

BORGESTAD ASA

**Executive Remuneration
Report**

2025



Executive Remuneration Report 2025

Background

According to the Public Limited Liability Companies Act § 6-16 b), Borgestad ASA's board is required each financial year to prepare a report that gives a complete overview of salaries and other forms of remuneration, both paid and outstanding, for senior personnel as specified in section 6-16 a). This report fulfils the requirements outlined in the "Regulations on guidelines and reports on remuneration for senior executives."

Purpose

The report aims to promote transparency regarding Borgestad's executive remuneration policy, confirm adherence to established guidelines, and show alignment with company results and objectives. The guidelines seek to keep Borgestad competitive as an employer without being a salary leader. Remuneration principles support responsible, sustainable decisions consistent with the Company's strategy, long-term goals, and financial sustainability. Incentives for senior staff should reflect shareholders' long-term interests. Competitive, market-based pay and terms help recruit, develop, and retain qualified leaders who hold significant responsibility.

1) Weighted average unexpired lease term.

2) Adjusted EBITDA, EBIT and result before tax exclude accrued cost for lay-off compensations and write down of ERP system and goodwill, total adjustments at EBIT level of MNOK 26.8 for full year 2025.

Overall company development in 2025

The Group reported total revenue and other income of MNOK 1,126.0 in 2025, compared to MNOK 1,169.4 in 2024. The decline mainly reflects weaker market conditions in the refractory segment, where several customer industries postponed projects and reduced activity levels. Despite these headwinds, the underlying operational performance of the Group remained solid, supported by stable results from the real estate segment. Höganäs Borgestad experienced a softer year compared to 2024, due to challenging market conditions, postponed customer investments and increased price sensitivity in key industries. Nevertheless, the company maintained a stable order intake and executed cost measures and organizational adjustments aimed at strengthening long term competitiveness and profitability.

Agora Bytom continues to maintain a strong position in the local market, with a consistently high occupancy rate. The centre remains committed to ongoing improvements and actively engages in the rental market, currently negotiating with several potential tenants, underscoring its focus on expansion and development.

As of December 31, 2025, the WAULT¹⁾ stood at 4.03 years by area and 3.79 years by income. As of December 31, 2025, occupancy based on signed leases was at 96.2 percent, an increase of 1.7 percent since December 31, 2024

The Group achieved an EBITDA of MNOK 107.3 in 2025 and an adjusted²⁾ EBITDA of MNOK 119.2, compared to an EBITDA of MNOK 139.1 in 2024. Result before tax expense for 2025 was positive with MNOK 23.9, compared to MNOK 82.3 in 2024. In 2025, the Group recognized write downs totaling MNOK 14.9 related to goodwill and the ERP system in Höganäs Borgestad. In addition, depreciation for Agora Bytom increased by approximately 57 percent year on year. Management or Board has not identified indicators of impairment for Agora Bytom during the 2025 financial year.

At the end of 2025, Borgestad Group had a sustainable balance sheet both in terms of debt level and liquidity reserve.

At the balance sheet date, the cash was MNOK 152.6 and the interest-bearing debt MNOK 457.5. Per December 31, 2025, the net interest-bearing debt was MNOK 304.9, compared to MNOK 216.7 as per December 31, 2024.

Feedback from shareholders

The general meeting took note of the guidelines for executive management in May 2025 without any input or comments. 100.00 percent of the votes were for the guidelines.

The Borgestad executive remuneration report for 2024 was presented to the 2025 annual general meeting for advisory vote, 100.00 percent of the votes were for the report.

Remuneration to the board

The board's remuneration was approved at the ordinary general meeting in May 2025, and there have been no deviations from these principles in 2025. The board's remuneration is decided each year by the general meeting. The remuneration is limited to a fixed fee, plus additional fixed fee for participation in the audit or remuneration committee.

For 2025/2026, board fees for Borgestad ASA amounted to NOK 250,000 for board members and NOK 500,000 for the chair. Fees for participation in the audit committee amounted to NOK 40,000 for members and NOK 115,000 for the chair. Fees for participation in the remuneration committee amounted to NOK 30,000 for members and NOK 35,000 for the chair.

3) Corona Maritime AS, which is controlled by Glen Ole Rødland, has a consultancy agreement with Borgestad ASA. In 2025 and 2024, NOK 1,522,125 and NOK 1,528,437 was invoiced respectively. Rødland was elected chairman of Höganäs Borgestad Holding AB in June 2023, where a board fee of SEK 200,000 has been paid in 2024 and June 2025 for the period 2023/2024 and for 2024/2025.

4) Jan Erik Sivertsen and Helene Steen was both elected board members of Höganäs Borgestad Holding AB in June 2023, where a board fee of SEK100,000 has been paid in 2024 for the period 2023/2024 and in 2025 for the period for 2024/2025.



Remuneration paid to board members in 2025	Board remuneration	Audit committee	Remuneration committee	Total
Glen Ole Rødland, Chair of the board ³⁾	687	-	30	717
Jacob Møller, board member	235	-	33	268
Jan Erik Sivertsen, board member ⁴⁾	341	39	-	380
Helene Steen, board member ⁴⁾	341	39	-	380
Wenche Kjøllås, board member	235	115	-	350
Total	1839	193	63	2094

Table 1: Benefits paid to the board in 2025

Remuneration paid to board members in 2024	Board remuneration	Audit committee	Remuneration committee	Total
Glen Ole Rødland, Chair of the board	639	-	15	654
Jacob Møller, board member	210	-	15	225
Jan Erik Sivertsen, board member	320	31	-	351
Helene Steen, board member	320	31	-	351
Wenche Kjøllås, board member	213	105	-	318
Total	1701	168	30	1899

Table 2: Benefits paid to the board in 2024

Remuneration to management

The remuneration to the group management in 2025 has followed the guidelines for remuneration adopted by the general meeting in 2025. The guidelines for remuneration are available at www.borgestad.no as part of the notice for the ordinary general meeting in 2025.

The remuneration to the management consists of a fixed salary, variable remuneration, pension contributions and other benefits. Variable remuneration includes a short-term incentive plan ("STIP") and a long-term incentive plan ("LTIP"). Both the STIP and LTIP are connected to the achievement of the group's expressed strategic and financial goals and value base.

STIP is a cash remuneration settled yearly, while LTIP is settled in the form of restricted stock units/performance-based stock units ("RSUs"). Each RSU is non-transferable and gives the right and obligation to receive one share in the Company free of charge, subject to the RSU Holder having remained employed by the Group during the vesting period of three years and not having given notice of resignation. Performance-based remuneration shall not exceed 80% of the relevant employee's base salary and can be paid in a combination of STIP and LTIP.

Fixed salary shall be the main element of the overall remuneration and shall be determined according to criteria such as the nature of the position, competence and personal suitability. The fixed salary is assessed annually and determined based on salary developments in society.

Remuneration for executive management must be competitive, but not salary-leading, so that the company attracts, retains and engages staff to help achieve targets, as well as secure operations and high quality. Moderation in remuneration must be ensured by showing a balance in remuneration towards other employees. Gender, orientation or cultural background are not given weight when determining wages or other remuneration. There must be a clear connection between the criteria for performance-based remuneration and the company's goals and strategies. The principles for

Remuneration paid to executive management in 2025	Fixed remuneration			Variable remuneration	Total	Share of fixed and variable remuneration	
	Salary	Other remuneration	Pension	Bonus (STIP)		Fixed	Variable
Pål Feen Larsen, CEO	3 032	185	141	739	4 098	81.97 %	18.03 %
Bendik Persch Andersen, Head of M&A in Borgestad until March 31, and CEO Refractory segment from April 1, 2025	1 373	11	74	-	1 458	100.00 %	0.00 %
Frode Martinussen, CEO Refractory segment, until March 31, 2025 ⁵⁾	411	6	16	400	834	52.02 %	47.98 %
Total	4 817	202	231	1 139	6 390		

Table 3: Benefits paid to executive management in 2025

Long term incentive plan (LTIP) for executive management	Specification of plan	Vesting period	Granted	Vested	Share price per 31.12.25
Pål Feen Larsen, CEO	RSU	2025-2028	45 742	-	19.5
Bendik Persch Andersen, Head of M&A in Borgestad until March 31, and CEO Refractory segment from April 1, 2025	RSU	2025-2028	12 289	-	19.5
Total	-	-	58 031	-	-

Table 4: Overview of LTIP granted and vested RSU's to executive management

Remuneration paid to executive management in 2024	Fixed remuneration			Variable remuneration	Total	Share of fixed and variable remuneration	
	Salary	Other remuneration	Pension	Bonus (STIP)		Fixed	Variable
Pål Feen Larsen, CEO	2 833	189	135	600	3 757	84.03 %	15.97 %
Bendik Persch Andersen, Head of M&A, IR and Corporate Governance, from September 15, 2024	529	2	35	-	566	100.00 %	0.00 %
Frode Martinussen, CEO Refractory segment	1 978	14	50	-	2 042	100.00 %	0.00 %
Total	5 340	205	220	600	6 365		

Table 5: Benefits paid to executive management in 2024

⁵⁾ Frode Martinussen had a contractual termination period of six months, as well as an agreed severance package corresponding to an additional six months, effective from 1 April 2025. In accordance with these agreements, Martinussen will receive payments from Höganäs Borgestad Holding AB until March 2026. The salary presented in Table 3 reflects the period during which Frode Martinussen served as acting CEO.

remuneration must be clear and simple, so that there is no need for interpretation, and it must be designed so that compliance and reporting are intuitive.

The Board of Borgestad ASA established specific KPIs for the CEO each year. The KPIs are implemented in close connection to the Groups goals and strategies. Variable remuneration to CEO of Borgestad ASA in 2025 is tied to achieving strategic goals, especially related to increased financial results in 2024. Achievement of goals was reached in connection with increased financial results for both investments, Agora Bytom and Höganäs Borgestad Group. The CEO's achievement of the implemented KPIs resulted in variable remuneration for 2024 being set at 75 percent. However, the variable remuneration was not fully achieved, as some of the defined strategical targets for the Group were not met in full. The variable remuneration was settled in 50 percent with STIP and 50 percent with LTIP.

For Head of M&A the Board of Borgestad granted discretionary remuneration with 100 percent LTIP. The discretionary remuneration was granted based on the performance for the period Head of M&A was employed in 2024.

Frode Martinussen had a remuneration agreement that was connected to distributed dividend to shareholders in Höganäs Borgestad Holding AB. The remuneration paid to Frode Martinussen was according to this agreement for dividend distributed to Höganäs Borgestad Holding AB shareholders for fiscal year 2024.

Borgestad's executive management is not entitled to any amounts at the end of the year beyond normal holiday pay.

	2021 vs 2020	2022 vs 2021	2023 vs 2022	2024 vs 2023	2025 vs 2024
Remuneration for executive management					
Pål Feen Larsen, CEO	3 197	3 537	3 109	3 757	4 098
<i>Change in total remuneration</i>	22.5 %	10.6 %	-12.1 %	20.8 %	9.1 %
Bendik Persch Andersen, Head of M&A in Borgestad until March 31, and CEO Refractory segment from April 1, 2025	-	-	-	566	1 458
<i>Change in total remuneration</i>	-	-	-	N/A	N/A
Niclas Sjöberg, CEO Refractory segment until October 6, 2022	3 410	3 056	-	-	-
<i>Change in total remuneration</i>	-8.9 %	-10.4 %	-	-	-
Frode Martinussen, CEO Refractory segment from August 1, 2023 and until March 31, 2025	-	-	902	2 042	834
<i>Change in total remuneration</i>	-	-	N/A	N/A	N/A
Total remuneration for executive management	6 607	6 594	4 011	6 365	6 390

Table 6: Annual change in remuneration for executive management

Group results	2021	2022	2023	2024	2025
Profit after tax	-23 598	-126 109	-63 592	61 764	3 474
Average remuneration divided by the number of man-years:					
Average remuneration	702	604	687	689	760
Average change in %	31.6 %	-14.0 %	13.8 %	0.2 %	10.3 %
Number of full-time employees in the group	319	353	371	407	357

Table 7: Remuneration and company profit 2021 – 2025



Board statement

On April 29, 2026, the board processed and approved the remuneration report for Borgestad ASA for the financial year 2025. The remuneration report has been prepared in accordance with section 6-16 b) of the Public Limited Liability Companies Act and regulations issued pursuant to this provision. In our opinion, the Remuneration Report is in accordance with the Remuneration Policy adopted at the Annual General Meeting, and is free from material misstatement and omissions, whether due to fraud or error. The remuneration report will be presented to the General Meeting on May 22, 2026 for final approval.

Lysaker, April 29, 2026
Board of Directors, Borgestad ASA

Glen Ole Rødland
Chairman

Helene Bryde Steen
Board Member

Jacob Andreas Møller
Board Member

Wenche Kjølås
Board Member

Jan Erik Sivertsen
Board Member

Pål Feen Larsen
CEO

The document is electronically signed.



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To the General Meeting of Borgestad ASA

Independent auditor's assurance report on report on salary and other remuneration to directors

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Borgestad ASA's report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31. December 2025 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our independence and quality control

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. The firm applies International Standard on Quality Management, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 - "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

BDO AS

Yngve Gjethammer
State Authorised Public Accountant
(This document is signed electronically)

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