øystein Sandvik***	Member, RemCo, AuditCo	111	329	310
Alf-Helge Aarskog**	Member	234	170	N/A
<b>TOTAL</b>		<b>2,032</b>	<b>2,164</b>	<b>1,785</b>

\*Annika Frederiksberg is also an employee of the Bakkafróst Group. For this, she received DKK 771 thousand in 2025 (DKK 704 thousand).

\*\*Member of the Board of Directors from May 2024 to November 2025 when he passed away.

\*\*\* Member of board until April 2025

## Committee Fees (included in total above)

DKK 1,000	2025	2024
Audit Committee (per member)	54.5	52.2
Remuneration Committee (per member)	27.2	26.1
Board member Fee	266	255
Chairman of the Board Fee	532	510
Nomination Committee member	14	14
Nomination Committee (chair)	28	28

# Remuneration of the Group Executive Management

This section provides a detailed breakdown of the remuneration awarded to each member of the Executive Management for the 2025 financial year, with a comparison to the prior year. The variable remuneration outcomes are a direct result of the performance achieved against the pre-defined targets detailed in Section 7.2.

Note that the pensions are with the applicable collective bargaining agreement. This is consistent with the broader workforce, where pension contributions are at least 12%. While some employees receive higher contributions, none are below this level. The annual salary adjustment is in accordance with the salary developments in the private labour market.

CEO Total Remuneration as % of Group Net Income (2025): 0.58%

CEO Total Remuneration as % of Group Revenue (2025): 0.05%

Note:

The year-on-year changes in STI/LTI awards reflect the number of shares granted, not their monetary value. The increase in shares from 2024 to 2025 is attributable to a lower Fair Market Value at the time of bonus calculation, resulting in more shares for the accrued bonus pool. The actual monetary value of the 2025 awards will be determined at the capital raise and reported retrospectively. Going forward, all STI/LTI awards will also be presented in monetary value.

## Remuneration of the CEO, Regin Jacobsen (DKK 1,000)

Component	2025	2024	% Change	Notes
Base Salary	2,654	2,653	+0,04%	Annual salary adjustment.
Pension	292	265	+10,19%	The CEO's pension contribution is set at 12% of base salary.
Other Benefits	89	89	0.0%	Company car and other fixed benefits.
TOTAL FIXED PAY	3,035	3,007	+0,93%	
STI (1-yr vesting)	1,228 shares	934 shares	+31,49%	STI. 2025: EPS threshold met Q1 & Q4. 2024: All 4 quarters.
LTI (3-yr vesting)	1,228 shares	934 shares	+31,49%	LTI. 2025: EPS threshold met Q1 & Q4. 2024: All 4 quarters.
TOTAL VARIABLE PAY	2,874 shares*	2,193 shares	+31,05%	
TOTAL REMUNERATION	3,035 t.DKK + 2,874 shares	3,007 t.DKK + 2,193 shares	+0,93% & +31,05%	

\*The total variable pay also includes matching shares, i.e. additional LTI shares received from the Employee Purchase Plan, ESPP.

## Remuneration of the CFO, Høgni Dahl Jakobsen (DKK 1,000)

Component	2025	2024	% Change	Notes
Base Salary	1,917	1,848	+3,7%	Annual salary adjustment.
Pension	211	185	+14,1%	The CFO's pension contribution is set at 12% of base salary.
Other Benefits	89	89	0.0%	Company car and other fixed benefits.
TOTAL FIXED PAY	2,217	2,122	+4,5%	
STI (1-yr vesting)	850 shares	650 shares	+30,77%	STI. 2025: EPS threshold met Q1 & Q4. 2024: All 4 quarters.
LTI (3-yr vesting)	850 shares	650 shares	+30,77%	LTI. 2025: EPS threshold met Q1 & Q4. 2024: All 4 quarters.
TOTAL VARIABLE PAY	2,010 shares	1,526 shares	+31,72%	
TOTAL REMUNERATION	2,217 t.DKK + 2,010 shares	2,122 t.DKK + 1,526 shares	+4,5% & +31,72%	

## Remuneration of the MD of Havsbrún, Odd Eliassen (DKK 1,000)

Component	2025	2024	% Change	Notes
Base Salary	1,917	1,848	+3,7%	Annual salary adjustment.
Pension	211	185	+14,1%	The CFO's pension contribution is set at 12% of base salary.
Other Benefits			N/A	Company car and other fixed benefits.
TOTAL FIXED PAY	2,128	2,033	+4,7%	
STI (1-yr vesting)	850 shares	650 shares	+30,77%	STI. 2025: EPS threshold met Q1 & Q4. 2024: All 4 quarters.
LTI (3-yr vesting)	850 shares	650 shares	+30,77%	LTI. 2025: EPS threshold met Q1 & Q4. 2024: All 4 quarters.
TOTAL VARIABLE PAY	2,011 shares	1,526 shares	+31,78%	
TOTAL REMUNERATION	2,128 t.DKK + 2,011 shares	2,033 t.DKK + 1,526 shares	+4,7% & +31,78%	

## Movements in Share-Based Remuneration

Name	Position	Outstanding RSUs	Granted	Vested/Released	Outstanding RSUs
		01.01.2025	in 2025	2025	31.12.2025
Regin Jacobsen	CEO	7,306	2,874	2,412	7,768
Høgni Dahl Jakobsen	CFO	5,292	2,010	1,704	5,598
Odd Eliassen	Managing Director	5,107	2,011	1,705	5,413

**DETAILED DISCLOSURE OF 2025 PERFORMANCE VS TARGETS**

In direct response to shareholder feedback, this section provides a fully transparent, best-practice overview of the KPI scoring mechanism used for the 2025 Share-Based Bonus Programme and the results achieved.

**SCORING MECHANISM**

Performance against each KPI is converted into a score from 0 to 10 based on pre-defined performance bands (see Section 4.3 for the full scoring tables). The weighted average of these scores determines the final bonus outcome for each region. The total bonus pool is funded by 3% of the quarterly adjusted profit, and the individual allocation is determined by the weighted score and the employee's work level.

\*The scoring table for the Group and Regional EBIT/kg KPIs outlines the targets clearly: a score of '0' is given when margins are zero or negative, while the score increases in increments of 1 until reaching the maximum score of '10' for achieving an EBIT/kg exceeding 28.00 DKK/kg.

**Important Note on 2025 Outcomes:** The quarterly Adjusted EPS threshold of 2 DKK/share was met in Q1 and Q4 only. In Q2 and Q3, the threshold was not reached due to the combination of historically low salmon prices and losses in the Scottish operations. Consequently, the bonus pool was generated for two of the four quarters only.

**Full-Year Targets and Actuals (Q4 example from Faroe Islands and Scotland)**

KPI (Weight)	Region	Full-Year Target	Full-Year Actual	Quarters Meeting Adj. EPS Threshold
Regional EBIT/kg (40%)	Faroe Islands	N/A*	DKK 15.11	Q1, Q4
Regional EBIT/kg (40%)	Scotland	N/A	DKK -16.24	Q1, Q4
Regional Survivability (40%)	Faroe Islands	93.5%	1,72% better than the full-year target	Q1, Q4
Regional Survivability (40%)	Scotland	89.5%	6,45% worse than the full-year target	Q1, Q4
Regional bFCR (10%)	Faroe Islands	1.055	6,87% worse than the full-year target	Q1, Q4
Regional bFCR (10%)	Scotland	1.16	6,03% better than the full-year target	Q1, Q4
Group EBIT/kg (10%)	Group	N/A	DKK 8.31*	Q1, Q4

\*We acknowledge the importance of transparently disclosing the weighted scores and payout levels (as a percentage of the maximum award) for each performance period. We are currently enhancing our data collection and reporting framework to accommodate this level of detail. Starting with the next remuneration report, we will include a dedicated column indicating the earned yearly bonus per criteria and the corresponding weighted scores to facilitate clearer performance comparison.

**Q4 Example – Faroe Islands**

KPI	Weight	Actual Performance	Score (0–10)	Weighted Score
Group EBIT/kg	10%	DKK 10.59 (Score band: 5)	5	0.50
Regional EBIT/kg (FO)	40%	DKK 16.81 (Score band: 7)	7	2.80
Survivability (FO)	40%	+2.35% deviation (Score band: 9)	9	3.60
bFCR (FO)	10%	+6.16% deviation (Score band: 2)	2	0.20
<b>TOTAL WEIGHTED SCORE</b>	<b>100%</b>			<b>7.10</b>

**Q4 Example – Scotland**

KPI	Weight	Actual Performance	Score (0–10)	Weighted Score
Group EBIT/kg	10%	DKK 10.59 (Score band: 5)	5	0.50
Regional EBIT/kg (SCO)	40%	DKK -21.11 (Score band: 0)	0	0.00
Survivability (SCO)	40%	-7.71% deviation (Score band: 2)	2	0.80
bFCR (SCO)	10%	-7.76% deviation (Score band: 10)	10	1.00
<b>TOTAL WEIGHTED SCORE</b>	<b>100%</b>			<b>2.30</b>

# Remuneration of the Nomination Committee

The Election Committee proposes candidates for the Board and recommends Board fees to the General Meeting. The members receive a fixed annual fee for their service.

1,000 DKK	2025	2024
Gunnar í Liða (Chairman)	28	28
Eyðun Rasmussen	14	14
Rógvi Jacobsen	14	14
Leif Eriksrød	14	14



# Shareholding of the Board and Executive Management

The table below shows the total shareholding for members of the Board of Directors and the Executive Management as of 31 December 2025. The Board believes that directors' and executives' share ownership is a key element in aligning their interests with those of shareholders. The new share ownership guidelines for executives (Section 4.6) will further strengthen this alignment.

Name	Position	Shareholding 31.12.2024	Change in 2025	Shareholding 31.12.2025
<b>BOARD OF DIRECTORS*</b>				
Rúni M. Hansen	Chairman	10,761	0	10,761
Guðrið Højgaard	Board Member	0	0	0
Teitur Samuelsen	Board Member	100	0	100
Annika Frederiksberg	Board Member	17,091	394	17,485
Øystein Sandvik	Board Member	0	0	0
Einar Wathne	Board Member	0	0	0
Alf-Helge Aarskog	Board Member	300	0	300
<b>EXECUTIVE MANAGEMENT*</b>				
Regin Jacobsen	CEO	4,641,985	14,530	4,656,515
Høgne D. Jakobsen	CFO	78,225	2,587	80,812
Odd Eliassen	Managing Director	187,922	2,016	189,938

\*To provide shareholders with a clearer view of executive progress against shareholding requirements, we are reviewing our reporting metrics. We intend to include executive directors' shareholdings as a percentage of base salary in a future remuneration report.

# Compliance and Statements

## COMPLIANCE WITH THE REMUNERATION POLICY

The remuneration awarded to the Board of Directors and Executive Management for the financial year 2025 is in full compliance with the guidelines set out in the Company's Remuneration Policy. There have been no deviations or derogations from the policy in 2025.

## STATEMENT BY THE MANAGEMENT AND THE BOARD OF DIRECTORS

The Board of Directors and the Executive Management have today considered and approved the Remuneration Report of P/F Bakkafrost for the financial year 2025.

Glyvrar, 6 March 2026

### Executive Management:

J. Regin Jacobsen, CEO

### The Board of Directors of P/F Bakkafrost:

Rúni M. Hansen (Chairman)

Guðrið Højgaard

Annika Frederiksberg

Einar Wathne

Teitur Samuelsen



# Contacts

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