



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	820 350 022
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	EKORNES QM HOLDING AS
Forretningsadresse:	Industrivegen 1 6222 IKORNNES

Regnskapsår

Årsregnskapets periode:	01.01.2024 - 31.12.2024
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	kJETIL IVERSEN
Dato for fastsettelse av årsregnskapet:	29.04.2025

Grunnlag for avgivelse

År 2024: Årsregnskapet er elektronisk innlevert
År 2023: Tall er hentet fra elektronisk innlevert årsregnskap fra 2024

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 05.06.2025



Resultatregnskap

Beløp i: NOK	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		0	0
Annen driftsinntekt		0	0
Sum inntekter		0	0
Kostnader			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer		0	0
Endring i beholdning av egentilvirkede anleggsmidler		0	0
Varekostnad		0	0
Lønnskostnad		0	0
Avskrivning på varige driftsmidler og immaterielle eiendeler		0	0
Nedskrivning av varige driftsmidler og immaterielle eiendeler		0	0
Annen driftskostnad		2 942 000	3 414 000
Sum kostnader		2 942 000	3 414 000
Driftsresultat		-2 942 000	-3 414 000
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap		155 011 000	212 505 000
Annen renteinntekt		2 655 000	6 268 000
Agio			
Sum finansinntekter		157 666 000	218 773 000
Annen rentekostnad		278 665 000	312 028 000
Sum finanskostnader		278 665 000	312 028 000
Netto finans		-120 999 000	-93 255 000
Ordinært resultat før skattekostnad		-123 941 000	-96 669 000
Skattekostnad på ordinært resultat		-27 267 000	-21 267 000
Ordinært resultat etter skattekostnad		-96 674 000	-75 402 000
Årsresultat		-96 674 000	-75 402 000



Resultatregnskap

Beløp i: NOK	Note	2024	2023
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-96 674 000	-75 402 000
Sum overføringer og disponeringer		-96 674 000	-75 402 000



Balanse

Beløp i: NOK	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel		47 378 000	20 111 000
Sum immaterielle eiendeler		47 378 000	20 111 000
Finansielle anleggsmidler			
Investering i datterselskap		5 667 114 000	5 667 114 000
Sum finansielle anleggsmidler		5 667 114 000	5 667 114 000
Sum anleggsmidler		5 714 492 000	5 687 225 000
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer		4 369 000	3 835 000
Konsernfordringer		445 011 000	559 248 000
Sum fordringer		449 380 000	563 083 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		15 332 000	111 500 000
Sum bankinnskudd, kontanter og lignende		15 332 000	111 500 000
Sum omløpsmidler		464 712 000	674 583 000
SUM EIENDELER		6 179 204 000	6 361 808 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		150 000	150 000
Overkurs		3 159 324 000	3 159 324 000
Sum innskutt egenkapital		3 159 474 000	3 159 474 000



Balanse

Beløp i: NOK	Note	2024	2023
Opptjent egenkapital			
Annen egenkapital		319 004 000	415 677 000
Sum opptjent egenkapital		319 004 000	415 677 000
Sum egenkapital		3 478 478 000	3 575 151 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt		0	0
Sum avsetninger for forpliktelser		0	0
Annen langsiktig gjeld			
Obligasjonslån		1 194 439 000	1 187 660 000
Gjeld til kredittinstitusjoner		1 375 236 000	1 498 939 000
Langsiktig konserngjeld			0
Sum annen langsiktig gjeld		2 569 675 000	2 686 599 000
Sum langsiktig gjeld		2 569 675 000	2 686 599 000
Kortsiktig gjeld			
Banklån		128 000 000	96 000 000
Obligasjonslån			0
Leverandørgjeld		248 000	304 000
Kortsiktig konserngjeld			0
Annen kortsiktig gjeld		2 803 000	3 754 000
Sum kortsiktig gjeld		131 051 000	100 058 000
Sum gjeld		2 700 726 000	2 786 657 000
SUM EGENKAPITAL OG GJELD		6 179 204 000	6 361 808 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		3 818 988 000	4 219 006 000
Sum inntekter		3 818 988 000	4 219 006 000
Kostnader			
Varekostnad		1 126 583 000	1 480 731 000
Lønnskostnad		1 148 141 000	1 170 811 000
Avskrivning på varige driftsmidler og immaterielle eiendeler		312 258 000	324 021 000
Annen driftskostnad		1 012 970 000	1 104 613 000
Net other losses (gains)		64 238 000	33 914 000
Sum kostnader		3 664 190 000	4 114 090 000
Driftsresultat		154 798 000	104 916 000
Finansinntekter og finanskostnader			
Annen renteinntekt		151 057 000	91 994 000
Agio		34 231 000	44 784 000
Sum finansinntekter		185 288 000	136 778 000
Annen rentekostnad		402 739 000	385 495 000
Sum finanskostnader		402 739 000	385 495 000
Netto finans		-217 451 000	-248 717 000
Ordinært resultat før skattekostnad		-62 653 000	-143 801 000
Skattekostnad på ordinært resultat		-20 579 000	-3 297 000
Ordinært resultat etter skattekostnad		-42 074 000	-140 504 000
Årsresultat		-42 074 000	-140 504 000
Andre resultatkomponenter for IFRS-foretak		140 616 000	48 848 000
Sum resultatkomponenter for IFRS-foretak		140 616 000	48 848 000
Totalresultat		98 542 000	-91 656 000



Konsernets balanse

Beløp i: NOK	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter		67 164 000	50 081 000
Utsatt skattefordel		184 098 000	129 699 000
Goodwill		1 561 115 000	1 561 115 000
Brand name		1 398 822 000	1 439 495 000
Customer relations		1 196 494 000	1 175 475 000
Sum immaterielle eiendeler		4 407 693 000	4 355 865 000
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom		866 734 000	902 084 000
Maskiner og anlegg		226 564 000	248 056 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende		19 510 000	24 269 000
Right-of-use assets		219 311 000	208 686 000
Holdt for salg		0	16 835 000
Sum varige driftsmidler		1 332 119 000	1 399 930 000
Finansielle anleggsmidler			
Andre fordringer		17 610 000	24 269 000
Sum finansielle anleggsmidler		17 610 000	24 269 000
Sum anleggsmidler		5 757 422 000	5 780 064 000
Omløpsmidler			
Varer			
Varer		717 479 000	715 538 000
Sum varer		717 479 000	715 538 000
Fordringer			
Kundefordringer		513 155 000	517 775 000
Andre fordringer		176 349 000	90 341 000
Andre fordringer		0	0
Sum fordringer		689 504 000	608 116 000



Konsernets balanse

Beløp i: NOK	Note	2024	2023
Investeringer			
Andre markedsbaserte finansielle instrumenter			20 735 000
Sum investeringer			20 735 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		910 395 000	835 314 000
Sum bankinnskudd, kontanter og lignende		910 395 000	835 314 000
Sum omløpsmidler		2 317 378 000	2 179 703 000
SUM EIENDELER		8 074 800 000	7 959 767 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		150 000	150 000
Overkurs		3 159 324 000	3 159 324 000
Sum innskutt egenkapital		3 159 474 000	3 159 474 000
Opptjent egenkapital			
Annen egenkapital		555 266 000	456 726 000
Sum opptjent egenkapital		555 266 000	456 726 000
Sum egenkapital		3 714 740 000	3 616 200 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser		8 442 000	7 143 000
Utsatt skatt		766 028 000	773 669 000
Andre avsetninger for forpliktelser		23 711 000	5 545 000
Sum avsetninger for forpliktelser		798 181 000	786 357 000
Annen langsiktig gjeld			
Obligasjonslån		1 194 439 000	1 187 660 000
Gjeld til kredittinstitusjoner		1 375 236 000	1 498 938 000
Leasing - Non Current		174 347 000	164 556 000
Sum annen langsiktig gjeld		2 744 022 000	2 851 154 000



Konsernets balanse

Beløp i: NOK	Note	2024	2023
Sum langsiktig gjeld		3 542 203 000	3 637 511 000
Kortsiktig gjeld			
Banklån		128 000 000	96 000 000
Obligasjonslån		0	0
Leverandørgjeld		184 542 000	172 073 000
Betalbar skatt		35 373 000	33 786 000
Skyldige offentlige avgifter		71 451 000	59 878 000
Utbytte		0	0
Annen kortsiktig gjeld		311 524 000	281 714 000
Verdi terminkontrakter		22 824 000	0
Leasing - Current		64 143 000	62 605 000
Sum kortsiktig gjeld		817 857 000	706 056 000
Sum gjeld		4 360 060 000	4 343 567 000
SUM EGENKAPITAL OG GJELD		8 074 800 000	7 959 767 000



EKORNES®

ANNUAL
REPORT

2024

EKORNES
QM HOLDING

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Company history and ownership

Ekornes QM Holding AS was founded 4 January 2018 with the purpose of acquiring the Ekornes Group. In May 2018, an offer was made to purchase the shares of all Ekornes shareholders. The share purchase was completed in August 2018 and Ekornes AS was delisted from the Oslo Stock Exchange in October 2018.

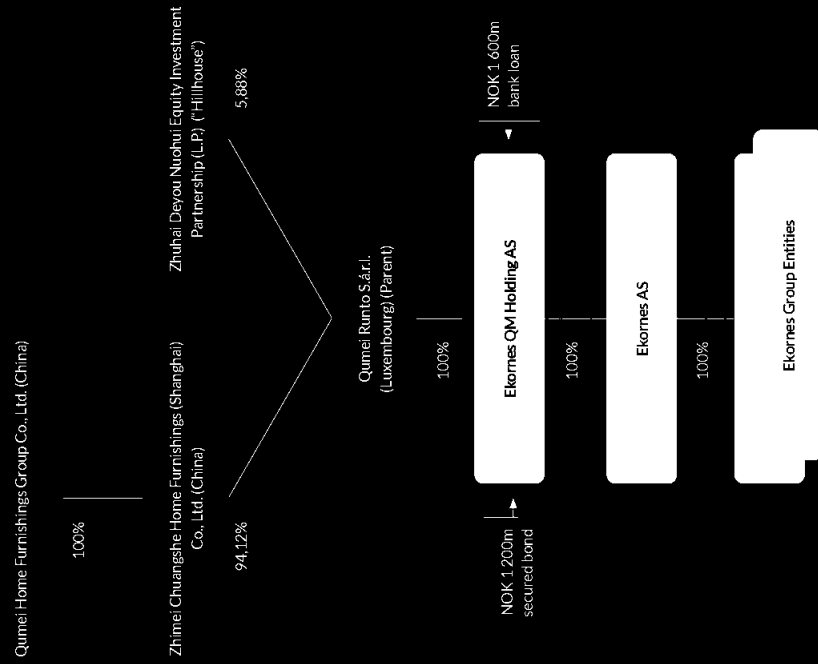
Nonwegian ultimate parent company Ekornes QM Holding AS is a subsidiary of Qumei Home Furnishings Group. Qumei Group owns 94.12% of the shares in Qumei Runto S.à.r.l. and Hillhouse owns the remaining shares.

Qumei Runto S.à.r.l. owns 100% of the shares in Ekornes QM Holding AS. The Ekornes Group is the only operational part of the Ekornes QM Holding Group. The consolidated financial statements comprise the financial statements of the parent company Ekornes QM Holding AS and its subsidiaries as at 31 December 2024.

Ekornes QM Holding AS had, as at 31 December 2024, 100% shareholding and voting rights in Ekornes AS who in its turn has a 100% ownership share and voting rights for all other consolidated companies.

(Ownership chart as at 31 December 2024)

Ownership chart as at 31 December 2024



Strategic priorities

Founded in 1934, Ekornes is the largest furniture manufacturer in the Nordics, designing and producing furniture under the brands Stressless®, Svane® and IMG. With a vision to improve everyday living, Ekornes delivers stylish, comfortable and high-quality seating solutions of exquisite quality to consumers worldwide.

To ensure long-term competitiveness and to strengthen its position as the customer favourite for Nordic comfort, quality and style, Ekornes focus on four strategic priorities: 1) elevate customer appeal, 2) maximize operations and supply chain efficiency, 3) improve contribution margin and 4) modernize the organization structure, skill and culture.

Through these initiatives, the company is reallocating capital and resources to areas with the highest potential for profitable growth.

Annual report Ekornes QM Holding 2024 | Strategic priorities

Strategic priorities

<p>Elevate customer appeal</p>	<p>Maximize operations and supply chain efficiency</p>	<p>Improve contribution margin</p>	<p>Modernize the organization structure, skills, and culture</p>
<p>Elevate customer appeal</p> <p>Ekornes has over 90 years history of innovation and international brand building and Stressless® is among the world's most recognized furniture brands. This provides a unique foundation for Ekornes' transformation into a branded furniture company. Strengthening its presence in key markets, the company is investing in brand building, increased digital presence and lifting in-store experiences.</p> <p>Cultivating on each brand's strengths, Ekornes seeks a differentiated sales strategy for Stressless®, IMG and Svane®. Stressless® is undergoing a modernization, with updated retail studios, increased digital marketing and tailored promotional campaigns aimed at reinforcing its premium position. IMG focus is on product portfolio development and store upgrades to grow sales, operating as a discovery brand with targeted marketing. Svane®, after refining its product offering in recent years, continues to emphasize on premium quality products with solid margins. By further strengthening dealer cooperation and leveraging the unique strengths of each brand, Ekornes seeks to enhance its appeal among consumers.</p>	<p>Maximize operations and supply chain efficiency</p> <p>Ekornes has a global production and distribution network, with eight manufacturing facilities in four countries and product availability in more than 4,000 retailers in 40 countries. To maximize efficiency across operations, the company is optimizing capacity utilization across brands and increasingly specializing facilities in its most efficient processes. In addition, Ekornes seeks to consolidate warehouses and support functions where possible, including various degrees of back-office operations and refining commercial structures.</p>	<p>Improve contribution margin</p> <p>At the same time, Ekornes is streamlining its product portfolio, further enabling increased efficiency while maintaining persistent focus on exquisite product quality throughout the value chain.</p> <p>Improve contribution margin</p> <p>A challenging consumer environment in recent years has put pressure on profitability as Ekornes has adapted to lower activity. While significant improvements were made in 2024, the Group maintains margin improvement a top priority.</p> <p>Initiatives include optimizing procurement by improving direct material sourcing, as well as refining pricing strategies tailored to different brands and markets. Product innovation is also key, with redesigned products supporting higher profitability with improved efficiency and enhanced product longevity.</p>	<p>Modernize the organization structure, skills, and culture</p> <p>As the furniture industry evolves, technology, innovation and agility are becoming increasingly relevant. To remain competitive, Ekornes is modernizing its organization to drive customer focus, elevate leadership and performance across the organization. The company will implement a leadership, culture and value program to reflect this. Ekornes is also actively investing in new talent and key capabilities. This includes streamlining leadership levels and enhancing competence in operations, product design, sales and marketing.</p> <p>These organizational measures are designed to fortify the business structure for future growth, ensuring that Ekornes remains agile and resilient in evolving market conditions.</p>

Message from the CEO

Transforming for long-term sustainable growth



Global furniture markets remained volatile in 2024, primarily due to high living costs constraining consumers' disposable income. Despite this challenging backdrop, Ekomnes managed to improve profitability during the year, even as revenues declined. This reflects disciplined execution on our strategy, transforming into a more customer-focused branded furniture company with improved efficiency and strong global execution capabilities.

Improving profitability and maintaining resilience

Over the past few years, the furniture industry has experienced major shifts in market conditions, marked by fluctuations in demand, supply chain disruptions and economic uncertainty. These challenges have required regular financial adaptations and operational improvements which have ultimately bettered our organization, translating into increased gross operating earnings (EBITDA) of 9% despite revenues declining by 9% in 2024. This demonstrates Ekomnes' resilience and extends the track record of navigating downturns in its 90-year history of industrial growth and international expansion. With geopolitical instability and high uncertainty continuing in 2025, we remain adaptive and resilient in the face of volatility.

Today, we are Norway's largest furniture manufacturer with three unique brands and a global footprint with products available in more than 4,000 outlets in 40 countries. Stressless®, our premium brand offering superior comfort and quality contributed 74% of revenues in 2024, exhibiting strong customer loyalty. IMG, our discovery brand of high-quality

furniture at affordable prices, delivered 19% of revenues. Remaining revenues came from Svane®, a premium mattress provider to the Nordic bedding market, renowned for its IntelliGel® solution. Together, these brands form a strong base from which to continuously develop Ekomnes and position for long-term sustainable growth.

Delivering on our strategy

In 2024, we launched a new strategy aimed at transforming Ekomnes into a branded furniture company, the Nordic favourite for comfort, quality and style. This transformation is guided by four key priorities: 1) Elevate customer appeal, 2) Maximize operations and supply chain efficiency, 3) Improve contribution margin and 4) Modernize the organization structure, skills and culture.

We are already showing good progress delivering on these objectives. We have strengthened our brands through upgraded floor assortment and in-store presence, implemented initiatives to build a stronger digital presence and launched new and improved products. Internally, we have sharpened focus by reducing the leadership team from twelve to six members, and appointed new executives within strategy, marketing, operations and commercial. Our new leadership team aims to accelerate decision-making and create a more agile organization.

Our global production footprint, with eight factories across four countries, has been further optimized to enhance efficiency. By creating specialized production facilities and aligning capabilities across our portfolio, we are utilizing our global manufacturing strengths better. At the same time, we have undertaken a significant portfolio optimization. This, combined with pricing adjustments and optimized procurement involving comprehensive tender processes, has resulted in gross margin increasing to from 10% in 2023 to 12% in 2024 and lays a solid foundation for further improvements.

Continuing our transformation

The transformation of Ekomnes has only just begun. In 2025, we will further reallocate capital towards the areas we see growth opportunities, ensuring that we fully capitalize on our industrial strengths and unique brand platform.

For Stressless®, this means continuing to modernize the brand, rolling out updated in-store concepts and expanding our digital footprint across markets. For IMG, we are enhancing the in-store shopping experience, making it easier for consumers to discover and engage

with the brand. Across all brands, we will continue to launch new products, ensuring our offerings remain relevant, innovative and tailored to market demand.

Operational excellence remains a key priority. In 2025, we will further optimize our warehouse and production footprint, consolidate operational functions and reduce complexity across our supply chain. A more integrated sales and operations planning process will allow us to better balance supply and demand, ensuring a more effective and resilient supply chain management.

Securing stronger profitability that can be sustained over time remains at the core of our efforts. We will continue to focus on realizing procurement savings, while implementing a systematic approach to pricing, marketing and promotions across brands and products. This means leveraging data and analytics to optimize the strategy for each consumer segment and market.

At the same time, we continue to modernize the organization structure and develop skills and culture. A complete organizational review is ongoing, with the launch of a new global matrix organization planned by the second quarter of 2025. This new structure will increase agility, strengthen execution and ensure that we have the right talent in place to drive our ambitious growth plans forward.

Increasing long-term competitiveness

None of our progress would be possible without the dedication of our employees, who have shown relentless effort and commitment amidst challenging market conditions. I also want to thank our partners and retailers for their continued support in bringing our brands to customers worldwide.

As we move forward, the strategic transformation of Ekomnes will continue gaining momentum. With a clear strategy, disciplined execution and a committed team, we are building a stronger, more competitive company, increasing efficiency and positioning Ekomnes to remain the customer furniture favourite for Nordic comfort, quality and style for years to come.

Tine Hammernes Leopold

CEO of Ekomnes

Group management



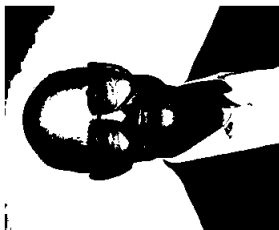
TINE HAMMERNES LEOPOLD (1971)

CEO Ekornes Group

Education: Bachelor of Science Business Administration, California State University, Sacramento, 1993. Orkla and INSEAD executive leadership program.

Experience: More than 27 years executive and board experience in the leading Nordic branded consumer goods company Orkla. Currently holding position on Board of Directors at Motek AS, since 2017.

CEO of Ekornes and member of Ekornes Group Management since September 2023.



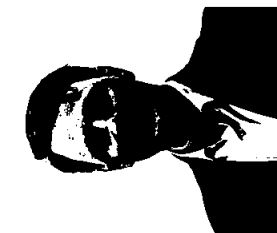
LASSE RUIID-HANSEN (1980)

SVP Strategy & Organization Ekornes Group

Education: Master of Science in Business Administration (Siviløkonom), Norges Høgskole, 2004. Bachelor of Science (Organizational Psychology), University of Oslo, 2005. Strategic Leadership Programme, IMD, 2021.

Experience: Over 20 years of experience from management consulting and branded consumer goods companies. Experienced executive and board member, previously holding CEO roles in snacking and personal care companies.

Member of Ekornes Group management since October 2024.



FREDRIK ØDEGÅRD NILSEN (1988)

EVP & CFO Ekornes Group

Education: Masters of Economics and Business Administration at the Norwegian School of Economics (NHH) and Master in Management at the University of Mannheim.

Experience: Various position at ISS Facility Services within Finance, Pricing and Business Development, CFO at Haut Nordic.

CFO of Ekornes since April 2021 and EVP of Ekornes since September 2023. Member of Ekornes Group management team since August 2020.



FREDRIK SAMSON (1974)

COO Ekornes Group

Education: MSc Electrical Engineering & Computer Science from Institute of Technology Linköping University, 2004. LEAN/Six Sigma Black Belt, Westinghouse and Ottobock leadership programs.

Experience: More than 15 years of senior management experience within nuclear, med-tech and food industry, from Westinghouse Electric, Ottobock and Lanmännen Unibake.

Member of Ekornes Group management since October 2024.



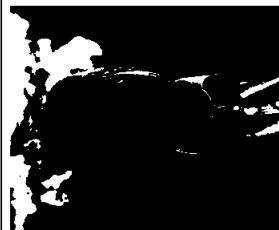
JANNE STRØMMEN (1972)

CMO, Marketing & Innovation Ekornes Group

Education: MBA Brand Management at the Norwegian School of Economics (NHH) and Bachelor in Marketing at BI Norwegian Business School/Suffolk University Madrid, Spain.

Experience: Brand Marketing from Stokke. Devoted and various advertising agencies. Before joining Ekornes she held the position as Global Brand Communication Director for Stokke.

Member of Ekornes Group management team since January 2022.



HENRIK BODEKER THOMSEN (1971)

CCO Ekornes Group

Education: HD degree in Marketing Management, Copenhagen Business School, 1999. Carlsson Group leadership program.

Experience: 30 years international management experience with leading Nordic FMCG companies Carlsson Group and Anora Group.

Member of Ekornes Group management team since February 2025.

The Board of Directors in Ekornes AS



Ruihai Zhao (1965), Chair

Position: Chair and CEO of Qunlei Group.

Education: MBA (Cheung Kong Graduate School of Business, China), degrees in global business management from Tsinghua University, China and University of Minnesota, USA.

Experiences: Founder and chair of Qunlei Home Furnishings Group, with more than 30 years' experience of the furniture industry.

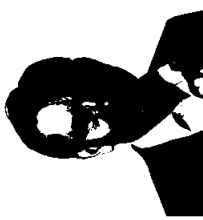


Rui Liu (1995), Director

Position: Vice President in Hillhouse Investment.

Education: BSc in Quantitative Economics and Mathematics at Tufts University.

Experience: Associate at HSBC Global Banking Division Hong Kong office, with experience in capital market financing and M&A.



Lars J. Røffert (1961), Vice-Chair

Board memberships: Chair in Fløkk Holding AS and Protan AS; Director in Glamox AS.

Education: Master of Economics and Business Administration (BI Norwegian Business School).

Experiences: Commercial management positions at Tomra ASA, Mainlycke AB and Jordan AS, CEO of Fløkk Holding AS, Coloplast AS and HÅG ASA. Membership of the boards of numerous companies including Molift AS, Netcom AB, Enghav AS and Design & Architecture Norway, and of the Norwegian Advisory Board of the private equity company Ratos.



Atle Berntzen (1967), Director (employee elected)

Position: Team leader and deputy manager, warehouse/goods inwards at Ekornes Beds AS.

Education: Upper secondary school (commercial studies major).

Experience: Sales person and warehouse operative at General Motors AS; Warehouse operative at Ekornes Beds AS.



Stian Ekornes (1963), Director

Position: Investor.

Education: The Norwegian Merchants Institute (today BI Varehandel).

Experience: 30 years' experience of the furniture industry. Extensive experience as CEO, board chair and director within the furniture industry, chain management and property development.



Ove Per Skåre (1956), Director (employee elected)

Position: Work in upholstery department of J.E. Ekornes AS.

Education: Diverse courses in Norwegian Confederation of Trade Unions.

Experience: Production worker in Villedalen Møbler AS; Foam production in Porolon AS; Foam, steel and upholstery department in J.E. Ekornes AS; UN Veteran served in Lebanon; Union representative and health & safety representative in J.E. Ekornes AS; board member of the Trade Union (ITAF).



Tine Hammernes Leopold (1971), Director

Position: CEO Ekornes Group

Education: Bachelor of Science Business Administration, California State University, Sacramento, 1993. Orkla and INSEAD executive leadership program.

Experiences: More than 27 years executive and board experience in the leading Nordic branded consumer goods company Orkla. Currently holding position on Board of Director at Møtek AS, since 2017.



Bente Johnsen, 1972, Director (employee elected)

Position: Facilitator at dep. Aure.

Education: Studies in carpentry and upholstery craft certificate as upholsterer.

Board memberships: Deputy chairman of ITAF (Ikornes Treindustriarbeiderforbund/ Wooden Industry Workers' Union), deputy chairman of Cooperation Committee for Furniture and Lateral.

Experience: I have various experience working as a florist, in the food and travel industry, as a caretaker at an assisted living facility and production worker at upholstery and sewing departments at Ekornes since 1997.

Code of conduct for the Ekornes Group

Legislation or rules laid down by the authorities. This also applies to internal guidelines, provisions or issues that might harm Ekornes' reputation or other parties' trust in Ekornes.

3. Ekornes shall comply with the laws, rules and regulations in the countries in which Ekornes companies have been established or in which business connections have been established.

4. In all contact with suppliers of raw materials, machinery, subsidiary materials and services of any kind, and contact with customers and other business connections, we shall aspire to honesty, integrity, openness, as well as correct and responsible business conduct. The objective is to arrive at the best offer for Ekornes.

5. Ekornes or employees of Ekornes shall not take part in 'bribery' or its equivalent in order to achieve special advantages or access to such.

6. Business connections such as those mentioned above shall not be furnished with more information about Ekornes than they need to provide a satisfactory offer with respect to price, level of service, delivery times, technology and specifications, or what they need to exercise their business relationship with Ekornes.

7. Suppliers and business connections shall under no circumstances receive information about other suppliers and business connections via Ekornes.

8. Employees of Ekornes shall participate in trips, dinners and events arranged by suppliers and business connections only when there is a professional reason for the event/trip, or it provides business related opportunities. In cases of such participation the travel, entertainment and accommodation of employees of Ekornes shall always be paid by Ekornes.

9. Employees of Ekornes are not permitted to receive benefits or gifts (in the form of products, services or trips, etc.) from business connections other than small promotional items of limited value. The same applies to private purchases of goods at discounts from suppliers to Ekornes without the approval of a superior. Individuals must also avoid becoming in any way beholden to customers or suppliers.

10. Suppliers and business connections shall be made aware of the contents of this document and also be made aware that any attempt to contravene these ethical rules could result in exclusion.

Ekornes will conduct its business activities responsibly, and will operate in compliance with all relevant laws, regulations and strict ethical norms. We support and strive to live up to the UN's Global Compact. This means that in all parts of our operations we will maintain high standards with regard to:

1. Respect for and compliance with the Universal Declaration of Human Rights.
2. Respect for workers' rights and needs.
3. Environmental responsibility.
4. Combating corruption in Norway and abroad.

This document, 'Ethical Values and Anti-Corruption Policy', as well as 'Objectives and Values', have been distributed to all employees. These regulations have also been distributed to external relations and have been published on the company's website www.ekornes.no. Everyone within the company has a duty to follow up and comply with these regulations. Managers in all parts of the company have a special responsibility for their follow-up.

In December 2013, Ekornes published an updated version of its Code of Conduct and anti-corruption policy. Both of these are presented below.

Anti-corruption policy – UN's Global Compact

Ekornes has endorsed the UN Global Compact since 2009.

Through participation in the UN Global Compact, Ekornes is committed to operating its business responsibly in line with the UN Global Compact's ten principles, which also cover anti-corruption. Ekornes also encourages its business associates to comply with these principles.

Ekornes has drawn up a new system with which to assess its suppliers' performance against the Global Compact's principles. This system went into effect in 2013.

The UN Global Compact is based on openness, both with respect to the company's dealings with all stakeholders and the challenges Ekornes meets at the local and global level. Since 2012 Ekornes has been a member of the UN Global Compact's Nordic network. Participation in the network enables Ekornes to exchange experiences with other businesses which have social responsibility high on the agenda.

Through the UN Global Compact, Ekornes is obligated to set goals for and work continuously to improve its practices in this area. Each year Ekornes reports its performance to the UN in the form of a Communication on Progress (COP). This may be found on the company's website under ir.ekornes.no/environmental-and-social-responsibilities.

Code of conduct for the Ekornes Group

1. 'Objectives and Values', company regulations, employment contracts and job descriptions also contain ethical rules with which the Ekornes Group complies. The rules contained in this overview should therefore not be considered exhaustive with respect to the Group's ethical standards.
2. A duty of confidentiality contained in company regulations, employment contracts or job descriptions does not prevent you from informing a superior should you become aware of breaches of regulations.

Organization and follow-up

This document, 'Ethical Values and Anti-Corruption Policy', as well as 'Objectives and Values', have been distributed to all employees. These regulations have also been distributed to external relations and have been published on the company's website ir.ekornes.no. Everyone within the company has a duty to follow up and comply with these regulations.

Managers in all parts of the company have a special responsibility for their dissemination and follow-up. In the autumn of 2018, a new vision "We improve everyday living" and a new set of values was adopted. The new values are Honest, Authentic, Enthusiastic and Adaptable. These were communicated to all employees through staff meetings, internal communications channels and e-learning courses.

Annual report Ekornes QM Holding 2024 | Code of conduct

Sustainability Statement

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ESRS 2 - General Requirements

upstream and downstream value chain elements, ensuring a full disclosure of sustainability impacts. This is the first year of reporting under the mandatory disclosure requirements, and as historical data is unavailable, 2024 is considered the baseline year for future reporting.

Omissions & Exemptions

No exclusions under ESRS 1, section 7.7 (classified and sensitive information) or 7.8 (intellectual property and innovation protection) have been applied.

DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

Accounting Estimates and Judgements

The preparation of sustainability disclosures involves estimates and assumptions, particularly in areas such as Scope 3 emissions (E1), inflows and outflows calculations (E5). These estimates rely on available data, industry benchmarks, and internal methodologies, which may be refined in subsequent reporting periods as more precise data becomes available. The level of accuracy is medium based on internal review. Judgements applied in sustainability-related accounting policies are disclosed alongside the relevant data points to ensure transparency.

The basis for preparation and the resulting level of accuracy is described, as well as ways Elkem is working to improve the accuracy for future reporting cycles.

[BP-1] General basis for preparation of sustainability statement and [BP-2] Disclosures in relation to specific circumstances

GENERAL BASIS FOR PREPARATION OF THE SUSTAINABILITY STATEMENT

About This Report

Elkem's 2024 Sustainability Report is the first integrated report, aligning with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The report provides an overview of the company's sustainability strategy, governance framework, material impacts, risks, and opportunities, and how these factors are integrated into the business model. Elkem is a member of the UN Global Compact and this report also represents the Group's communication on progress for 2024 to the UN Global Compact.

General Basis for Preparation of the Sustainability Statement (BP-1)

Elkem's sustainability statement is prepared on a consolidated basis, covering all operations under the same scope as the financial statements. It includes both

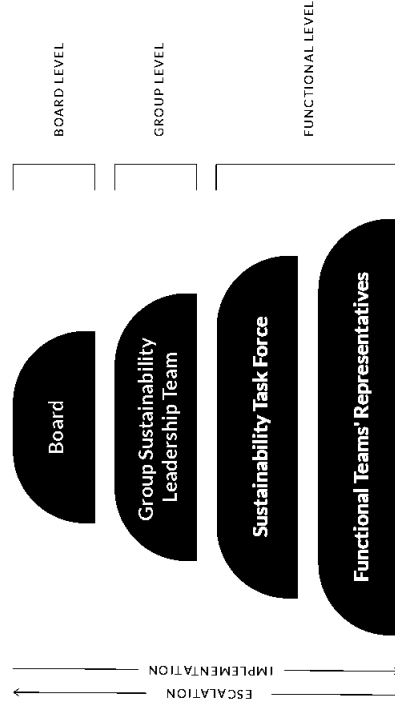
ROLES AND RESPONSIBILITIES IN MANAGING SUSTAINABILITY IMPACTS, RISKS, AND OPPORTUNITIES

The ESG governance structure includes the following key bodies:

- The **board** approves and oversees the group's sustainability strategy. Ekornes plans to have a committee that advises the board and ensures that sustainability is embedded at the highest governance level. This committee can be either a sustainability or auditing committee.
- The **Group Sustainability Leadership Team** is responsible for orchestrating and executing the sustainability strategy based on identified IROs, overseeing progress, and resolving escalations.
- The **Sustainability Task Force** develops and executes key documents such as strategy papers, policies, and process manuals in connection with IROs and broader sustainability topics. It coordinates sustainability projects and initiatives across the organization and escalates critical issues when necessary.
- The **functional teams'** representatives execute sustainability projects and initiatives in alignment with approved targets. They are responsible for reporting required data on policies, actions, targets and metrics to evaluate progress and ensure compliance with sustainability objectives.

Ekornes has established a structured ESG governance framework to ensure effective oversight, decision-making, and execution of sustainability initiatives. The governance model operates at three levels:

1. The **board level** provides strategic oversight and approval of sustainability-related decisions related to material impacts, risks and opportunities.
2. The **group level** focuses on strategy execution and issue resolution.
3. The **functional level** handles implementation and operational execution.



Level of accuracy

Low to Medium

Based on spend and sector averages: limited primary supplier data; data model under improvement

Low to Medium

Internal procurement and waste records used; more work needed on supplier-level material traceability; data model under improvement

Material topic Indirect data sources

Spend data, supplier-specific emission factors, DEFRA and other secondary databases*

* more details in the table Emissions factor sources of emissions factor's supplier, Scope 3's GHG emissions in E1 chapter

Spend data, material weights, packaging data, and waste contractor reports, industry standards

[GOV-1] Role of the Administrative, Management and Supervisory Bodies

COMPOSITION OF ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BOARD

Ekornes' governance structure includes a management team, and a supervisory board, each with specific responsibilities for strategic direction, risk management, and sustainability oversight.

- The board consists of 1 executive member and 7 non-executive members, ensuring balanced leadership and independent oversight, including 3 representatives of the employees.
- Board members have experience relevant to Ekornes' core business, including furniture manufacturing, supply chain management, and operations across key markets such as Europe, North America, and Asia. For more details please reference the annual report and detailed descriptions of board member experience on page 12/13.
- The gender composition of the board stands at 37.5% female, 62.5% male, calculated as an average ratio of female to male board members.
- Independent board member's constitute 25% of the board, ensuring impartial oversight and decision-making.

Sources of Estimation

- Internal systems (Procurement)
- Spend analysis systems (for Scope 3 estimation)
- Supplier-provided documentation, where available
- Public emissions and conversion factors (e.g. DEFRA, Ecoinvent)
- Industry and NGO benchmarks (e.g. social metrics)

Ekornes plans to improve accuracy in the next years reporting cycles.

Forward-Looking Statements

The sustainability statements contain forward-looking statements based on assumptions about future developments and potential actions by the company. These statements reflect expectations at the time of reporting; however, actual outcomes may differ due to unforeseen circumstances, regulatory changes, or shifts in market conditions. As sustainability-related frameworks and industry best practices evolve, disclosures will be refined to reflect the most accurate and relevant information available.

At the management level, IROs are reviewed and approved by the Group Sustainability Leadership Team. The full list of reviewed material IROs can be found on page 31/32. The Group Sustainability Leadership Team consists of the following members:

- Chief Executive Officer (CEO)
- Chief Financial Officer (CFO)
- Chief Operating Officer (COO)
- Senior Vice President, Strategy & Organisation
- Chief Marketing Officer (CMO)
- Vice President, ICT & Digitalisation
- Chief Commercial Officer (CCO)
- Head of Product Development
- Head of Strategy & Sustainability
- ESG Manager

The leadership team within the Group Sustainability Leadership Team, led by the CFO and SVP Strategy & Organisation, has been actively engaged in shaping the CSRD reporting process. Their participation spans all stages of assessment, from IRO identification to final approval.

As of 2024, Ekornes does not have specific controls or procedures to manage material IROs. This will be developed further during 2025 and the Group Sustainability Leadership Team will play a central role in both development and follow up of procedures and internal controls.

Clear reporting lines exist between the board, management, sustainability leadership, sustainability task force and functional teams involved in sustainability. Sustainability topics are reviewed at bi-annual board meetings oversight (or more often if required).

The agenda of the bi-annual board meetings:

- Q2 - Board has been informed of the annual report and sustainability statement.
- Q4 - Board has reviewed DWA assessment and verified of material disclosure. The Group Sustainability Leadership Team has conducted ambition setting workshop in the sustainable development of the organization.

The board and senior management set sustainability-related targets and track progress through key performance indicators related to all material IROs. This process is still new at Ekornes and will be fully implemented in 2025.

In 2025, the board will continue to oversee the strategic development of sustainability at Ekornes. As part of its governance role, the board will review and sign the sustainability statement and play a more active role in the approval of the company's sustainability strategy and connected targets. This structured involvement will strengthen accountability, ensuring that sustainability considerations remain integrated into overall business strategy and decision-making at the highest level.

EXPERTISE AND SKILLS IN SUSTAINABILITY MATTERS

Ekornes ensures that its governance bodies have the necessary expertise and resources to effectively oversee sustainability matters. Ekornes continuously evaluates the skills and competencies of its leadership to ensure its governance structures remain effective, resilient, and aligned with its long-term sustainability objectives.

- Board members and executive leaders receive regular updates on the development of sustainability within the organization, as well as changes in the regulatory environment and their application to Ekornes.
- The company collaborates with external sustainability advisors and industry networks to enhance management and board-level expertise in material IROs and broader sustainability topics such as sustainability strategy, carbon footprint reduction, biodiversity, circular economy principles, and supply chain sustainability.
- To strengthen access to sustainability expertise at the board and executive management levels, dedicated sessions with internal subject matter experts have been scheduled as part of governance meetings in 2024. These sessions provide governance bodies with the knowledge required to oversee Ekornes' material sustainability topics, impacts, risks, and opportunities.

[GOV-2] Information provided to and sustainability matters addressed by administrative, management and supervisory bodies

INFORMATION OF IMPACTS, RISKS, AND OPPORTUNITIES

Ekornes identifies material impacts, risks, and opportunities (IROs) as part of the annual Due Diligence and Materiality Assessment (DMA) process. The IROs that are material for reporting in 2024 are presented on page 31/32.

The Board of Directors holds the responsibility for approving the IROs, overseeing due diligence implementation, and reviewing the results of sustainability actions. The board receives bi-annual updates and formally approved the list of IROs in December 2024.

These updates include:

- Review of the methodologies used to assess IROs
- Results and effectiveness of policies, targets, actions and metrics used to address IROs
- Evaluation of planned actions and forward-looking strategies

CONSIDERATION OF IMPACTS, RISKS, AND OPPORTUNITIES IN DECISION MAKING

Currently, sustainability-related risks are not yet integrated into Ekornes' general risk framework. However, the organization is evaluating its implementation in the coming years to ensure a structured approach to managing sustainability risks, impacts and opportunities.

Key risks identified through the IRO process have been reviewed, and actions to mitigate them are being developed. These mitigation measures will be implemented and reported in upcoming reporting cycles to ensure transparency and accountability in risk management.

[GOV-3] General requirements on integration of sustainability-related performance in incentive schemes

As of today, sustainability-related performance is not yet integrated into the incentive schemes for members of Ekornes' administrative, management, and supervisory bodies.

However, the organization is assessing potential ways to incorporate sustainability-related targets into future performance evaluations and remuneration policies.

[GOV-4] STATEMENT ON DUE DILIGENCE

Core Elements of Due Diligence:

Core elements of due diligence

Paragraphs in the sustainability statement

a) Embedding due diligence in governance, strategy and business model	GOV-1 Management responsibilities GOV-1 Oversight of sustainability (ROs) GOV-2 Sustainability matters addressed by management SBM-3 Double materiality assessment
b) Engaging with affected stakeholders in all key steps of the due diligence	SPS 2 GOV-2; Stakeholder overview GOV-2 Sustainability matters addressed by management IRO-1 Double materiality assessment process
c) Identifying and assessing adverse impacts	SBM-3 Double materiality assessment
d) Taking actions to address those adverse impacts	E1, 3 Climate action plans E4-2 Managing impacts on biodiversity E5-2 Managing impacts on resources and circularity S1, 4 Managing impacts on our people
e) Tracking the effectiveness of these efforts and communicating	ESRS 2 MDR-M per every material topic

(ESRS)ESRS 2-GOV-4-32, ESRS 2-GOV-4A8, 10(a), (b), (c), (d), (e)

[GOV-5] RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

In 2024, Ekornes developed its internal control system for sustainability reporting, with a pilot rollout of sustainability controls planned for 2025. During this transitional phase for the first round of CSRD reporting, the company implemented a light version of internal controls, primarily focused on data collection oversight through a four-eye validation approach.

Risk Assessment Approach

A formalized risk assessment methodology was not in place in 2024. Instead, risk identification and prioritization were conducted at the Sustainability Task Force level, and initial mitigation actions were developed. The Sustainability Task Force also got input and guidance from internal subject matter experts and external advisors.

The risk prioritization was based on three key factors:

- 1. Likelihood of occurrence** – Evaluating how frequently or how likely the identified risk could impact sustainability reporting.
- 2. Potential impact** – Assessing the degree of disruption a risk could cause, particularly regarding compliance with regulatory requirements, reporting accuracy, and reputational consequences.
- 3. Mitigation complexity** – Considering the feasibility and resources required to implement risk mitigation measures, including internal capacity and system development needs.

While this approach was qualitative rather than formalized, it enabled the Sustainability Task Force to rank risks based on urgency and develop initial mitigation actions, such as engaging external expertise, enhancing internal training, and beginning to explore automation solutions.

Ekornes aims to establish a more structured risk assessment framework, integrating it with existing enterprise risk management processes to ensure consistent evaluation and monitoring of sustainability reporting risks.

Main Risks Identified for first reporting year and Mitigation Strategies

Ekornes identified key risks related to sustainability reporting in 2024, including:

- Lack of automated systems and reliance on manual data input
- Limited internal competency and expertise in sustainability data handling
- Internal competency gaps

Ekornes adopted a targeted approach to address these sustainability reporting risks:

Risk Identified	Mitigation Strategy
Lack of automated systems	Development of a data collection framework covering all regulatory requirements
High dependency on manual input	Implementation of a four-eye validation approach for data accuracy
Internal competency gaps	Engagement with sustainability experts and training for employees, the hotline chat and regular meetings to clarify any questions on ESK3 reporting process

While these initial control measures and mitigating actions ensured compliance with current sustainability reporting obligations, Ekornes plans to further strengthen governance in 2025 through enhanced internal control mechanisms.

Integration of Risk Assessment Findings into Internal Processes

Based on the initial internal control process, in 2024 Ekornes has developed an Internal Control Policy that will be rolled out in 2025 for selected pilot reporting topics. This policy will formalize governance structures, risk management, and validation mechanisms for sustainability disclosures. While the internal control framework aligns with financial reporting controls, it is not directly modeled after it. Instead, it has been tailored to sustainability-specific data requirements, ensuring compliance with regulatory standards and internal governance expectations. Findings from risk assessments and internal control reviews will guide adjustments in reporting methodologies, system improvements, and additional governance measures to ensure continuous improvement in sustainability reporting.

Reporting of findings to governance bodies

When it comes to reporting of the findings from risk assessment and internal controls to administrative, management and supervisory bodies, it is the Group Sustainability Leadership Team that will be responsible for presenting governance bodies, ensuring alignment with corporate risk management frameworks. Specifically, sustainability reporting risk assessment findings will be reported to the Board of Directors and Executive Management on a biannual basis, tracking progress toward full implementation of internal controls.

[SBM-1] STRATEGY, BUSINESS MODEL AND VALUE CHAIN

General Strategy and Sustainability-Related Elements

Ekornes designs, manufactures, and distributes premium furniture products across global markets. The company offers a diverse range of high-quality furniture, including the following key products:

- Recliners
- Sofas
- Chairs
- Beds

In 2024, there were no newly introduced or discontinued product categories.

Ekornes serves a global customer base as presented on the global map:

The company employs 2,461 people across its operations, distributed as follows:

- Norway – 972 employees
- Lithuania – 236 employees
- USA – 80 employees
- Thailand – 861 employees
- Other regions – 272 employees



Revenue Breakdown and Significant ESRs Sectors

Ekornes does not report revenue breakdowns by ESR sectors. The company operates within the furniture manufacturing sector.

Sustainability-Related Goals and their link to key products and markets

Ekornes is currently updating its sustainability targets, reinforcing sustainability as one of its core strategic priorities. The company's sustainability goals align with the material impact areas:

Climate – Reduce CO₂ emissions across operations and value chain.

Nature – Ensure key raw materials are sourced from renewable, recycled, or certified sustainable sources.

Circular Economy – Transition to a fully circular product portfolio, increasing recyclability and material reuse.

Own workforce – Sustainability-related targets for workforce and social aspects are still being defined, as they will be aligned with an updated organizational structure and policies.

Most of Ekornes emissions accrue through the production of the key products that are provided to customers. Reducing emissions will impact how materials are sourced and transported, how products are designed and marketed to the end market. Ekornes will need to work actively with retailers to align on sustainability targets to work together to reduce transportation emissions. What materials are used in production directly affects the final product and this value needs to be communicated to the end customer. Using sustainable raw materials and recycled raw materials could increase cost of production, thus affecting both retailers and end customers. Different markets also have different maturity when it comes to actively seeking sustainable products, and so this communication must be targeted and tailored to the main markets. Succeeding with a fully circular business model rests on close collaboration with retailers and end customers, as the end customer is the one taking care of the furniture, ensuring the theoretical product lifetime is lived out fully. At the end of the use life of the product, Ekornes is disconnected from the customer and the customer is responsible for disposing of the used furniture in a safe and sustainable manner.

Main challenges ahead

Ekornes faces several critical challenges in advancing its sustainability strategy and meeting regulatory and stakeholder expectations. These challenges require targeted actions to enhance resilience and long-term business viability.

- **Improving supply chain transparency** – Increasing visibility into the supply chain is essential to ensure compliance with sustainability regulations, such as CSRD and the EU Taxonomy, and to meet customer and investor expectations for ethical sourcing. Greater transparency also helps mitigate risks related to human rights violations, environmental impact, and material traceability, particularly for key raw materials such as leather, wood, and textiles.
 - **Building a more circular and sustainable portfolio** – Transitioning toward circularity involves designing products for longevity, reparability, and recyclability. This reduces resource dependency, minimizes waste, and aligns with evolving market demands and regulatory shifts. Increasing the use of recycled and certified materials supports this transition while reducing reliance on virgin resources and improving overall environmental performance.
 - **Reducing carbon footprint** – Lowering carbon emissions across the value chain is necessary to comply with international climate targets and national regulations. Key focus areas include improving energy efficiency in manufacturing, optimizing transportation logistics, and sourcing lower-carbon materials. These actions help reduce exposure to carbon pricing mechanisms. Addressing these challenges will require ongoing collaboration with suppliers, retailers and end customers, innovation in product development, and continuous improvement in sustainability reporting and governance.
- Strategic Projects and Critical Solutions**
- Ekornes is implementing sustainability-driven business model improvements that focus on:
- **Sustainable material innovation** – Increasing the use of recycled and certified materials in furniture production.
 - **Supply chain transparency** – Strengthening traceability of raw materials through supplier engagement...
 - **Product circularity initiatives** – Expanding circularity of the portfolio.

The key stakeholders and engagement approaches are detailed below.

Stakeholder Group	Stakeholder Interests and Purpose of Engagement	How Ekornes Engages	Impact on Operations, Business Model, Strategy
Customers & Retailers (Dealers & Retailers)	Expect timely product delivery, compliance with regulations, strong marketing support, and efficient claims handling. Ekornes engages to strengthen commercial relationships, improve service levels, and ensure alignment on sustainability and quality expectations.	Customer satisfaction surveys, involvement in DMA process, direct sales meetings, marketing collaboration.	Improves production planning, distribution efficiency, and sustainability-focused product development.
End-Users (Consumers)	Seek safe, sustainable products free from harmful chemicals, meeting environmental and quality standards. Ekornes engages to understand consumer preferences, build trust in the brand, and integrate sustainability into the user experience.	Customer satisfaction surveys, involvement in DMA process, direct sales meetings, marketing collaboration.	Drives product innovation, influences sustainability communication, and impacts brand perception.
Suppliers	Require clear specifications, predictability, fair pricing, and timely payments. Ekornes engages to meet sustainability requirements (ethical sourcing, human rights, environmental standards), Ekornes engages to align expectations, strengthen ethical and environmental performance, and foster resilient, long-term partnerships.	Annual supplier audits, self-assessments, ESG and SWG certifications, ongoing collaboration on sustainability compliance.	Impacts supply chain resilience, ethical sourcing policies, and risk management.
Industry Associations	Expect adherence to industry standards, participation in expert groups and sustainability initiatives. Ekornes engages to contribute to responsible industry development, influence standards, and promote shared learning.	Active involvement in sustainability committees, industry exhibitions, peer collaborations.	Strengthens industry influence, enhances regulatory compliance readiness, fosters innovation.
Authorities & Regulators	Require compliance with environmental permits, waste management, land use, and sustainability regulations (CSRD, EU Taxonomy). Ekornes engages to ensure regulatory alignment, manage risks.	Compliance programs, sustainability reporting alignment, engagement with regulators if required.	Impacts reporting obligations, regulatory risks, and long-term strategic planning.
NGOs	Demand transparency, ethical responsibility, and collaboration on sustainability topics. Ekornes engages to gain external insights, improve accountability, and collaborate on initiatives that advance responsible business practices.	Partnerships on sustainability initiatives, collaboration for transparency in material sourcing (e.g. leather value chain).	Enhances credibility, mitigates reputational risks, and drives responsible business practices.
Employees	Seek safe working conditions, fair wages, career development, and inclusion in sustainability efforts. Ekornes engages to support well-being, foster inclusion, and strengthen employee contribution to the company's sustainability journey.	Employee engagement programs (health & safety, training, union collaboration).	Impacts talent retention, productivity, and workplace culture.
Owners	Expect strong financial performance, quality production, and commitment to sustainability regulation. Ekornes engages to ensure transparency, maintain strategic alignment, and demonstrate resilience in both financial and ESG performance.	Quarterly earnings calls, financial and sustainability performance updates, briefings.	Affects capital allocation, long-term strategic planning, and risk management.

Intellectual assets, including product designs, brand reputation, and relationships with suppliers, retailers, and logistics operators, are protected through trademark registrations, contractual agreements, and active market engagement.

These inputs are transformed into outputs such as recliners, chairs, sofas, beds, and other products in the Ekornes portfolio. Other outcomes of Ekornes' operations include waste and emissions, economic contributions such as tax and duty revenues, social impacts including employment and competitive wages, and intellectual contributions such as participation in developing furniture industry standards for recyclability and circularity.

These inputs are transformed into outputs such as recliners, chairs, sofas, beds, and other products in the Ekornes portfolio. Other outcomes of Ekornes' operations include waste and emissions, economic contributions such as tax and duty revenues, social impacts including employment and competitive wages, and intellectual contributions such as participation in developing furniture industry standards for recyclability and circularity.

By continuously assessing risks and opportunities related to sourcing, production, and workforce management, Ekornes ensures the long-term availability and sustainability of its key inputs, supporting business growth and resilience in a changing regulatory and market landscape.

[SBM-2] INTERESTS AND VIEWS OF STAKEHOLDERS

1. Stakeholder Engagement

Ekornes actively engages with a broad range of stakeholders to integrate their interests and views into its strategy and business model. Engagement occurs through structured surveys, interviews, audits, participation in industry associations, direct communications, and reporting mechanisms. The purpose of this engagement is to ensure transparency, improve product and service offerings, strengthen compliance, and enhance sustainability efforts.

Business Model and Value Chain

Ekornes operates a vertically integrated business model, encompassing design, sourcing, manufacturing, distribution, and sales. The company's value chain consists of:

Upstream

- **Raw material production** – Primary materials include wood, leather, textiles, plastics, foam, steel, electronics, and chemicals.
- **Inbound logistics** – Transportation of materials to manufacturing sites.

Own Operations

- **Manufacturing** – Ekornes operates production facilities in Norway, Lithuania, Thailand, and the USA.

Downstream

- **Outbound logistics** – Finished products are distributed through global logistics networks.
- **Sales** – Key customers include large furniture retailers and corporate clients.
- **End-user engagement** – Consumers purchasing premium furniture products for residential and commercial use.

Main inputs and outputs

Ekornes sources essential raw materials such as wood, leather, textiles, plastics, wadding, foam, steel, aluminum, electronics, chemicals, cardboard, and styropor. Details about inputs and sourcing regions can be found on page 87 (ES chapter). To ensure a stable and responsible supply chain, Ekornes integrates sustainable sourcing criteria and supplier engagement programs, including certifications such as FSC for wood and LWG for leather, supplier audits, and long-term partnerships with key suppliers. This approach enhances supply chain sustainability while strengthening business resilience against material availability risks.

Beyond raw materials, Ekornes depends on its manufacturing sites, specialized manufacturing equipment, and a skilled workforce. To secure these inputs, the company invests in maintaining compliance with international labor standards, and continuously upgrades production facilities to ensure efficiency and quality.

Material Negative Impacts

Category	Impact Description	Value Chain Scope	Time Horizon
GHG Emissions & Energy Usage	Contributing to climate change and increasing the GHG emissions through their direct emissions scope 3 (e.g., commuting, procurement, use phase of products and services).	Upstream, Downstream	Medium-term, long-term
GHG Emissions & Energy Usage	Ekornes' operations contribute to global climate change due to energy consumption and emissions from manufacturing processes.	Own Operations	Medium-term, long-term
GHG Emissions & Energy Usage	Sourcing products increases emissions across the value chain, particularly from transportation, raw material extraction, and supplier operations.	Upstream	Medium-term, long-term
Ecosystem and Biodiversity Degradation	Ekornes' reliance on large amounts of raw materials contributes to ecosystem degradation, including deforestation, soil depletion, and biodiversity loss.	Upstream	Medium-term, long-term
Circular Design & Quality Products	Ekornes products contribute to global waste generation through the lifecycle, increasing resource consumption and disposal challenges.	Own Operations, Downstream	Medium-term, long-term
Circular Design & Quality Products	As a production company, Ekornes depends on raw materials, leading to resource exploitation and increased pressure on finite natural resources.	Upstream, Own Operations	Medium-term, long-term
Working Conditions	Manufacturing environments are not 100% safe, posing risks to employee health and safety despite mitigation efforts.	Own operations	Short-term, Medium-term, long-term

Material Positive Impacts

Category	Impact Description	Value Chain Scope	Time Horizon
Working Conditions	Providing permanent contracts and enabling a healthy life through good working conditions can enhance employee well-being, satisfaction, and a more motivated and engaged workforce.	Own Operations (Thailand)	Actual Impact, Short-term, Medium-term, long-term

[SBM-3] MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

This section presents Ekornes' material impacts, risks and opportunities and their interaction with Ekornes' strategy and business model. An overview of positive and negative impacts as well as the identified risks and opportunities is provided. Then the current and anticipated effects of the IROs are discussed, considering effects on business model, value chain, strategy and decision-making.

A more detailed description of material IROs specific to each material topic is presented under SBM-3 for each material topic, according to ERS 2 and the topical standards.

1. Overview of Material Impacts, Risks, and Opportunities (IROs)

Ekornes has conducted a double materiality assessment aligned with ERS requirements to identify key sustainability impacts, risks, and opportunities for the first time in 2024. Consequently, there have been no changes made to material IROs compared to previous reporting years.

The IROs originate from Ekornes operations and value chain and influence its business model, strategy, and resource allocation. The assessment has identified the following key IROs:

2. Stakeholder Views and Strategic Integration

Ekornes integrates stakeholder perspectives into its strategy through its materiality assessment and due diligence processes. The assessments involve structured analyses of stakeholder interests and expectations, incorporating direct feedback. The degree to which stakeholder views influence decision-making is evaluated through data-driven insights (e.g., marketing survey results, interview analysis etc), ensuring their concerns are systematically addressed.

Key insights from stakeholders are one of the factors considered in product innovation, supply chain policies, and sustainability initiatives. Examples include:

- Strengthening sustainable product offerings based on customer demand, with specific focus areas identified through market insights and sustainability dialogues.
- Enhancing supplier auditing processes to address evolving ESG expectations from regulators and industry associations, ensuring compliance with ethical sourcing and environmental standards.
- Expanding sustainability certifications and improving sustainability reporting to meet customer, partner and authorities expectations for greater transparency and accountability.
- Improving employee engagement initiatives to retain talent, foster a high-quality work environment, and respond to employee feedback on workplace conditions and development opportunities.

3. Board Oversight and Integration of Stakeholder Views

The administrative, management, and supervisory bodies are regularly informed about stakeholder views through reporting and direct engagement mechanisms. This includes:

- **Board is informed regularly on DMA results and stakeholders' engagement** and on key other stakeholder insights.

Through these processes, Ekornes ensures that stakeholder interests are systematically embedded in decision-making, driving long-term sustainable value creation.

(† ERS 31-ESRS 2:BM-2 - 12)

Description of Financial Impact

Category	Description of Financial Impact	Scope	Time-horizon
GHG Emissions & Energy Usage	Proactive disclosure of scope 3 emissions can result in valuable insights on the business and value chain activities that are the most emitting. Therefore, disclosing scope 3 emissions can lead to better-informed decision-making, investment choices, and improved supply chain collaboration.	Opportunity	Short- to medium-term
GHG Emissions & Energy Usage	Switching to low-carbon footprint products can result in additional costs. This is due to higher production expenses, the use of more sustainable but costly materials, and the need for new technologies or processes. In many cases, supply chains for low-carbon alternatives are less developed, leading to higher procurement and operational costs.	Risk	Medium-term
Ecosystem and Biodiversity Degradation	Switching to materials from sustainable production processes can lead to increased costs. This is because these materials often require more responsible sourcing, stricter environmental standards, and certifications that add expenses. Additionally, sustainable production practices may have lower yields or involve more labor-intensive methods, raising costs compared to conventional alternatives. Limited supply and higher demand for sustainably produced materials can also drive up prices.	Risk	Medium-term
Circular Design & Quality Products	Designing recyclable and durable products and furniture can increase costs. This is because it often requires higher-quality materials, advanced engineering, and more complex manufacturing processes. Ensuring recyclability may involve specialized material selection, durable materials, and higher production standards, all of which can add to production expenses. Additionally, durability testing, certifications, and potential redesigns to balance longevity with sustainability further contribute to higher upfront costs for manufacturers.	Risk	Short- to long-term

2. Interaction with Business Model and Strategy

Ekornes has responded to material IROs with the following current and planned adjustments to its business model and strategy:

- **Business Model:** Ekornes is integrating low-carbon, sustainable sourced and circularity principles into product design and manufacturing. This includes investing in durable, repairable furniture and sustainable raw materials to future-proof the model against resource scarcity and regulatory changes.
- **Value Chain:**
 - Sustainable sourcing policies have been implemented, focusing on FSC-certified wood and LWG-certified leather.
 - Scope 3 emissions monitoring is being strengthened to improve upstream data quality and reduce environmental risk across suppliers.
 - Ekornes actively screens suppliers in high-risk geographies and engages in risk-based due diligence to manage ESG dependencies.

3. Financial and Strategic Implications of Material IROs

Ekornes evaluates both the current and anticipated financial effects of material IROs: As of 2024, no significant sustainability-related financial impacts have been identified that would significantly affect

These measures directly respond to material impacts, risks and opportunities identified in the double materiality assessment and are intended to strengthen Ekornes long-term operational resilience and brand positioning.

3. Financial and Strategic Implications of Material IROs

Ekornes evaluates both the current and anticipated financial effects of material IROs: As of 2024, no significant sustainability-related financial impacts have been identified that would significantly affect

the company's financial position, performance, or cash flows. The financial statements and budget incorporate recurring sustainability-related costs, and no substantial adjustments to asset or liability values are expected in the next reporting period.

While no current material financial impacts have been identified for 2024, the anticipated financial effects of material IROs will be further assessed and may include:

- Increased Operating Costs
 - Due diligence and compliance with sourcing certifications (e.g. FSC, LWG) will lead to higher procurement and verification costs.
 - Enhanced emissions, particularly Scope 3, and sustainability data points tracking may require investment in new IT systems, data collection tools, and staff training.
- Capital Expenditures
 - Investment in sustainable material innovation and process efficiency (e.g. circular design, low-carbon manufacturing) may increase R&D and equipment costs in the short term.
 - Shifting to more sustainable suppliers or regions may require adjustments to logistics or procurement contracts.
- Cost of Non-Compliance or Delays
 - Failure to meet emerging regulatory standards (e.g. EU deforestation regulation, CSRD, taxonomy alignment) could result in fines, loss of market access, or reputational damage impacting sales.
- Financial Risk from Physical Climate Impacts
 - Exposure to supply chain disruption from extreme weather or natural resource scarcity (e.g. wood, foam) may lead to delays or increased input prices, though these risks are currently assessed as moderate.

(IRO-1) DESCRIPTION OF PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

1. Overview of the Materiality Assessment Process

Ekornes has conducted a double materiality assessment to identify and assess its impacts, risks, and opportunities (IROs) across its operations and value chain. The methodology aligns with ESRS 1 principles and incorporates both impact materiality (effects on people and the environment) and financial materiality (effects on the company's financial position and performance). Ekornes' IROs are covered by ESRS Disclosure Requirements. The assessment followed a structured **four-phase approach**:

1. **Mobilization** - Team onboarding, review of existing sustainability materials like policies, strategies, departments' standards in use, and setup of governance structures.

as transition risks like regulatory shifts and evolving market expectations for sustainable products. This analysis will inform strategic decisions.

- **Investment in Innovation and sustainable supply chains:** To reduce dependency on vulnerable raw materials and mitigate transition risks, Ekornes is actively developing alternative materials and expanding partnerships for certified, traceable sourcing, including FSC-certified wood and LWG-certified leather. Investments in process efficiency and product design also support long-term resilience against resource scarcity and regulatory shifts.
- **Circularity and low-carbon manufacturing:** Ekornes is transitioning its portfolio toward circularity by integrating product durability, reparability, and material recovery strategies.
- **Workforce stability and adaptation:** With production facilities in Norway, Thailand, Lithuania, and the USA, Ekornes ensures resilience by maintaining a stable workforce through secure employment contracts, competitive wages, and strong workplace safety measures. By aligning labor policies with international standards, Ekornes strengthens operational continuity and supports long-term business sustainability.

6. Changes Compared to the Previous Reporting Period

For the 2024 reporting period, Ekornes conducted a double materiality assessment for the first time. As a result, there is no direct comparison available with previous years, as this is the first iteration of the process. Future reporting cycles will build upon this baseline to track progress and refine methodologies for enhanced accuracy and strategic alignment.

7. Process for Identifying Material Topics – E2, E3, and G1 (Immaterial Topics)

As part of double materiality assessment, Ekornes has also considered the potential pollution-related (E2), water and marine resources-related (E3), and business conduct-related (G1) impacts, risks, and opportunities. Although these topics were not assessed as material for our 2024 reporting period, we applied the same IRO-1 process as described for material topics.

For E2 and E3, Ekornes screened relevant sites and business activities across our operations and value chain to identify any pollution- or water-related impacts. The assessment was based on our own operations, supplier engagement, and expert input, using sector-appropriate tools and references. For G1, we assessed business conduct risks based on geographic location, nature of business relationships, activity type, and sector-specific risk factors, aligned with Ekornes ethics and compliance programs. Ekornes didn't conduct consultations with affected communities.

These topics were not prioritized for reporting this year due to limited identified impacts, risks, or opportunities. Ekornes will continue to monitor developments in these areas and reassess in future cycles.

applied a scoring model that enabled a consistent and transparent evaluation of sustainability impacts, risks, and opportunities. Thresholds for significance were established based on both qualitative and quantitative input from internal experts across sustainability, finance, risk, and procurement functions.

Each impact was assessed using defined criteria—such as severity, likelihood, time horizon, and irremediability—and risk and opportunities were scored on a standardized scale. Thresholds for identifying material topics were calibrated by analyzing score distributions and identifying natural breakpoints that distinguish high-priority IROs. This approach ensured a balanced representation of both actual and potential impacts, as well as financial relevance, aligning with the principles of double materiality under ESRS.

The scoring and threshold-setting process was validated through internal workshops and reviewed by senior management to ensure it reflects Ekornes' strategic context and stakeholder expectations.

Ekornes' double materiality approach explicitly considered how impacts, create strategic, operational, or financial risks and opportunities for the company.

By mapping each material impact and dependency to its corresponding risk or opportunity the company ensured that disclosures align with the logic of double materiality and reflect the systemic nature of sustainability challenges. This process was informed by input from sustainability, procurement, risk, and finance functions.

5. Integration with Corporate Governance and Risk Management

Ekornes plans to integrate sustainability risk criteria within its broader risk management framework in upcoming years. As on 2024 following actions have been in place:

- Results of DMA are reported to senior management and the board.
- Those results informed ambition setting workshop to better understand risks and strategic developments.
- Based on this input management approved development of the internal control framework for sustainability.

ongoing due diligence process, which includes supplier audits, compliance checks, and ESG risks screening of high-risk sourcing countries. These due diligence insights were integrated into the materiality scoring and prioritisation of impacts. Specific attention was given to upstream suppliers and partners operating in geographies with higher ESG risk profiles. This approach ensures that Ekornes' process prioritises areas with potential or actual adverse impacts based on concrete data, stakeholder input, and internal compliance reviews.

More detailed information on IRO-1 for topical standards can be found in the respective chapter:

- E1 - pages 48-49
- E4 - pages 74-75
- E5 - pages 84-85
- S1 - pages 98-99

3.2 Stakeholder Engagement

Ekornes incorporated insights from:

- Employees (workshops and surveys)
- Customers and dealers (interviews and satisfaction surveys)
- Suppliers (audits and compliance checks)
- Employees
- Internal SMEs

3.3 Prioritization Criteria

Negative impacts were prioritized based on:

- Severity (scale and scope of impact)
 - Likelihood (probability of occurrence)
 - Irremediability (difficulty of mitigation or reversal)
 - Time Horizon (short-, medium-, or long-term relevance)
- Positive impacts were prioritized based on:
- Severity (scale and scope of impact)
 - Likelihood (probability of occurrence)
 - Time Horizon (short-, medium-, or long-term relevance)

4. Process for Assessing Financial Risks and Opportunities

Ekornes assessed financial risks and opportunities through:

- Size of financial effect
- Likelihood

To support prioritization and decision-making, Ekornes

2. **Definition** – Compilation of a long list of ESG topics that is further mapped against the value chain to narrow it down that became the foundation for further assessment.

3. **Assessment** – Workshops, internal analysis, and engagement with stakeholders to identify and score IROs based on materiality thresholds.

4. **Final conclusion** – Decide on material topics based on materiality scores of IROs.

2. Methodologies and Assumptions

Ekornes applied a combination of qualitative and quantitative methods to identify, assess, and prioritize IROs:

- **Internal Expert Review** – Cross-functional teams assessed impacts, risks and opportunities based on likelihood and severity.
- **Stakeholder Engagement** – Interviews and workshops were conducted with internal and external stakeholders.

• **Benchmarking and Peer Analysis** – long list of IROs were further compared against industry best practices and competitor disclosures to ensure that nothing went missing.

• **Financial and Impact Scoring** – IROs were ranked using predefined scoring methodologies for impact materiality (severity, scope, likelihood, irremediability) and financial materiality (financial effects, likelihood of occurrence, and strategic relevance).

3. Process for Identifying and Prioritizing Impacts

3.1 Scope of Analysis

Ekornes considered its entire value chain, from raw material sourcing to end-of-life product disposal, identifying specific activities and business relationships that contribute to heightened sustainability risks.

Ekornes considered its entire value chain, from raw material sourcing to end-of-life product disposal, identifying specific activities, business relationships, and geographies that contribute to heightened sustainability risks. This included close analysis of sourcing regions for leather, wood, textiles, and steel, based on environmental risks such as deforestation, emissions, as well as workers rights risks flagged in due diligence checks.

The materiality assessment was informed by Ekornes'

Materiality Assessment Process - Double Materiality Analysis (DMA) Template

The DMA process table presents the approval and input process used for ESRs assessment.

ESRS	DMA Assessment Performed By	Internal Subject-Matter Experts	External Advisory and Input	Input Parameters Used	First Review Conducted by	Final Review and Approval Conducted by	Materials for Board approved by	Final DMA Approved by
E1 - Climate Change	Sustainability&strategy team, quality and compliance, procurement and financial teams	Sustainability&strategy team, procurement team	External advisors were used to review the relevance for the topics and provide input on the best practices	Policies, internal guiding documents, desk reviews, interviews, workshops, assessment templates	Head of Strategy	CFO	SVP Strategy&Organization	Board
E4 - Biodiversity and Ecosystems	Sustainability&strategy team, quality and compliance, procurement and financial teams	Sustainability&strategy team, procurement team	External advisors were used to review the relevance for the topics and provide input on the best practices	Policies, internal guiding documents, desk reviews, interviews, workshops, assessment templates	Head of Strategy	CFO	SVP Strategy&Organization	Board
E5 - Resource Use & Circular Economy	Sustainability&strategy team, quality and compliance, procurement and financial teams	Sustainability&strategy team, procurement team	External advisors were used to review the relevance for the topics and provide input on the best practices	Policies, internal guiding documents, desk reviews, interviews, workshops, assessment templates	Head of Strategy	CFO	SVP Strategy&Organization	Board
S1 - Own Workforce	Group HR, Finance team, CFO	HR	External advisors were used to review the relevance for the topics and provide input on the best practices	Policies, internal guiding documents, desk reviews, interviews, workshops, assessment templates	Head of Strategy	CFO	SVP Strategy&Organization	Board
E2 - Pollution - not material	Sustainability&strategy team, quality and compliance, procurement and financial teams	Sustainability&strategy team	External advisors were used to review the relevance for the topics and provide input on the best practices	Desk reviews, interviews, workshops, assessment templates	Head of Strategy	CFO	SVP Strategy&Organization	Board
E3 - Water and marine resources - not material	Sustainability&strategy team, quality and compliance, procurement and financial teams	Sustainability&strategy team	External advisors were used to review the relevance for the topics and provide input on the best practices	Desk reviews, interviews, workshops, assessment templates	Head of Strategy	CFO	SVP Strategy&Organization	Board
S2 - workers in the value chain - not material	Sustainability&strategy team, quality and compliance, procurement and financial teams, HR	Sustainability&strategy team	External advisors were used to review the relevance for the topics and provide input on the best practices	Desk reviews, interviews, workshops, assessment templates	Head of Strategy	CFO	SVP Strategy&Organization	Board
S3 - affected communities - not material	Sustainability&strategy team, quality and compliance, procurement and financial teams	Sustainability&strategy team	External advisors were used to review the relevance for the topics and provide input on the best practices	Desk reviews, interviews, workshops, assessment templates	Head of Strategy	CFO	SVP Strategy&Organization	Board
S4 - Consumers&End-Users - not material	Sustainability&strategy team, quality and compliance, procurement and financial teams	Sustainability&strategy team	External advisors were used to review the relevance for the topics and provide input on the best practices	Desk reviews, interviews, workshops, assessment templates	Head of Strategy	CFO	SVP Strategy&Organization	Board
G1 Business Conduct - not material	Sustainability&strategy team, quality and compliance, procurement and financial teams	Sustainability&strategy team	External advisors were used to review the relevance for the topics and provide input on the best practices	Desk reviews, interviews, workshops, assessment templates	Head of Strategy	CFO	SVP Strategy&Organization	Board

company to identify the relevant content for disclosure and confirm its accuracy and completeness in line with CSRD expectations.

Given the evolving regulatory landscape and the complexity of environmental financial assessments, Ekornes has opted to postpone detailed disclosures on the projected financial effects of sustainability-related matters, including the projected allocation of capital and operating expenditures for environmental initiatives, in this initial reporting year. Future reports will refine these disclosures.

Detailed IRO-2 table Disclosure requirements by reference please find below.

Data points that derive from other EU legislation please find in the table A1, IRO 2 Data points that derive from other EU legislation at the end of the report.

[[IRO-2] DISCLOSURE REQUIREMENTS IN ERS COVERED BY THE UNDERTAKING'S SUSTAINABILITY STATEMENT

To collect and assess the information required for sustainability disclosures, Ekornes conducted targeted consultations with internal stakeholders across key business functions. These stakeholders were selected based on their operational knowledge of material topics, including finance, climate, circularity, sourcing, and social responsibility. The consultations focused on aligning specific IROs and ERS data points with company targets, strategies and actions. As a follow-up, Ekornes reviewed and validated findings through a leadership review process, ensuring consistency with existing activities and management systems. This iterative approach enabled

DISCLOSURE REQUIREMENTS BY REFERENCE

ESRS 2 General Disclosures

ESRS Standard	Standard Description	Section	Page
BP-1	General basis for preparation of sustainability statements	Sustainability statement	19/20
BP-2	Disclosures in relation to specific circumstances	Sustainability statement	19/20
GOV-1	Role of the administrative, management and supervisory bodies	Sustainability statement	21/23
GOV-2	Information provided to and sustainability matters addressed by administrative, management and supervisory bodies	Sustainability statement	21/23
GOV-3	Integration of sustainability-related performance in incentive schemes	Sustainability statement	23
GOV-4	Statement on Due diligence	Sustainability statement	24
GOV-5	Risk management and internal controls over sustainability reporting	Sustainability statement	24/25
SBM-1	Strategy, business model and value chain	Sustainability statement	26/28
SBM-2	Interests and views of stakeholders	Sustainability statement	28/30
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Sustainability statement	31/33
IRO-1	Description of process to identify and assess material impacts, risks and opportunities	Sustainability statement	33/37
IRO-2	Disclosure Requirements in ERS covered by sustainability statements	Sustainability statement	34/41, 108/111

E 1 Climate Change

ESRS Standard	Standard Description	Section	Page
ESRS 2, GOV-3	Integration of sustainability-related performance in incentive schemes	Sustainability statement	23
E1-1	Transition plan for climate change mitigation	Sustainability statement	53
ESRS 2, SBM-3	Climate related impacts, risks and opportunities	Sustainability statement	48
ESRS 2, IRO-1	Climate related process to identify and assess material impacts, risks and opportunities	Sustainability statement	33/35, 48
E1-2	Policies related to climate change mitigation and adaptation	Sustainability statement	42/45, 51/25
E1-3	Actions and resources in relation to climate change policies	Sustainability statement	53
E1-4	Targets related to climate change mitigation and adaptation	Sustainability statement	53
E1-5	Energy consumption and risk	Sustainability statement	53/55
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	Sustainability statement	56/61

E 4 Biodiversity

ESRS Standard	Standard Description	Section	Page
E4-1	Transition plan on biodiversity and ecosystems in strategy and business model	Sustainability statement	76/79
ESRS 2, SBM-3	Biodiversity related impacts, risks and opportunities	Sustainability statement	76
ESRS 2, IRO-1	Biodiversity related process to identify and assess material impacts, risks and opportunities	Sustainability statement	33/35, 76
E4-2	Policies related to biodiversity and ecosystems	Sustainability statement	44/45, 79/80
E4-3	Actions and resources related to biodiversity and ecosystems	Sustainability statement	82/83
E4-4	Targets related to biodiversity and ecosystems	Sustainability statement	81/82
E4-5	Impact metrics related to biodiversity and ecosystems change	Sustainability statement	83

S1 Own Workforce

ESRS Standard	Standard Description	Section	Page
ESRS 2, SBM-2	Own workforce-related interests and views of stakeholders	Sustainability statement	29
ESRS 2, SBM-3	Own workforce related impacts, risks and opportunities	Sustainability statement	33/35, 98/99
S1-1	Policies related to own workforce	Sustainability statement	42/45, 91/100
S1-2	Processes for engaging with own workers and workers' representatives about impacts	Sustainability statement	101
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	Sustainability statement	102
S1-4	Actions 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	Sustainability statement	100
S1-5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	Sustainability statement	101
S1-6	Characteristics of undertaking's employees	Sustainability statement	102/104
S1-8	Collective bargaining coverage and social dialogue	Sustainability statement	104/105
S1-10	Adequate Wages	Sustainability statement	105
S1-11	Social protection	Sustainability statement	106

E5 Resource use and circular economy

ESRS Standard	Standard Description	Section	Page
ESRS 2, IRO-1	Circularity related process to identify and assess material impacts, risks and opportunities	Sustainability statement	33/35, 84/85
E5-1	Policies related to resource use and circular economy	Sustainability statement	42/45, 85
E5-2	Actions and resources related to resource use and circular economy	Sustainability statement	86
E5-3	Targets related to resource use and circular economy	Sustainability statement	86
E5-4	Resource inflows	Sustainability statement	87/91
E5-5	Resource outflows	Sustainability statement	92/95

Table for Ekornes policies related to material IROs

More detailed information on policies for material topics is allocated in designated topic chapters.

Policy	Description of key content	Scope of policy, value chain	Scope of policy, geography	Accountability and monitoring process	Third-party standards or initiatives	Availability	Material Topic
Ekornes Environmental Policy	Ekornes Environmental Policy outlines how we will improve our own environmental performance and be a driving force in the sustainability work within the industry. The general objective of the policy is to provide clearly defined commitments related to Ekornes' environmental performance and environmental targets.	Upstream, Own operations, Downstream	All geographies	Quality, Health, Safety and Environment Manager No set monitoring process.	ISO 14001:2015	Available internally	E1 E4 E5
Ekornes Supplier Code of conduct	The Supplier Code of Conduct outlines Ekornes' expectations to suppliers and business partners. It touches on several topics including: management systems, forced labour, freedom of association, child labour and young workers, discrimination, health and safety, decent wage, working hours, regular employment, environmental regulations and corruption and bribery.	Upstream	All geographies	SVP Sourcing & Supply Procurement Category Managers No set monitoring process.	UN Global Compact International Labour Organization's Convention NO 138 and NO 182.	Actively communicated to suppliers and business partners. Publicly available through the Ekornes website.	E1
Sustainability Position Paper on Nature	The Sustainability Position Paper on Nature outlines Ekornes' key biodiversity priorities for 2024-2026. These include minimizing negative impacts on biodiversity and ecosystems, ensuring compliance with biodiversity regulations and standards, and promoting ecosystem restoration and resilience across our value chain.	Upstream, Own operations, Downstream	All geographies	Head of Strategy & Sustainability Annual review to incorporate advancements in biodiversity, science, regulatory updates Supplier audits, biodiversity performance reviews and traceability measures in the supply chain.	Kunming-Montreal Global Biodiversity Framework EU Biodiversity Strategy for 2030 FSC and PEFC certification schemes for sustainable forestry practices The Leather Working Group standards for responsible leather sourcing	Available internally	E4
Sustainability Position Paper on Climate	The Sustainability Position Paper on Climate outlines Ekornes' key climate and energy priorities for 2024-2026. These include emissions reduction, sustainable product design, supplier engagement and collaboration, transparency and reporting, and continuous improvement on climate-related metrics and sustainable practices.	Upstream, Own operations	All geographies	Head of Strategy & Sustainability Annual review	UN Sustainable Development Goals Paris Agreement CNG protocol CSRD	Available internally	E1
Sustainability Position Paper on Our People	This position statement outlines Ekornes' key workforce priorities for 2024-2026, emphasizing Ekornes approach to promoting employee well-being, upholding fair labor practices, and investing in professional development.	Own operations	All geographies	VP people & Culture Annual review of policy	UN Global Compact International Labour Organization's Convention	Available internally through TQM	S1
Sustainability Position Paper on Circularity	The Sustainability Position Paper Circularity outlines Ekornes' commitment to embedding circularity principles across our value chain. The Position Paper covers which key principles guide Ekornes' circularity efforts, Ekornes' approach to circularity and the key activities linked to managing risks and seizing opportunities related to circularity. The general objective of the position paper is to outline key principles, approaches and measures related to circularity and will form the basis for a Circularity policy, which is in the making.	Upstream, Own operations, Downstream	All geographies	Head of Strategy & Sustainability Annual review of policy to account for regulatory updates and changing stakeholder expectations.	EU Packaging and Packaging Waste Regulation (PPWR), EU Circular Economy Action Plan (CEAP)	Available internally	E5
Sustainable Leather Sourcing Policy	The Sustainable Leather Sourcing Policy outlines criteria and quality specifications all leather suppliers to Ekornes must comprehend, sign and comply with. Notably, the policy details which substances and chemicals are permitted by suppliers and which are considered restricted.	Upstream, Own operations	All geographies	SVP Sourcing and Supply Chain Procurement and supply chain teams (ensure supplier compliance, integrate sustainability requirements into sourcing contracts) Own inspectors take part in leather selection and random sample testing	Leather Working Group World Health Organization by Animal Health EU Deforestation Regulation EUDR EU 23/1115	Available internally and made available to suppliers	E4

<p>FSC® Certification Policy</p> <p>Ekornes is a member of the FSC® Chain of Custody (COC) Certification and complies with the FSC® Member Instruction Manual. This policy outlines the people responsible for COC at Ekornes, employee training requirements, documentation requirements, material sourcing and storage requirements, supplier control and monitoring requirements, production specifications when using FSC® wood, volume control and accounting best practices, sale of certified products, and use of the FSC® label.</p>	<p>Upstream, Own operations, Downstream</p> <p>All geographies</p>	<p>CEO Central Multisite Manager Local FSC managers oversee compliance at facility level</p>	<p>Forest Stewardship Council FSC-STD-40-004 V3-1 (Standard for Chain of Custody certification) FSC-STD-50-001 V2-1 (FSC labeling requirements) FSC-PRO-20-001 V1-1 (Evaluation of compliance with FSC values)</p>	<p>E4 Available internally</p>
<p>Ekornes Quality Policy</p> <p>Ekornes Quality Policy outlines Ekornes' overall quality policy which is to deliver products and services that satisfy our customers' assumed expectations and needs. These expectations are defined in the product specification used in manufacturing. The general objective of the policy is to ensure Ekornes focuses on continual improvement to ensure that our products have the right/correct quality, in line with product specifications.</p>	<p>Upstream, Own operations, Downstream</p> <p>All geographies</p>	<p>Quality, Health, Safety and Environment Manager No set monitoring process.</p>	<p>ISO 9001:2015</p>	<p>E5 Available internally</p>
<p>Furniture Compliance Specification (Ekornes Compliance Handbook)</p> <p>This compliance specification outlines the standards and requirements that furniture products must meet to ensure safety, durability, and compliance with relevant regulations and industry standards. Furniture test standards are a set of guidelines and specifications used to evaluate the safety, durability and performance of various types of furniture. This policy ensures Ekornes products are of high quality and safe to use.</p>	<p>Upstream, Own operations, Downstream</p> <p>All geographies</p>	<p>Quality, Health, Safety and Environment Manager Periodic review to ensure it remains up to date with evolving regulations and industry best practices.</p>	<p>Public Procurement Requirements (Norway), Mobelfakta, Svensk Mobelfakta, Svanemerket</p>	<p>E5 Available internally and communicated to suppliers, vendors and customers as needed.</p>
<p>Ekornes People Policy</p> <p>The policy is a high-level framework that outlines Ekornes' commitment to managing its workforce in a fair, inclusive, and ethical manner, across all regions. It acts as a tool to give clear understanding what's expected from employees and what employees can expect from the business. This policy has been developed, but not yet implemented.</p>	<p>Own operations</p> <p>All geographies</p>	<p>VP People & Culture</p>	<p>N/A</p>	<p>S1</p>
<p>Whistleblowing at Ekornes (poster)</p> <p>The policy guides employees on how to report wrongdoing or causes for concern at work.</p>	<p>Own operations</p> <p>All geographies</p>	<p>VP People & Culture</p>	<p>Available internally (intranet)</p>	<p>S1</p>
<p>Whistleblowing procedure (full scale, Norwegian only)</p> <p>The policy describes the Global whistleblowing procedure of Ekornes AS and all group companies.</p>	<p>Own operations in Norway</p> <p>All geographies</p>	<p>VP People & Culture</p>	<p>Norwegian Employment Law</p>	<p>S1 Available internally (intranet)</p>
<p>Health, safety and Environmental policy</p> <p>The health, safety and environmental policy outlines Ekornes' guidelines for health, safety and environmental issues, as well as the objectives related to these topics.</p>	<p>Own operations</p> <p>All geographies</p>	<p>Quality, Health, Safety and Environment Manager</p>	<p>Available internally</p>	<p>S1</p>
<p>Ekornes Management Handbook - Quality, HSE, Environment</p> <p>Ekornes AS have chosen to have a management system for Quality, HSE and Environment in accordance with the quality management standard ISO 9001, and the environmental management standard ISO 14001. This Management handbook includes management of Quality, HSE and Environment.</p>	<p>Own operations</p> <p>All geographies</p>	<p>Quality, Health, Safety and Environment Manager</p>	<p>ISO 9001, ISO 14001</p>	<p>S1 Available internally</p>

Environment

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ESRS E1 – Climate Change

E1 – Climate related impacts, risks and opportunities

Resilience of Strategy and Business Model:

As part of our sustainability work and responsible business practices, Ekornes following DMA analysis has carried out a comprehensive resilience analysis to assess the strength of our strategy and business model in relation to climate change.

Scope of the Resilience Analysis

(ESRS E1:ESRS 2:SBM-3:19(a) IRO 1)

The resilience analysis covers:

- Own operations in Norway, USA, Lithuania, and Thailand.
- Supply chain risks related to sourcing from Europe, Brazil, China, and other key regions.
- Logistics risks, including shipping delays due to extreme weather.

Climate hazards and transition risks considered

As part of the physical risk assessment, Ekornes identified key climate-related hazards relevant to its operations and supply chain using IPCC and NCF5 sources. These include:

- Flood risk and sea level rise (particularly affecting own operations, logistics and ports)
- Droughts and heatwaves (impacting raw material supply such as wood and leather)
- Storms and extreme precipitation (affecting shipping and regional production facilities)

Ekornes assessed the exposure and sensitivity of its key assets and business activities to identified hazards. For example:

- Manufacturing facilities in Norway and Lithuania were evaluated for flood risk.
- Leather supply from Brazil was assessed for sensitivity to drought, and deforestation-related climate shifts.
- Shipping routes were evaluated for exposure to storm and port disruption risks.

Ekornes identified transition risks through a structured review of current and anticipated regulatory, market, and technology developments. The analysis was informed by a 1.5°C scenario and included:

- EU and Norwegian sustainability regulations
- Market shifts toward low-emission materials

Methodology and Timing of the Resilience Analysis

Ekornes conducted its climate scenario analysis based on the principles outlined in ESRS E1-ESRS 2:SBM-3-19. The methodology follows a structured approach to evaluate the resilience of our business model, supply chain, and operations under different climate scenarios. The analysis is aligned with internationally recognized frameworks, including those proposed by the Task Force on Climate-Related Financial Disclosures (TCFD).

The process involved collaborating with key internal stakeholders, including Operations, Procurement, Finance, and Sustainability teams.

Key Assumptions for Scenario Analysis

- Carbon Pricing: In both the 1.5°C and 2°C scenarios, carbon pricing is expected to rise significantly, particularly in the EU. In the 1.5°C scenario, carbon prices will be much higher, leading to increased operational costs and compliance costs.
- Energy Transition: A shift towards renewable energy will occur in all scenarios, but the pace of this transition will be faster in the 1.5°C scenario. This will lead to increased energy costs in the short-term but potential savings in the long-term due to energy efficiency.
- Shift to low emission materials: In the 1.5°C and 2°C scenarios, there will be a strong policy and market-driven push toward the use of low-emission and circular materials. Companies will increasingly adopt certified, recycled, or bio-based alternatives to reduce their carbon footprint. This shift may increase material costs in the short-term due to limited supply and higher certification standards, but it is expected to reduce emissions and regulatory risks over time.

Raw Material Availability: Climate-induced disruptions, such as wildfires, droughts, and flooding, will affect the availability of key raw materials (e.g., leather from Brazil, wood from Slovakia and Germany). These disruptions are expected to be more severe in the 4°C scenario.

- Supply Chain Resilience: The 1.5°C and 2°C scenarios will focus on building more resilient supply chains to address potential disruptions, while the 4°C scenario may lead to severe logistical challenges due to extreme weather and disrupted shipping routes.

and enhance our long-term resilience.

Ekornes screened its operations and value chain to identify actual and potential sources of GHG emissions, particularly related to Scope 1, 2, and 3 emissions. This includes emissions from production processes, purchased electricity, logistics, employee commuting, travel, etc.

The company assessed these emissions using available spend and activity data, internal calculations, and industry benchmarks to evaluate their contribution to global climate change. The findings directly informed the classification of material IROs in the DMA and the prioritization of climate action areas.

E1 – CLIMATE RELATED IMPACTS, RISKS AND OPPORTUNITIES

Climate-Related Risks Identification (IRO 1)

In 2024 DMA and related analysis, Ekornes identified and assessed IROs for reporting. This served as the foundation for evaluating the climate resilience of our business model and strategy.

This approach ensures a comprehensive understanding of all potential climate impacts, risks, and opportunities across our operations. By applying this broader assessment methodology, Ekornes can continuously improve sustainability strategy, proactively monitor emerging risks,

Material IROs identified

IRO identified during DMA	Type of Impact	Scope	Time horizon
Scope 3 emissions: Contributing to climate change and increasing the GHG emissions through indirect emissions scope 3 (e.g. commuting, procurement, use phase of products and services).	Negative impact Physical	Upstream Downstream	Medium-term, long-term
Energy consumption and emissions: Ekornes' operations contribute to global climate change due to energy consumption and emissions from manufacturing processes.	Negative impact Physical	Own operations	Medium-term, long-term
Supply chain GHG emissions: Sourcing products increases GHG emissions across the value chain, particularly from transportation, raw material extraction, and supplier operations.	Negative impact Physical	Upstream	Medium-term, long-term
Data driven Scope 3: Proactive disclosure of scope 3 emissions can result in valuable insights on the business and value chain activities that are the most emitting. Therefore, disclosing scope 3 emissions can lead to better informed decision-making and investment choices and improved supply chain collaboration.	Opportunity Transition	Upstream Downstream	Short-term, medium-term
Low-carbon products: Switching to low-carbon footprint products can result in additional costs. This is due to higher production expenses, the use of more sustainable but costly materials, and the need for new technologies or processes. In many cases, supply chains for low-carbon alternatives are less developed, leading to higher procurement and operational costs.	Risk Transition	Upstream	Medium-term

(ESRS E1:ESRS 2:SBM-3:19)

These efforts contribute to Ekornes' capacity to maintain long-term resilience, reduce climate exposure, and respond effectively to regulatory and market shifts. However, the company recognises that further work is required to strengthen its preparedness, particularly in areas such as quantifying financial impacts of physical climate risks, enhancing supplier-level data on emissions, and integrating sustainability more deeply into product development and investment decisions. Ekornes is not excluded from EU Paris-aligned Benchmarks.

[MDR-P & E1-2] POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

Ekornes has implemented a set of policies to manage the material impacts, risks, and opportunities related to climate change mitigation and adaptation, energy efficiency and renewable energy. These policies are now presented and their link to the material IROs for E1 are described. For details about the policies see Table for Ekornes policies related to material IROs, page 42-45, where all policies are listed in accordance with ESRG 2 MDR-P and ESRG E1-2.

(ESRS E1-2:24)

Ekornes Environmental Policy

Ekornes Environmental Policy outlines how company will improve our own environmental performance. The general objective of the policy is to provide clearly defined commitments related to Ekornes' environmental performance and environmental targets. As the company is now in a target definition process, this policy is also under review. The policy lists Ekornes' standpoint and commitments related to climate change, namely:

- Continuously and transparently improve environmental performance
- High environmental awareness and competence throughout the group
- Collaboration with research and development environments, authorities and other organizations
- Publicly available environmental information
- Ensure environmental management systems are in place to ensure coordination and follow up of environmental work

This policy is linked to the negative impact of scope 3 and supply chain emissions, because it emphasizes environmental performance and collaboration. It is also

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Ability to Adjust or Adapt Strategy and Business Model:

Ekornes will integrate climate risk actions into its broader ESG-risk management framework. This ensures that all sustainability-related risks—including climate, social, and governance factors—are monitored, prioritized, and addressed within a unified system.

Uncertainties in the Resilience Analysis and Ability to Adapt Strategy and Business Model

Ekornes acknowledges that the resilience analysis includes uncertainties related to climate projections, carbon pricing trajectories, supplier readiness, and market reactions. Key areas of uncertainty include:

- The timing and scale of regulatory changes related to emissions and sustainable products, which may vary across regions.
- The availability and affordability of certified raw materials, particularly under more ambitious climate scenarios.
- The pace of consumer demand shift toward sustainable products, which influences return on investment in eco-design.
- The severity and frequency of physical climate events, which remain difficult to predict for specific supply chain locations.

To manage these uncertainties, Ekornes has focused on scenario range analysis (1.5°C, 2°C, 4°C) and adopted a flexible planning approach. Ekornes will continue work on the analysis and mitigation plan to ensure that the most at-risk assets and activities to be included in strategic planning, investment reviews, and procurement policy updates.

At this moment Ekornes has a moderate capacity to adjust or adapt its business model over the short-, medium-, and long-term:

- **Asset adaptation:** Investments are being made in upgrading equipment to support energy-efficient and circular manufacturing. Where necessary, asset renewal and redesign are considered for product lines that are not aligned with circularity and low-carbon requirements.
- **Product portfolio shift:** Ekornes is actively transitioning toward more durable, repairable, and recyclable furniture designs in response to material risk exposure and evolving customer expectations.

Resilience Evaluation by Scenario:

- 1.5°C Scenario (Paris Agreement-aligned):
Strengths: Compliance through low-carbon materials, renewable energy adoption, and transparent Scope 3 disclosure.
Vulnerabilities: High short-term costs from carbon pricing and certification requirements. Increased procurement expenses for low-carbon materials.

Opportunities: Growing market demand for sustainable products and access to green financing.

- 2°C Scenario (Moderate climate action):
Strengths: Adaptation to market-driven sustainability demand and gradual adoption of eco-design principles.

Vulnerabilities: Moderate costs from supplier adaptation and compliance. Operational efficiency challenges during the transition.

Opportunities: Stable demand for sustainable products and incremental improvements in supply chain resilience.

- 4°C Scenario (High-Risk Climate Scenario):

Strengths: Minimal, due to high physical risk exposure and logistics disruptions.

Vulnerabilities: Severe impacts from hurricanes, wildfires, and disrupted supply chains. Increased production costs and insurance premiums.

Opportunities: Limited, as economic strain may reduce consumer focus on sustainability.

The most material risk for Ekornes is associated with increased costs related to transitioning to low-carbon footprint products and maintaining compliance with evolving regulatory standards. The company's proactive approach to disclosing Scope 3 emissions is considered an opportunity to gain valuable insights and enhance supply chain collaboration. By addressing these risks and leveraging opportunities, Ekornes aims to strengthen its long-term climate resilience and maintain competitive advantage.

(ESRS E1-ESRS 2:3BM-3-AR 6)

Time horizons:

Ekornes' resilience analysis is based on the following time horizons:

- Short-term: 1–5 years.
- Medium-term: 5–10 years.
- Long-term: 10+ years.

(ESRS E1-ESRS 2:3BM-3-AR 4)

Scenarios used in Resilience Analysis:

- 1.5°C Scenario (Paris Agreement-aligned)
 - High regulatory pressure, increased carbon pricing, strict sustainability compliance.
 - High costs in short-term but potential long-term business opportunities through green financing and sustainable product leadership.

2°C Scenario (Moderate climate action)

- Moderate regulatory pressure, gradual transition to renewable energy, moderate supplier adaptation costs.
- Market-driven demand for sustainability increases steadily.

4°C Scenario (High-Risk Climate Scenario)

- Severe physical risks (hurricanes, wildfires, extreme heat) disrupt operations and supply chains.
- Increased insurance costs, productivity losses, and material sourcing instability.

(ESRS E1-ESRS 2:3BM-3-AR 7)

Results of the Resilience Analysis

The resilience analysis identified Ekornes' climate resilience as moderate, reflecting a balance between strategic adaptation efforts and inherent vulnerabilities related to the financial impact of transitioning to low-carbon footprint products and managing Scope 3 emissions throughout the supply chain.

The material risk for Ekornes is associated with increased costs linked to low-carbon footprint products. This includes costs arising from adopting certified raw materials, meeting enhanced sustainability standards, and implementing renewable energy solutions. These factors drive operational cost increases and necessitate supply chain adjustments to ensure compliance with evolving regulatory standards. Additionally, managing Scope 3 emissions across the value chain is essential to maintain transparency and stakeholder trust, as well as to mitigate transition risks.

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Energy consumption and energy mix – quantitative data

Energy consumption and mix		Year 2024 (MWh)	Unit
1	Fuel consumption from coal and coal products	-	MWh
2	Fuel consumption from crude oil and petroleum products	497,96	MWh
3	Fuel consumption from natural gas	2,685,97	MWh
4	Fuel consumption from other fossil sources	-	MWh
5	Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	29,673,20	MWh
6	Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	32,857,13	MWh
	Share of fossil sources in total energy consumption (%)	46	%
7	Consumption from nuclear sources (MWh)	-	MWh
	Consumption of purchased or acquired electricity, heat, steam, and cooling from nuclear sources	374,36	MWh
	Total nuclear energy consumption (MWh)	374,36	MWh
	Share of consumption from nuclear sources in total energy consumption (%)	1	%
8	Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	173,76	MWh
9	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	-	MWh
10	The consumption of self-generated non-fuel renewable energy (MWh)	3,874,46	MWh
11	Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	6,048,21	MWh
	Share of renewable sources in total energy consumption (%)	53	%
	Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	39,276,43	MWh
	Energy intensity per net revenue Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/Million NOK)	10,28	MWh / M NOK
	Production of self-generated non-fuel renewable energy (MWh)	4,006,00	MWh

Ekornes energy intensity per net revenue for 2024 was calculated as the total energy consumption in MWh divided by the revenue in million NOK. Net revenue entails revenue from our manufacturing activities and wholesale and retail trade, which are considered Ekornes' high climate impact sectors. The figure for revenue used in the calculation is as reported on page 126 of the Financial statements. The revenue used in the calculation is NOK 3 818 988 000,00. The methodology for calculating total energy consumption is described in the above chapter. The energy consumption is either directly related to manufacturing or sales, or support these objectives. Consequently, there is no difference in scope when comparing total energy consumption and total net revenue.

described in detail below. All data calculations are based on actual numbers, except for sales offices, which have been estimated.

Fuel consumption from natural gas stems from the Morganton, Lithuanian and Fatsund facilities.

Fuel consumption from renewable sources stems from district heating at the Ålesund office.

The sources of electricity consumed has been estimated according to the country's energy mix (Norway, USA, Lithuania and Thailand), based on energy distribution statistics from the International Energy Agency (www.iea.org). This provided an overview per country of how much electricity stems from fossil sources, nuclear sources and renewable sources. These numbers were then aggregated to provide Group level electricity consumption per energy source.

Ekornes self-generates renewable energy at the Tynes, Aure, Grodås and Ikkornes facilities through offcuts from the wood production. The generated heat is either distributed internally to the facility or like at the Ikkornes facility it is sold to the neighborhood and donated to the swimming pool in the nearby area. Some of the self-generated energy is consumed and some of it is either sold or donated. The consumed self-generated energy is shown in the table below. Self-generated energy that is sold is not included in the energy consumption figures, but listed as a separate line item. The amount of MWh own generation of renewable energy from wooden heating is estimated from a calorific value of 4,69 kWh/kg according to the NS 3165 standard.

Energy use from sales offices and regular offices is estimated based on energy consumption from other operations, looking at energy consumption per employee for manufacturing operations. This data is scaled to account for sales offices and regular offices consuming less energy per employee compared to the manufacturing sites. For 2025 Ekornes will base electricity from sales offices and regular offices based on actual consumption. The energy mix of the consumed energy is determined using a global average energy mix, considering Ekornes has offices all around the world.

[E1-6] GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

Accounting principles for GHG emissions

GHG emissions are calculated based on either direct activity data from own operations or suppliers, or estimated based spend data, statistics or similar activity data. The sources of the emissions factors used in the GHG calculations can be found in the Table Emission factors applied to scope 1-3 GHG emissions at the end of this chapter.

There is high data uncertainty related to GHG emissions, as the estimates are based on different data types. In particular, converting currencies to harmonize spend data for scope 3 emissions introduces discrepancies.

Additionally, various adjustments made during the process may not accurately reflect actual emissions. The manual distribution of emissions across different scopes and categories further adds to the uncertainty.

Scope 1

Scope 1 emissions refer to the direct emissions from sources that are owned or controlled by an organization. All Ekornes production facilities are included in Scope 1. For Thailand there are no Scope 1 emissions. No Scope 1 emissions are registered for sales offices as there is no transport registered as scope 1 emissions and no stationary combustion.

Scope 1 emissions are calculated with support of an external supplier, CEMAsys, which receive data from Ekornes and align calculations with ERSR requirements. Scope 1 emissions are calculated as energy consumption, fuel usage and combustion usage multiplied by relevant emissions factors. See Table Emission factors applied to scope 1-3 GHG emissions at the end of this chapter for details on sources for the emissions factors related to Scope 1.

- Fuel for transportation: Within the category of fuel for transportation the emissions are related to fuel for own trucks and cars for internal transportation between the factories in Norway. The other factories do not have such transportation internally. These numbers are based on actual volume usage of diesel and petrol.
- Stationary combustion: The emissions related to stationary combustion is related to the burning of Natural gas at the US and Lithuania facilities, oil at the Ekornes facility and propane at the Fettsund facility. These numbers are based on actual volume usage of natural gas, oil and propane.

- Chemical process: Ekornes' scope 1 emissions additionally reflect emissions from polyurethane production. Emissions from this production process is based on actual emissions data from the manufacturing facility based on volume produced and the ongoing CO2 in the production process.

Biogenic emissions not included in Scope 1 include CO2 emissions from the combustion of biomass, biofuels and biogas at our manufacturing sites or in company vehicles. For Ekornes biogenic emissions arise from transportation fuel combustion (diesel) and burning of wood chips for energy recovery. This was calculated based on activity data.

Scope 2

Scope 2 emissions cover emissions resulting from electricity consumption in all Ekornes locations, including the manufacturing facilities in Norway (including the showroom Ekornes-bua), USA, Lithuania and Thailand, as well as district heating to the Showroom facility in Aalesund (Ekornes-bua). Scope 2 emissions are calculated with support of an external supplier, CEMAsys, which receive data from Ekornes about the kWh of electricity and district heating and use appropriate emission factors to calculate GHG emissions and further align calculations with ERSR requirements. The Scope 2 emissions data are calculated based on actual input kWh numbers. See Table Emission factors applied to scope 1-3 GHG emissions at the end of this chapter for details on emission factor sources for Scope 2.

For the location-based calculation, emission factors used are based on statistics from the International Energy Agency. These emission factors are updated annually to keep up with changes in energy mix in individual countries. For the market-based calculation, default emission factors related to the residual mix have been used. Ekornes has not bought Guarantees of Origin nor RECs in 2024, and so the emission factors represent the untraded or unclaimed energy. For Thailand, the location-based emission factors were applied in the market-based calculations, as there was no emission factor available for residual mix in these regions.

No material biogenic emissions were identified within scope 2.

Scope 3

Scope 3 emissions cover indirect emissions from Ekornes' value chain, both upstream and downstream, including emissions associated with the 8 categories listed below.

Emissions within Scope 3 are calculated using a mix of spend data and activity data with assistance from third-party suppliers, namely Normative, CEMAsys, transportation companies and other suppliers. Some emissions are manually calculated or estimated internally at Ekornes. All calculation methodologies use appropriate emissions factors for the given emissions category. For calculations related to scope 3, all Ekornes locations in Norway, Thailand, USA and Lithuania have been included.

The following emissions categories are not considered significant for Ekornes and are therefore not included in scope 3 calculations: C3 Fuel and energy-related activities, C8 Upstream leased assets, C10 Processing of sold products, C11 Use of sold products, C13 Downstream leased assets, C14 Franchises and C15 Investments. C3 Fuel and energy-related activities is not considered significant because direct fuel combustion (Scope 1) and purchased electricity use (Scope 2) already capture the majority of emissions related to energy consumption. The upstream fuel extraction and refining processes related to these energy sources, while theoretically relevant for upstream emissions of purchased fuels and purchased electricity, are considered minimal in comparison to other significant Scope 3 categories such as Purchased Goods & Services and Transportation. Ekornes does not produce or distribute energy but solely purchases electricity for operational use. C8 Upstream leased assets and C13 Downstream leased assets are considered insignificant because the financial range of both of these categories is small relatively to the other categories. C10 Processing of sold products is not considered significant because Ekornes' products do not require further processing or transformation before use by the end consumer. C11 Use of sold products is not considered significant because Ekornes' products do not emit CO2 during the customers' use of them. C14 Franchises is not relevant because Ekornes does not operate franchises. C15 Investments is not relevant because Ekornes doesn't have any financial investments or client services. No material biogenic emissions were identified within scope 3.

A higher degree of uncertainty is present in the input data, especially due to mostly relying on spend data to calculate GHG emissions. 24,21% of emissions are calculated using primary data obtained from suppliers or value chain partners, through EPDs for specific products or based on activity data. Spend data is the basis for most other emissions estimates. Activity data has been used for less

than 1% of emissions (0,48%), and GHG emissions from end of life (see details in accounting principles below) is calculated based on EPD data. As this emissions category is substantial, it drives up the fraction of emissions based on primary data.

C1 Purchased goods and services

includes upstream GHG emissions related to production and processing of purchased raw materials required in the production process and packaging, third-party production and other goods and services not captured elsewhere. These GHG emissions are calculated based on spend data in Normative.

C2 Capital goods

includes upstream GHG emissions related to capital expenditures on capital goods purchased or acquired by Ekornes. These GHG emissions are calculated based on spend data in Normative.

C4 Upstream transportation and distribution

includes C4 Upstream transportation and distribution includes GHG emissions related to transportation and distribution that Ekornes pays for. This includes inbound transportation of raw materials and packaging materials (including return transportation of reused packaging materials), third-party distribution and transportation of third-party production volumes. It also includes GHG emissions related to transportation and distribution to distribution centers and retail facilities of sold products in vehicles not owned or controlled by Ekornes and emissions related to storage in third-party warehouses and distribution centers and retail facilities. Emissions in this category were calculated based on a mix of spend (in Normative) and emissions reports from transportation companies.

C5 Waste generated in operations

includes downstream GHG emissions related to waste treatment of waste from Ekornes manufacturing sites. Waste was reported in kilos divided into waste fractions and treatment methods (recycled, energy recovered, landfilled). Emissions were calculated based on relevant emissions factors through CEMAsys.

C6 Business traveling

includes GHG emissions related to business-related travel activities of Ekornes' employees paid for by Ekornes, including third-party transportation services, reimbursed transport, in employees own vehicles (mileage allowance) and reimbursed accommodation.

Gross Scopes 1, 2, 3 and Total GHG Emissions

	Base Year 2024	Retrospective		Milestones and target years		
		Comparative 2024	% 2024/2023	2023	2025	2030
Scope 1 GHG Emissions						
Gross Scope 1 GHG emissions (tCO ₂ eq)	830	N/A	N/A	N/A	N/A	N/A
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0 %	N/A	0 %	N/A	N/A	N/A
Scope 2 GHG Emissions						
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	1 593	N/A	1 593	N/A	N/A	N/A
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	13 965	N/A	13 965	N/A	N/A	N/A
Significant scope 3 GHG emissions						
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ eq)	87 595	N/A	87 595	N/A	N/A	N/A
1. Purchased goods and services (tCO ₂ eq)	65 676	N/A	65 676	N/A	N/A	N/A
2. Capital goods (tCO ₂ eq)	684	N/A	684	N/A	N/A	N/A
3. Fuel and energy related Activities (not included in Scope 1 or Scope 2)	-	N/A	-	N/A	N/A	N/A
4. Upstream transportation and distribution (tCO ₂ eq)	13 490	N/A	13 490	N/A	N/A	N/A
5. Waste generated in operations (tCO ₂ eq)	289	N/A	289	N/A	N/A	N/A
6. Business travelling (tCO ₂ eq)	945	N/A	945	N/A	N/A	N/A
7. Employee commuting (tCO ₂ eq)	6 178	N/A	6 178	N/A	N/A	N/A
8. Upstream leased assets (tCO ₂ eq)	-	N/A	-	N/A	N/A	N/A
9. Downstream transportation (tCO ₂ eq)	242	N/A	242	N/A	N/A	N/A
10. Processing of sold products (tCO ₂ eq)	-	N/A	-	N/A	N/A	N/A
11. Use of sold products (tCO ₂ eq)	-	N/A	-	N/A	N/A	N/A
12. End-of-life treatment of sold products (tCO ₂ eq)	91	N/A	91	N/A	N/A	N/A
13. Downstream leased assets (tCO ₂ eq)	-	N/A	-	N/A	N/A	N/A
14. Franchises (tCO ₂ eq)	-	N/A	-	N/A	N/A	N/A
15. Investments (tCO ₂ eq)	-	N/A	-	N/A	N/A	N/A
Total GHG emissions						
Total GHG emissions (location-based) (tCO ₂ eq)	90 017	N/A	90 017	N/A	N/A	N/A
Total GHG emissions (market-based) (tCO ₂ eq)	103 390	N/A	103 390	N/A	N/A	N/A
Biogenic emissions:						
Biogenic emissions not included in Scope 1 GHG emissions (tCO ₂ eq)	1 138					

then added to the Normative results to provide a total overview.

C12 End-of-life treatment of sold products includes GHG emissions related to waste treatment at the end of life of Ekornes' furniture and its packaging. The GHG emissions are calculated based on data from Environmental product declarations (EPD) calculated by sold products. One product is considered as representative of all products in each key product group (power recliners, recliners, dining chairs, sofas). Svane does not currently have EPDs for beds. The end of life emissions for beds was estimated based on EPD data for sofas. These emissions were estimated and calculated outside of Normative, and then added to the Normative results to provide a total overview.

IMG Sales companies and Ekornes China GHG emissions for IMG sales companies and Ekornes China did not have detailed data available. Emissions tied to these operations were calculated based on relevant spend and compared to GHG emissions from similar suppliers where detailed data was available. Here the assumption is that the IMG sales companies have similar emissions patterns as suppliers that are close in spend amount. These emissions were estimated and calculated outside of Normative, and then added to the Normative results to provide a total overview. The emissions in question were linked to emission category C1, C2, C6 and C9.

Several measures have been implemented to avoid double counting. Spend from sales companies and production facilities have been distributed across relevant categories. Spend items related to suppliers that provide readily calculated GHG emissions have been removed from this spend overview and added manually to Normative. There have been several internal audits and quality checks to ensure appropriate distribution across relevant emissions categories.

Total GHG emissions

Total location-based GHG emissions are calculated according to ERSR, by adding Gross Scope 1, Gross Scope 2 (location-based) and Gross Scope 3 Total together. Market-based GHG emissions are calculated according to ERSR, by adding Gross Scope 1, Gross Scope 2 (market-based) and Gross Scope 3 together.

Meals during travel are not included. The GHG emissions are calculated based on travel agency reports for flight travel, internal calculations for flights, and spend data for the remaining activities through Normative.

C7 Employee commuting includes GHG emissions related to Ekornes' employees' commute from home to work and from work to home. This has been estimated based on average commutes in km (country statistics) for Norway, Thailand, Lithuania and USA and emissions factors showing CO₂eq per km travelled. The emission factor represents unknown fuel and average sized car. The estimated GHG emissions does not include employees at Ekornes' sales offices, as they usually work from customer sites and significant emissions for this employee group is included in C6 Business travelling. The estimate covers employees commuting emissions from 82% of Ekornes employees, the total amount of employees that work in our manufacturing operations, either directly or as administration and management. When reporting for 2025, the plan is to perform a survey to map commuting mode of transportation and distance from home to work location. In addition to emissions from fuel used during commutes (Tank-To-Wheel), the emissions linked to production of fuel volumes have been estimated (Well-To-Tank). An emission factor for unknown fuel and average sized car has been used to calculate these emissions. These emissions were estimated and calculated outside of Normative, and then added to the Normative results to provide a total overview.

C9 Downstream transportation includes GHG emissions related to transportation and distribution of sold products from Ekornes facilities to retailers that Ekornes does not pay for. Ekornes pays for the transportation of 98,04% of its products, and retailers pay for the remaining 1,96% (evaluated based on value of sold products). The emissions related to transportation of sold products that Ekornes does not pay for has been based on the emissions for the transportation that Ekornes does pay for, and scaled to the value of sold products where retailers pay for transportation. Exact data for value of sold products is available for Ekornes and Svane, with detailed breakdown between sold products where transportation is paid by Ekornes and its retailers. The value of sold products is also available for IMG, but not the breakdown between who pays for transportation. The distribution for Ekornes and Svane has been used to estimate emissions from transportation IMG does not pay for. These emissions were estimated and calculated outside of Normative, and

Accounting principles for GHG intensity
 GHG intensity based on net revenue for 2024 was calculated as the total GHG emissions in tCO₂eq divided by the revenue in million NOK. GHG intensity is calculated using both the market-based and location-based total GHG emissions. As with energy intensity, net revenue entails revenue from our manufacturing activities and wholesale and retail trade, which are considered Ekornes' high climate impact sectors. The figure for revenue used in the calculation is as reported on page 126 of the Financial statements. The revenue used in the calculation is NOK 3 818 988 000,00. The methodology for total GHG emissions is described above.

GHG intensity based on net revenue

Total GHG Emissions location based per net revenue (tCO ₂ eq / Million NOK)	tCO ₂ eq/m NOK	23,57
Total GHG Emissions market based per net revenue (tCO ₂ eq / Million NOK)	tCO ₂ eq/m NOK	26,81

Emission factors applied to scope 1-3 GHG emissions

Activity data	Source of emission factor applied in calculations
Scope 1	<ul style="list-style-type: none"> DEFRA UK Government GHG Conversion Factors for Company Reporting (2024) Norwegian Environment Agency (Miljødirektoratet; Nasjonale standardfaktorer) (2024) EPA Environmental Protection Agency, Emissions Factors for Greenhouse Gas Inventories (2024) IEA International Energy Agency (2024) AIB Association of Issuing Bodies (2024) Green-e, unweighted average for all 27 eGrid subregions, calculated by CEMAsys (2024) Energy Statistics Data Browser (2024) Fjernkontrollen (2024)
Scope 2	<ul style="list-style-type: none"> DEFRA UK Government GHG Conversion Factors for Company Reporting (2024) Ecoinvent 3.11 (2024) OFV Opplysningsrådet for veitrafikken (2024) Norsk Elbilforering (2024) C1 Purchased goods and services Normative: Eubase (3.8.2) (2019) Normative: DESNZ UK Department for Energy Security and Net Zero (2024) C2 Capital goods Normative: Eubase (3.8.2) (2019) Normative: DESNZ UK Department for Energy Security and Net Zero (2024) C4 Upstream transportation and distribution Normative: Eubase (3.8.2) (2019) Normative: DESNZ UK Department for Energy Security and Net Zero (2024) Transportation companies: Eco-transit Transportation companies: EU Small Emitters Tool Transportation companies: EcoTransIT World Transportation companies: Database HBEFA 3.2 (Handbook Emission Factors for Road Transport) Transportation companies: SCAC code-based emissions factors (annually updated, Swedish Clean Air & Climate Research Program)
Scope 3	<ul style="list-style-type: none"> Transportation companies: SCAC code-based emissions factors (annually updated, Swedish Clean Air & Climate Research Program)

- C5 Waste generated in operations
 - CEMAsys: DEFRA (2024)
 - CEMAsys: Ecoinvent 3.11
- C6 Business travels
 - Normative: Eubase (3.8.2) (2019)
 - Normative: DESNZ UK Department for Energy Security and Net Zero (2024)
 - Berg-Hansen; ICAO International Civil Aviation Organization Carbon Emissions Calculator
 - Berg-Hansen; GreenView Hotel Footprinting Tool
 - Ayvens Leasing Company; Emission
 - Ayvens Leasing Company; Emission C7 Employee commuting
- Internal estimates: DEFRA (2024)
- Internal estimates: DEFRA (2024)
- C9 Downstream transportation:
 - Normative: Eubase (3.8.2) (2019)
 - Normative: DESNZ UK Department for Energy Security and Net Zero (2024)
 - Transportation companies: GHG emissions established according to standard ISO 14083:2023 (Greenhouse gases – Quantification and reporting of greenhouse gas emissions – Freight transport)
- Transportation companies: For two of the transportation companies the emissions factor sources were not disclosed
 - Transportation companies: EU Small Emitters Tool
 - Transportation companies: EcoTransIT World
 - Transportation companies: Database HBEFA 3.2 (Handbook Emission Factors for Road Transport)
 - Transportation companies: SCAC code-based emissions factors (annually updated, Swedish Clean Air & Climate Research Program)
- C12 End-of-life treatment of sold products (based on EPD information)
 - Ecoinvent 3.6 (2019)

Sector	ID	Activity
Energy	CCM 4.24	Production of heat/cool from bioenergy
Services	CE 5.2	Sale of spare parts
Transport	CCM 6.5	Transport by motorbikes, passenger cars and light commercial vehicles
Transport	CCM 6.6	Freight transport services by road
Construction and real estate	CCM 7.2	Renovation of existing buildings
Construction and real estate	CCM 7.3	Installation, maintenance, and repair of energy efficiency equipment
Construction and real estate	CCM 7.5	Installation, maintenance and repair of insurments and devices for measuring, regulation and controlling energy performance of buildings
Construction and real estate	CCM 7.6	Installation, maintenance and repair of renewable energy technologies

CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles

The Group has several leasing agreements for vehicles in category N1. Nine new agreements were signed in 2024 and are classified as right-of-use assets according to IFRS 16, meaning that they are a part of CapEx in 2024.

CCM 4.24 Production of heat/cool from bioenergy

In the factory at Ekornes Ekornes has a facility producing heat using wood pellets. In 2023 and 2024 Ekornes incurred CapEx for a new boiler related to this facility. The wood pellets are purchased from an external vendor. This vendor only source forest biomass from Norway but have no records of where their vendors source the wood. Therefore, the company is not able to assess if the activity complies with the substantial contribution criteria and has assessed the activity as non-aligned.

CCM 6.6 Freight transport services by road

Most of the freight transport is purchased by third parties but the Group also owns some vehicles. In 2024 two new leasing agreements was signed, one in the US and one in Norway. The truck in the US is non-aligned with the substantial contribution criteria as it is not a zero-emission heavy-duty vehicle.

CCM 7.2 Renovation of existing buildings

In 2024 the Group has performed three renovation projects in its buildings in Norway including CapEx. The energy performance has not been evaluated before or

When assessing the activities an overall initial assessment was prepared on group level including all activities from the EU Taxonomy for the six environmental objectives. The list of activities was distributed to relevant stakeholders across the group for input. All input is documented with reference to underlying documentation to ensure accuracy and to avoid any double counting when allocating to the key performance indicators.

In the following section, we present the share of the Group turnover, capital expenditure (CapEx) and operating expenditure (OpEx) for the reporting period 2024, which are related to non-eligible, eligible but non-aligned (eligible) and eligible and aligned (aligned) activities, related to the environmental objectives.

As the delegated acts are limited to specific activities, a large part of the Ekornes Groups activities is taxonomy-non-eligible. The reason is that the main activities in the Ekornes Group is not yet included in the EU Taxonomy. It is expected to be considered in future revisions of the delegated acts.

For details and templates, see the chapter "KPIs and accounting policies" below.



Definitions

Taxonomy-eligible economic activity means an economic activity that is described in the delegated acts supplementing the Taxonomy Regulation, irrespective of whether that economic activity meets any or all the technical screening criteria laid down in those delegated acts.

An economic activity is taxonomy-aligned where it complies with the technical screening criteria and it is carried out in compliance with the minimum safeguards regarding human and consumer rights, anti-corruption and bribery, taxation, and fair competition. To meet the technical screening criteria, an economic activity contributes

substantially to one or more environmental objectives while not doing significant harm to any of the other environmental objectives

Taxonomy-non-eligible economic activity means any economic activity that is not described in the delegated acts supplementing the Taxonomy Regulation.

Taxonomy-eligible and Taxonomy-aligned economic activities

The Ekornes Group have examined all economic activities carried out by the group to see which of these are eligible and also aligned in accordance with the Taxonomy Regulation.

Ekornes has an Anti-Corruption Policy that strictly prohibits all forms of corruption, bribery, and unethical influence. Neither Ekornes nor its employees shall engage in 'smearing' or any similar practices to gain special advantages or privileged access.

In the financial year 2024, no relevant court cases have been identified in relation to corruption and bribery.

Taxation

In 2024, there were no breaches related to taxation. Ekornes has a global presence and must comply with various taxation systems worldwide. In line with its ethical business values, tax governance and tax compliance are key elements of oversight. Ekornes is committed to complying with all relevant tax laws and regulations.

Ekornes adheres to its established Global Tax Strategy and Transfer Pricing Principles. Comprehensive details are outlined in the Financial Handbook to ensure compliance with tax laws.

Fair competition

Ekornes carries out its activities in a manner consistent with all applicable competition laws and regulations, taking into consideration the competition laws of all jurisdictions in which its activities might have anti-competitive effects.

Through the Code of Conduct, Ekornes pursues the goal of achieving and maintaining lively competition in a free market environment for the entire Ekornes Group, establishing a corporate culture of fair competition.

In 2024, there were no breaches related to fair competition.

KPI's and accounting policies

The key performance indicators ("KPIs") include the turnover KPI, the CapEx KPI and the OpEx KPI. For presenting the Taxonomy KPIs, Ekornes uses the mandatory templates provided in the delegated acts.

The Groups consolidated financial statements have been prepared in accordance with international Financial Reporting Standards (IFRS). IFRS refer to detailed accounting principles in "Notes to the consolidated financial statements".

Based on UNGPs and the OECD MNE Guidelines, including the OECD Due Diligence Guidance for Responsible Business Conduct, Ekornes has implemented a six-step approach to identify, prevent, and, if necessary, mitigate and remediate any actual and potential negative impacts on human rights.

Ekornes' human rights statement, which describes its strategy, high-impact areas, and the processes and measures taken to prevent negative human rights impacts, is publicly available on the website. The strategy for combating human rights violations is based on a thorough impact analysis, which takes into account geographical and sectoral specifications. The impact analysis includes business units, subsidiaries, business partners, and the value chain. Human rights impacts were prioritized, and processes were adjusted or implemented to tackle significant risks. Measures to prevent and mitigate actual and potential adverse human rights impacts were identified and implemented. The processes ensure that remedial action is taken promptly in the event of an acute human rights violation, and if necessary, compensation is provided to affected individuals. The effectiveness of these processes is monitored through internal reviews regularly.

Any person who feels that their human rights have been violated by the activities of Ekornes internally can contact the whistleblower channel. Any reaction to the business or an actor in the value chain can be reported through the Transparency Act channel. This is monitored by an internal team of supply chain experts, overseeing both internal and external processes of the value chain.

In 2024, there were no complaints or breaches related to human rights internally. Moving forward, Ekornes will continue communicating and raising awareness about the internal whistleblowing channel. Additionally, Ekornes conducted a self-assessment for all suppliers in the value chain. Following the previous year's self-assessment, Ekornes is conducting 8 supplier audits. Furthermore, Ekornes has initiated actions toward a high-risk category (transport) and has introduced new category-specific self-assessments for suppliers globally.

Corruption and Bribery

Ekornes has zero tolerance for corruption and bribery. The control mechanisms to prevent corruption and bribery in the business units and value chains are based on a risk assessment, including geographical and sectoral criteria. Anti-corruption is an integral part of the Code of Conduct and internal control.

Ekornes' accountability for respecting human rights, taxation, fair competition and avoiding corruption extends throughout the value chain.

Ekornes follows a two-dimensional assessment approach to assess compliance with MS. On the one hand, adequate processes have been implemented to prevent negative impacts (procedural dimension). On the other hand, outcomes are monitored to check whether the processes are effective (outcome dimension).

Ekornes Group understands that the behavior of all employees and other actors along the value chain plays a central role in complying with MS. Ekornes takes this responsibility seriously by following the ethical business conduct principles for daily business activities, which are manifested in the Group's Code of Conduct covering all four MS topics. Moreover, the Ekornes Group has been a signatory of the United Nations Global Compact since 2009 and is committed to integrating the 10 principles of ethical business conduct into its business strategy and operations.

Regarding the supply chain and business relationships, Ekornes expects the same ethical business conduct from its suppliers as from its own entities. Therefore, the MS requirements are an integral part of business contracts and the Supplier's Code of Conduct. The Supplier's Code of Conduct aims to promote and enforce practices relating to human rights, ethics, and the protection of the environment and safety. Ekornes expects each supplier to respect the Group's ethical principles and ensure that the Code of Conduct is followed by all employees and subcontractors. Moreover, supplier selection and evaluation processes include human rights, anti-corruption, and anti-bribery due diligence.

Human rights (including labor and consumer rights)

The Final Report on Minimum Safeguards from the Platform on Sustainable Finance notes that several countries, including Norway, have adopted mandatory human rights and environmental due diligence legislation at a national level. The Norwegian Transparency Act, which entered into force in July 2022, promotes enterprises' respect for fundamental human rights and decent working conditions. This law ensures public access to information about companies' impact on human rights and decent working conditions. Ekornes has complied with legislative requirements and considers itself aligned with the Minimum Safeguards of the EU Taxonomy. Information about Ekornes' human rights work and the Transparency Act is available on the company website.

after the renovation and company is not able to assess the substantial contribution criteria. Based on this Ekornes has classified the activity as non-aligned.

CCM 7.3 Installation, maintenance, and repair of energy efficiency equipment

The Group has incurred CapEx and OpEx, on several of its locations, related to installation and maintenance of heating, ventilation and air conditioning systems. Some of them are defined as one of the individual measures specified in the substantial contribution criteria. For these activities Ekornes have assessed that they are aligned with the DNSH-criteria for climate adapt on through our climate assessment. Part of the activity is aligned.

CCM 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings

In 2024 facade elements for sun shading has been installed in the factory building in Ikornes. The cost is capitalized. The investment has a solar shading function which is one of the individual measures specified in the substantial contribution criteria. The activity also complies with the DNSH-criteria set out for climate adaptation based on our climate assessment. Based on this the activity is assessed as aligned.

CCM 7.6 Installation, maintenance and repair of renewable energy technologies

At the factory site in Fettsund three new heatpumps have been installed and the cost is capitalized. A major maintenance project of the seawater heating facility in Sykkylven has also been completed and the cost recognized as OpEx. Both activities are listed as one of the individual measures in the substantial contribution criteria, installation and maintenance of heat pumps. Further based on our climate assessments the activities comply with the DNSH-criteria for climate adaptation. Based on this the activities are assessed as aligned.

Minimum safeguards

The minimum safeguards (MS) are built on four pillars: human rights, taxation, corruption, and fair competition. The MS include all procedures implemented to ensure that economic activities are carried out in alignment with:

- OECD Guidelines for Multinational Enterprises (OECD MNE Guidelines)
- UN Guiding Principles on Business and Human Rights (UNGPs), including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work
- The International Bill of Human Rights

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024		Year		Substantial contribution criteria							DNSH criteria ("Does Not Significantly Harm") (8)								
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) turnover, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		M/NOK	%	Y/N: N/EL	Y/N: N/EL	Y/N: N/EL	Y/N: N/EL	Y/N: N/EL	Y/N: N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%		
Of which enabling		-	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	E	
Of which transitional		-	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (7)																			
Production of heat/cool from bioenergy		0	%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	EL/NEL	EL/NEL	EL/NEL	EL/NEL	EL/NEL	EL/NEL	EL/NEL	0%		
Sale of spare parts		10	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	0%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		10	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		10	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		3 809	100%																
TOTAL		3 819	100%																

Comparative figures for activity CE 5.2 is not reported as 2024 is the first year of reporting for this activities.

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024	Year		Substantial contribution criteria							DNSH criteria ("Does Not Significantly Harm") (22)					Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) turnover, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
	OpEx (3)	Code (2)	Y: N/ N/EL	Y: N/ N/EL	Y: N/ N/EL	Y: N/ N/EL	Y: N/ N/EL	Y: N/ N/EL	Y: N/ N/EL	Y: N/ N/EL	Y: N/ N/EL	Y: N/ N/EL	Y: N/ N/EL	Y: N/ N/EL				
Economic Activities (1)																		
A. TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		
Installation, maintenance and repair of energy efficiency equipment	0	CCM 7.3	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E
Installation, maintenance and repair of renewable energy technologies	1	CCM 7.6	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	1		1%	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	0%	E
Of which enabling	1		1%	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	0%	E
Of which transitional	-		0%	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	0%	T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (22)																		
Installation, maintenance and repair of energy efficiency equipment	1	CCM 7.3	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	1%	
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	1		1%	0%	0%	0%	0%	0%	0%	0%	EL	N/EL	N/EL	N/EL	N/EL	1%	1%	
A. OpEx of taxonomy eligible activities (A.1+A.2)	2		2%	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	1%	1%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
OpEx of Taxonomy-non-eligible activities	85		98%															
TOTAL	86		100%															

The comparative information for 2023 is corrected to not include activities CCM 6.2, CCM 6.5 and CCM 8.2 as they did not fall under the EU Taxonomy OpEx definition.

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024	Year		Substantial contribution criteria								DNSH criteria ("Does Not Significantly Harm") (22)						Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) turnover, year 2023(18)	Category enabling activity (19)	Category transitional activity (20)
	Code (2)	CapEx (3)	Proportion of CapEx, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)					
Economic Activities (1)		M/NOK	%	Y/N/ N/EL	Y/N/ N/EL	Y/N/ N/EL	Y/N/ N/EL	Y/N/ N/EL	Y/N/ N/EL	Y/N/ N/EL	Y/N/ N/EL	Y/N/ N/EL	Y/N/ N/EL	Y/N/ N/EL	Y/N/ N/EL	Y/N/ N/EL	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Transport by motorbikes, passenger cars and light commercial vehicles	CCM.6.5	1	1 %	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	T	
Freight transport services by road	CCM.6.6	0	0 %	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	T	
Installation, maintenance and repair of energy efficiency equipment	CCM.7.3	0	0 %	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM.7.5	0	0 %	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	E	
Installation, maintenance and repair of renewable energy technologies	CCM.7.6	0	0 %	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		2	2 %	2 %	2 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	
Of which enabling		2	2 %	2 %	2 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	
Of which transitional		-	0 %	%																
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (15)																				
			EL/ N/EL	EL/ N/EL	EL/ N/EL	EL/ N/EL	EL/ N/EL	EL/ N/EL	EL/ N/EL	EL/ N/EL	EL/ N/EL	EL/ N/EL	EL/ N/EL	EL/ N/EL	EL/ N/EL	EL/ N/EL				
Production of heat/cool from bioenergy	CCM.4.24	3	4 %	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	0 %			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM.6.5	3	3 %	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	5 %			
Freight transport services by road	CCM.6.6	1	1 %	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	1 %			
Renovation of existing buildings	CCM.7.2	1	1 %	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	0 %			
Installation, maintenance and repair of energy efficiency equipment	CCM.7.3	1	1 %	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	0 %			
Acquisition and ownership of buildings	CCM.7.7	-	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	26 %			
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		9	11 %	11 %	11 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	26 %			
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		11	12 %	12 %	12 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	34 %			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities		77	88 %																	
TOTAL		88	100 %																	

The numerator consists of Taxonomy-aligned OpEx that is directly related to costs associated with Taxonomy-aligned activities or OpEx related to output from Taxonomy-aligned activities

OPEX KPI

Definition

The OpEx KPI is defined as Taxonomy-aligned OpEx (numerator) divided by the total OpEx (denominator).

Total OpEx consists of direct non-capitalised costs that relate to research and development, building renovation measures, short-term leases as well as all forms of maintenance and repair. This includes:

Research and development expenditure recognized as an expense during the reporting period in the income statement. In line with the consolidated financial statements (paragraph 126 of IAS 38), this includes all non-capitalised expenditure that is directly attributable to research or development activities.

The volume of non-capitalised leases was determined in accordance with IFRS 16 and includes expenses for short-term leases and low-value leases. Even though low-value leases are not explicitly mentioned in the Disclosures Delegated Act, company has interpreted the legislation as to include these leases.

Maintenance and repair expenditures were determined based on the maintenance and repair costs incurred during the year. The related cost items can be found in various line items in the income statement, including production costs (maintenance in operations), sales and distribution costs (maintenance logistics) and administration costs (such as maintenance of IT systems). This also includes building renovation measures.

In general, this includes costs for services and material costs for daily servicing, as well as for regular and unplanned maintenance and repair measures. These costs are directly allocated to the PP&E. This does not include expenditures relating to the day-to-day operation of PP&E, such as raw materials, cost of employees operating the machinery, electricity or fluids that are necessary to operate PP&E. Amortisation and depreciation are also not included in the OpEx KPI. Other operating expenses directly linked to activities with turnover and activities related to selling, general, and administration are not considered as applicable for the calculation of the OpEx KPI. The relevant costs are related to notes 5, 6 and 12 in the consolidated financial statements.

Nuclear energy related activities

The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle

The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.

The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrade

Fossil gas related activities

The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels

The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.

The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.

TURNOVER KPI

Definition

The proportion of Taxonomy-aligned economic activities in the total turnover has been calculated as the part of net turnover derived from products and services associated with Taxonomy-aligned economic activities (numerator) divided by the net turnover (denominator), in each case for the financial year from 1 January 2024 to 31 December 2024.

The denominator of the turnover KPI is based on the consolidated net turnover in accordance with paragraph 82(a) of IAS 1. Refer to the line-item operating revenues in the consolidated income statement in the consolidated financial statements.

The numerator of the turnover KPI is defined as the net turnover derived from products and services associated with Taxonomy-aligned economic activities. No such activities are identified.

CAPEX KPI

Definition

The CapEx KPI is defined as Taxonomy-aligned CapEx (numerator) divided by the total CapEx (denominator).

Total CapEx consists of additions to tangible and intangible fixed assets during the financial year, before depreciation, amortization, and any revaluations, impairments, as well as excluding changes in fair value. It includes acquisitions of tangible fixed assets (IAS 16), intangible fixed assets (IAS 38) and right-of-use assets (IFRS 16). Goodwill is not included in CapEx, because it is not defined as an intangible asset in accordance with IAS 38. CapEx for the reporting period 2024 is the sum of additions in note 11 and new leasing agreements in note 12.

The numerator consists of Taxonomy-aligned CapEx that is directly related to assets associated with Taxonomy-aligned activities or CapEx related to output from Taxonomy-aligned activities. Refer to the KPI tables for list of included activities.

ESRS E4 - Ecosystems and Biodiversity

[ESRS 2, IRO-1] DESCRIPTION OF PROCESS TO IDENTIFY AND ASSESS IRO FOR E4

Ekornes recognizes the critical role of biodiversity in maintaining a sustainable supply chain and mitigating environmental risks. As part of its double materiality assessment, the company has identified key biodiversity and ecosystem impacts, risks and opportunities (IRO) associated with its operations and value chain.

Impact Identification and Assessment

Ekornes has analysed the value chain to understand what parts of it are the most vulnerable to biodiversity changes and conducted a series of discussions and interviews with internal and external stakeholders to identify material impacts on ecosystems and biodiversity. These discussions and subsequent assessments highlighted that the most critical biodiversity impacts occur upstream in the value chain.

As part of the double materiality assessment process, Ekornes mapped its value chain and conducted further assessments through workshops to identify potential biodiversity impacts and risks. The approach included:

- A full inventory of impacts, risks, and opportunities across the value chain.
- Validation through interviews and workshops with internal stakeholders.
- Identification of eight biodiversity impacts across the upstream supply chain, own operations, and downstream activities.
- Evaluation using specific criteria such as scale, scope, irremediability, and likelihood to determine the most significant impacts.

Dependencies Identification and Assessment
During the impact assessment process, Ekornes identified dependencies on biodiversity and ecosystem services across its operations and value chain. These dependencies are directly linked to key business functions and supply chain stability. Examples include:

Dependency on Raw Materials and Sustainable Sourcing

- **Impact:** Ekornes relies heavily on raw materials such as wood, leather, steel, and textiles. The availability and stability of these materials are critical for operations. However, sourcing practices influence ecosystem degradation, including deforestation, soil depletion, and biodiversity loss. There is also growing market and regulatory pressure to transition to fully sustainable sourcing.
- **Dependency:** Access to raw materials is the core dependency, but ensuring that these materials are sourced sustainably is necessary to mitigate environmental risks, meet regulatory requirements (e.g., EU Deforestation Regulation), and maintain competitiveness.

Dependency on Sustainable Forestry for Wood Supply

- **Impact:** Wood sourcing, particularly if uncertified, can lead to deforestation and biodiversity loss, impacting both ecosystems and long-term supply stability.
- **Dependency:** Reliable access to wood as a resource is the fundamental dependency, but FSC®/PEFC-certified wood ensures a stable and compliant supply aligned with sustainability goals.

Dependency on Stable Ecosystems in Proximity to Facilities

- **Impact:** Ekornes' manufacturing sites and operational activities (e.g., emissions, waste, land use) may contribute to habitat degradation and biodiversity loss, particularly near nature-preserved areas and sensitive ecosystems.
- **Dependency:** Business continuity depends on stable ecosystems surrounding facilities, as well as regulatory compliance to avoid operational disruptions.

Risks and Opportunities Identification and Assessment Approach

Ekornes employs a multi-step process to identify and assess biodiversity-related risks and opportunities, integrating both internal expertise and external stakeholder perspectives. This approach includes:

Internal Workshops and Stakeholder Engagement:

- Conducted cross-functional workshops with sustainability, procurement, compliance, finance and operations teams to map potential risks and opportunities.
- Engaged consultant and experts to understand external pressures and market expectations.

Materiality and Risk Prioritization:

- Risks and opportunities were classified using a DIMA framework based on:
 - Likelihood of occurrence
 - Potential impact on operations, compliance, and financial performance
 - Irremediability

Scenario Analysis and Regulatory Alignment:

- Evaluated how emerging biodiversity regulations, including the EU Deforestation Regulation (EUDR), Corporate Sustainability Reporting Directive (CSRD), and local biodiversity policies, may impact Ekornes supply chain and business model.
- Identified biodiversity-related risks, such as changes in certification requirements, supplier availability, and costs of sustainable materials.

Ekornes incorporates climate and biodiversity dimensions into risk assessments by distinguishing between physical, transition, and systemic risks and opportunities. The evaluation is conducted through cross-functional input and supported by external expertise. Our approach includes:

- **Physical Risks:** Assessed through supplier and geography mapping to evaluate exposure to biodiversity loss, deforestation, and habitat degradation, particularly in sourcing regions. Internal team reviewed location-specific risks (ie, Brazil), using tools such as WWF Risk Filter and external databases (e.g., Global Forest Watch).
- **Transition Risks:** Evaluated based on the potential impact of evolving regulatory landscapes (e.g., EU Deforestation Regulation, CSRD), shifts in customer and investor expectations, and changes to certification standards. Internal team assessed how supplier readiness and material substitution could affect compliance costs and operational continuity.
- **Systemic Risks:** Identified through scenario discussions focused on long-term disruptions, such as supply chain fragility due to ecosystem collapse or biodiversity-linked reputational damages. This includes consideration of compounded risks from climate and biodiversity interlinkages.

Different risks were further prioritized using the DIMA framework.

MATERIAL IMPACT, RISKS AND OPPORTUNITIES ON BIODIVERSITY AND ECOSYSTEMS (IRO-1, SBM-3)

Ekornes' operations and sourcing activities contribute to ecosystem degradation, including deforestation, soil depletion, and biodiversity loss. This impact occurs upstream in the supply chain.

Summary of IROs related to Biodiversity

IRO	Type of Impact	Scope	Time horizon
	Negative impact	Upstream	Medium-term long-term
	Financial risk	Upstream	Medium-term

Ekornes' reliance on large amounts of raw materials contributes to ecosystem degradation, including deforestation, soil depletion, and biodiversity loss. Switching to materials from sustainable production processes can lead to increased costs. This is because these materials often require more responsible sourcing, stricter environmental standards, and certifications that add expenses. Additionally, sustainable production methods may have lower yields or involve more labor-intensive practices, raising costs compared to conventional alternatives. Limited supply and higher demand for sustainably produced materials can also drive up prices.

Biodiversity-Sensitive Areas Impacted

While the material impact occurs in the upstream value chain, Ekornes also monitors biodiversity-related impacts and risks within its own operations. The company has

identified two operational sites near biodiversity-sensitive areas. Ekornes has not yet conducted consultations with affected communities.

Site

Ikornes, Norway
Fetsund, Norway

Impact Drivers and Mitigation Measures

To minimize biodiversity-related impacts and risks, Ekornes has implemented the following mitigation measures:

- Sustainable sourcing – Commitment to sourcing 100% FSC®/PEFC-certified wood and Leather Working Group-certified leather to reduce deforestation risks.
- Supplier engagement – Strengthened due diligence in high-risk sourcing regions to ensure compliance with biodiversity and environmental protection standards.
- Eco-design principles – Integration of circular economy models to reduce material demand and extend product lifecycles, minimizing biodiversity-related.

Most of Ekornes' biodiversity impact is tied to ecosystems in the upstream value chain, particularly through:

- Land Degradation in supply chain activities can result in land-use changes and soil depletion.
- Deforestation and Land-Use Change: The sourcing of wood and leather may contribute to deforestation and habitat loss.

occur upstream in the supply chain, particularly related to wood and leather sourcing.

- Deforestation – Wood sourcing in Europe and leather procurement from Brazil contribute to deforestation risks, impacting ecosystems and biodiversity.
- Soil depletion – Land-use changes associated with raw material extraction can lead to reduced soil fertility, affecting long-term ecosystem stability.

This impact also comes with the risk that switching to materials sourced from sustainable production processes can lead to increased costs.

Key Resilience Challenges & Strategic Responses

Risk Identified	Resilience Challenge	Strategic Response
Reliance on raw materials contributing to ecosystem degradation	Ensuring a stable, sustainable supply of certified materials without disrupting production capacity.	<ul style="list-style-type: none"> Expansion of FSC/PEFC-certified wood and LWG-certified leather sourcing to reduce deforestation risks. Supplier partnerships to improve environmental practices and secure long-term sustainable material sources.
Increased costs due to transition to sustainable materials	Managing cost volatility and financial risks associated with sourcing higher-cost certified materials.	<ul style="list-style-type: none"> Procurement strategy adjustments to secure stable pricing and diversify sustainable supplier base. Exploring alternative materials and circular economy models to reduce dependence on virgin raw materials.

Focus areas of Ekornes' Resilience Strategy

- Strengthening traceability systems for key raw materials to prevent sourcing from biodiversity-sensitive regions and ensure compliance with sustainability regulations.

- Enhancing supplier due diligence to align with biodiversity-focused regulations, such as the EU Deforestation Regulation (EUDR), by improving monitoring and verification processes.
- Embedding sustainable and eco-design principles into product development to reduce reliance on virgin materials, extend product lifecycles, and minimize ecosystem impact.

(E303 E4-1-11.121)

Resilience assessment and scope of analysis:

Ekornes assessed resilience in relation to the supply chain impact, and risk associated with biodiversity and ecosystems.

Resilience of business model and strategy to biodiversity and ecosystems-related risks

Resilience of Ekornes strategy and business model: Ekornes has assessed its resilience in relation to biodiversity and ecosystems, including material risks identified in the Double Materiality Assessment. The company's business model is particularly exposed to the availability and cost of raw materials, which are essential to production but also contribute to ecosystem degradation, deforestation, and biodiversity loss.

To ensure long-term business resilience, Ekornes integrates sustainable resource sourcing and risk mitigation strategies to address these challenges.

Biodiversity Resilience Plan focuses on Ekornes' operations and value chain to identify and address biodiversity and ecosystems-related risks and opportunities. The scope includes the following components:

Upstream Value Chain

- Raw Material Sourcing:**
 - Wood: Prioritize and ensure full transition to FSC®/PEFC-certified wood to reduce deforestation risks and support sustainable forestry.
 - Leather: Evaluate sourcing from Brazil with attention to deforestation, animal welfare, habitat destruction, and water-intensive practices.
 - Textiles: Focus on reducing biodiversity risks from production in regions.
 - Plastics and Chemicals: Address the ecological impacts of extraction, processing, and use in manufacturing.
- Supplier Practices:** Collaborate with suppliers to ensure adherence to sustainable practices and biodiversity conservation.

Transition risks arise from the increasing regulatory and market demands for biodiversity-conscious practices. Compliance with biodiversity-related regulations, such as the EU Deforestation Regulation (EUDR), may lead to higher operational costs due to enhanced supply chain due diligence, certification requirements, and supplier audits.

The shift to certified sustainable materials (e.g., FSC/PEFC-certified wood, LWG-certified leather) also comes with higher procurement costs, which could impact profitability in the short to medium term. Additionally, market and reputational risks arise if Ekornes does not meet evolving sustainability expectations, potentially affecting consumer trust and competitive positioning.

Systemic risks include the broader consequences of global biodiversity loss, which could disrupt supply chains and operational resilience by limiting access to critical natural resources.

Strategic adjustments to the business model will focus on expanding traceability systems, adopting nature-positive procurement policies, and further integrating circular economy principles into product design and manufacturing. Ekornes will invest in digital traceability tools, supplier audits, and enhanced biodiversity monitoring frameworks to ensure compliance with evolving regulations.

By integrating biodiversity into its long-term business strategy, Ekornes aims to mitigate risks while leveraging opportunities for growth and resilience in a sustainability-driven market. Continuous monitoring, investment in traceability, and alignment with global biodiversity goals will be essential for long-term success.

(E3G E4-1.13-e)

Stakeholder involvement:

The development of the Biodiversity Resilience Plan has been driven by close collaboration among internal teams and key stakeholders to ensure its effectiveness and relevance. While the plan has not yet been formally approved by the leadership team, approval is expected to take place in 2025.

Internal stakeholders involved in the plan's development include the strategy and sustainability team, which provided insights into biodiversity risks and opportunities to align the plan with Ekornes' long-term sustainability goals. The group compliance team ensured the plan meets regulatory requirements and aligns with global biodiversity

Market Dynamics

- Consumer demand for products aligned with biodiversity and sustainability goals will continue to grow, influencing product design and sourcing decisions.

Operational and Supply Chain Resilience

- Upstream suppliers will adapt to biodiversity requirements through capacity building and improved practices, ensuring the availability of certified materials.

Collaboration and Innovation

- Collaboration with stakeholders, including certification bodies, NGOs, and suppliers, will enable Ekornes to address biodiversity risks more effectively.
- Technological advancements, such as traceability tools and resource-efficient production methods, will support Ekornes' efforts to mitigate biodiversity impacts.

(E3G E4-1.13-d)

Time Horizons Used:

The Plan considers short-(1-5 years), medium-(5-10 years), and long-term (10+ years) time horizons to address biodiversity and ecosystems-related impacts and risks. These timeframes guide Ekornes' strategic actions and align with global sustainability goals.

(E3G E4-1.13-a)

Results of Analysis:

Ekornes' biodiversity resilience level is moderate, primarily due to the nature of its industry, which relies on raw materials.

Ekornes' resilience analysis evaluates biodiversity and ecosystems-related risks and identifies opportunities across its operations and supply chain. The assessment highlights physical, transition, and systemic risks while outlining strategic opportunities to enhance sustainability and long-term business resilience.

Ekornes faces physical risks related to biodiversity impacts at its manufacturing sites and within its supply chain. Within the supply chain, deforestation and habitat loss are key concerns, particularly in wood sourcing from Europe and leather sourcing from Brazil. Water scarcity in critical raw material production regions, including Brazil, China, Thailand, and Italy, could further impact material availability and quality, affecting long-term sourcing stability.

Own operations and Downstream Value Chain

- Product Design and Lifecycle:**
 - Integration of eco-design principles to extend product life, reduce resource use, and ensure recyclability and repairability.

Geographic Focus

- Key sourcing regions include:**
 - Europe: Wood from Finland, Lithuania, Slovakia, Germany, and Hungary; Steel from Finland, Sweden, Germany, Italy.
 - Brazil: Leather supply.
 - Asia: Textiles, steel and plastics from China and chemicals and wood from Thailand.
- Addressing local biodiversity risks in these regions is critical to mitigating global ecosystem impacts.

(E3G E4-1.13-a)

(E3G E4-1.13-b)

Key Assumptions:

Ekornes Biodiversity Resilience Plan is based on the following assumptions, which guide company's approach to identifying risks and opportunities and implementing mitigation strategies:

Biodiversity and Ecosystem Conditions

- Global efforts to conserve biodiversity, such as reforestation programs and ecosystem restoration initiatives, will continue to expand, creating opportunities for sustainable sourcing and minimising financial risks.
- Regions critical to Ekornes' supply chain (e.g., Brazil, Europe, and Asia) will face varying levels of biodiversity risks, such as deforestation, water scarcity, and habitat destruction, influenced by climate change and human activities.

Regulatory Environment

- Biodiversity-related regulations, such as the EU Deforestation Regulation (EUDR), will become increasingly stringent, driving demand for certified and sustainably sourced materials.
- Certification standards (e.g., FSC®; PEFC®, and Leather Working Group) will remain key benchmarks for responsible sourcing and biodiversity-friendly practices.

and ecosystem protection standards. The procurement team assessed supply chain practices to integrate biodiversity-friendly sourcing and reinforce responsible material procurement.

The Head of the sustainability task force played a key role in reviewing and providing initial approval of the plan before its submission for further leadership approval.

[MDR-P & E4-2] POLICIES RELATED TO BIODIVERSITY AND ECOSYSTEMS

This section covers all MDR-P requirements (in combination with the policies overview) and topic specific requirements as stated in E4-2 (E4-2.20-24)

This chapter outlines the policies related to biodiversity and ecosystems. Ekornes has implemented a set of policies to manage impacts and risks related to biodiversity and ecosystems, namely Ekornes' Environmental Policy, our Sustainability Position Paper on Nature. Additionally, the Sustainable Leather Sourcing Policy and the FSC Certification Policy ensures responsible material sourcing, thus preventing direct operational harm to ecosystems.

Currently none of the policies address social consequences of the impacts. The most senior level accountable for implementing policies at Ekornes is CEO. For details about the policies see Table for Ekornes policies related to material IROs, page 42-45, where all policies are listed in accordance with ERS 2 MDR-P and ERS E1-2.

(E3G E4-2:20-21)

Ekornes Environmental Policy

Ekornes Environmental Policy is a high-level company-wide document outlining how organisation will improve own environmental performance and be a driving force in the sustainability work within the industry. The general objective of the policy is to provide clearly defined commitments related to Ekornes' environmental performance and environmental targets. Focusing among other topics on biodiversity and ecosystems, the policy outlines Ekornes' commitment to choose good materials with a long service span and to the greatest extent from recycled resources. This is directly linked to mitigation of the material negative impact of over-consumption of raw materials, which could contribute to ecosystem degradation.

[MDR-T & E4-4] TARGETS RELATED TO BIODIVERSITY AND ECOSYSTEMS

When it comes to targets related to biodiversity and ecosystems, Ekornes is currently in a target definition process, and while we have had several discussions internally, a final decision will be made on biodiversity and ecosystem targets by the end of 2025. Biodiversity offsets have not yet been used in setting of targets.

One target has already been defined and is disclosed here in accordance with ESRS 2:MDR-T and ESRS E4-4:

Sourcing 100% of materials from renewable, recycled, or sustainably and environmentally certified sources by 2030

Ekornes aims to source 100% of our ingoing materials, including raw materials, semi-manufactured goods and products, from renewable or recycled or sustainably certified sources (third-party certification or internal assessment), ensuring that no materials linked to deforestation or high-risk biodiversity areas are used in production.

biodiversity and ecosystems because the policy expresses Ekornes' commitment to source leather exclusively from cattle bred for food production (meat and dairy), avoiding sourcing from endangered or prohibited species. The policy also prevents deforestation by requiring leather suppliers do not source from deforested or protected areas. This policy is linked to Ekornes' negative material impact caused by relying on large amounts of raw materials. Through supplier management, deforestation, soil depletion and biodiversity loss are mitigated.

The policy specifically targets direct exploitations, the impact on the state of species and impact on ecosystems. The policy has direct implications for Ekornes' impacts along the value chain, supporting traceability and mitigating desertification through deforestation efforts. As the policy describes how Ekornes follows up their suppliers to ensure sustainable practices in sourcing of leather to reduce biodiversity risk and deforestation, the policy addresses sourcing and consumption from ecosystems that are managed to enhance conditions for biodiversity.

FSC Certification Policy

Ekornes is a member of the FSC® Chain of Custody (COC) Certification and complies with the FSC® Member Instruction Manual. The manual outlines the monitoring system required for FSC certification, including written procedures, operating instructions, document templates and documentation, ensuring the responsible and sustainable sourcing of wood-based materials.

FSC is an effective tool for implementing strict practices in wood purchasing proven to be a solution against deforestation and degradation. It aims to mitigate risks related to non-compliance with FSC certification requirements while securing a responsible supply chain. The policy also ensures the integration of FSC principles into procurement, warehousing, production, logistics, and sales functions. This policy is consequently tightly linked to the material negative impact of material sourcing contributing to ecosystem degradation.

This policy contributes to mitigation of the following direct impact drivers of biodiversity loss: land use change and direct exploitations, and additionally is relevant to reducing impact on the condition of ecosystems, as land degradation and desertification are core elements of the FSC Certification policy. The certification policy ensures traceability of products and raw materials.

The policy specifically targets climate change, pollution and direct exploitations. The policy supports traceability of products and raw materials.

Sustainability Position Paper on Nature

The Sustainability Position Paper on Nature outlines Ekornes' key biodiversity priorities for 2024-2026. These include minimizing negative impacts on biodiversity and ecosystems, ensuring compliance with biodiversity regulations and standards, and promoting ecosystem restoration and resilience across our value chain. The Position Paper on Nature serves as a transitional document between the company's General Environmental Policy and the forthcoming Nature Policy, which is planned for development in 2025.

For the upstream value chain, which is where the material impacts and risks are located, this means sourcing key materials such as leather, wool, textile, wood and steel with a focus of avoiding deforestation and land use changes. This will be achieved through prohibiting materials sourcing from areas associated with deforestation, habitat destruction or biodiversity loss and integrating biodiversity considerations into product design by prioritizing materials and processes that minimize ecosystem impacts. The abovementioned considerations show that the policy is linked to the identified material negative impact and the financial risk.

Monitoring of the commitments outlined in the Position Paper on Nature will be conducted through supplier audits, biodiversity performance reviews within the supply chain.

The policy specifically targets direct exploitations and minimizing impacts on the extent and condition of ecosystems. The policy also supports plans on improving traceability of products and raw materials along the value chain. As the approach described in the policy entails collaboration with suppliers to improve biodiversity practices and work with suppliers to ensure sustainable practices in material sourcing to reduce biodiversity risk across the supply chain, the policy addresses sourcing and consumption from ecosystems that are managed to enhance conditions for biodiversity.

Sustainable Leather Sourcing Policy

The Sustainable Leather Sourcing Policy outlines Ekornes' approach to responsible leather procurement, focusing on environmental impact, animal welfare, supply chain transparency, and regulatory compliance. It is linked to

This target is directly linked to Ekornes' impact on ecosystems, as the company's reliance on large volumes of raw materials contributes to ecosystem degradation, including deforestation, soil depletion, and biodiversity loss, reflected in the negative material impact related to biodiversity. By working towards sustainable sourcing practices, Ekornes aims to mitigate these impacts.

The target level to be achieved is 100% for each materials category by Jan 1, 2030. The target is relative, measuring the percentage of materials used in manufacturing that are recycled, sustainably certified or from renewable sources. The target covers all suppliers in Ekornes' upstream value chain and affects decisions made in our own operations. The target to be monitored yearly in upcoming reporting cycles. There is specific consideration given to high-risk sourcing regions, such as Brazil (leather) and Europe (wood).

The baseline value for the target is summarized in the table below, showing what the status is for each materials category for 2024:

Materials category	Percentage
Wood	40-42%
Leather	100%
Steel	0%

Additional group of materials to be reviewed in 2025.

The target timeline entails reaching the goal by Jan 1 2030, with the following yearly interim goals (to be established in 2025).

Alignment with national or international policy goals

This target aligns with the objectives of the EU Biodiversity Strategy for 2030, which seeks to restore ecosystems, protect biodiversity, and reduce environmental pressures across Europe. By prioritizing responsible sourcing and avoiding biodiversity-sensitive areas, Ekornes contributes to the sustainable use of ecosystems, the preservation of natural habitats, and the reduction of biodiversity loss across its supply chain.

Methodology and Assumptions

To determine the baseline and keep track of progress, Ekornes calculates the percentage based on procurement data, supplier certifications, audits and environmental impact assessments conducted by Ekornes and external third parties. Double counting is avoided because of the single chosen certification methodology per group of materials.

For Ekornes to be able to reach the set target by 2030, three main assumptions are made.

Firstly, it is assumed that there will be sufficient availability of sustainably or environmentally certified materials. This applies to FSC-certified wood, LWG-certified leather and

[E4-5] IMPACT METRICS RELATED TO BIODIVERSITY AND ECOSYSTEMS CHANGE

In 2025 we aim to incorporate environmental-related criteria, including applicable biodiversity regulations. The audits aim to improve supplier assessment processes and enhance collaboration strategies while strengthening traceability and verification mechanisms. By identifying potential risks related to deforestation and ecosystem degradation, this action supports Ekornes' commitment to achieving 100% sustainable sourcing by 2030. Environmental and biodiversity criteria will be added to supplier assessments for material material groups, including textiles, leather, wood and electronics. The implementation timeline consists of risk assessment, supplier selection, and audit planning, followed by audit execution. All suppliers will be assessed against the added criteria to get an overview of the status among our current suppliers. The audits primarily address upstream supplier engagement, impacting both suppliers and internal procurement and compliance teams responsible for ensuring responsible sourcing practices.

Biodiversity-Sensitive Raw Material Sourcing
Ekornes acknowledges that its primary impact on biodiversity stems from raw material sourcing. To mitigate this, the company is committed to transitioning toward more sustainable sourcing practices. Since Ekornes does not directly alter ecosystem conditions, its key metric for tracking progress is the percentage of sustainably certified raw materials procured from suppliers accredited by recognized certification bodies, relative to total raw material sourcing.

Among the raw materials purchased, leather and wood are the most relevant in terms of potential deforestation impact. To address this, Ekornes prioritize sourcing from suppliers that adhere to strict environmental and social certification standards. In addition, Ekornes is evaluating the feasibility of green steel as an alternative to traditional steel, though this initiative is still under review.

Raw Material	Certification	% of sustainably certified materials	% of all other materials
Wood	FSC certified	40.42%	59.58%
Leather	LWG certified	100%	0%
Steel	Green still	0%	100%

Categorization:

Wood materials are categorized into two groups:
 • FSC certified sourcing: Materials purchased from suppliers with verified sustainability certifications.
 • All others: Materials that do not meet certification FSC criteria.

Calculation Formula:

The percentage of certified sustainable sourcing is calculated as:
 FSC Certified Sourcing (%) = (Volume of Certified Materials / Total Volume Purchased) x 100

Reporting and Monitoring:

Procurement data will be consolidated and analyzed periodically to track progress toward sustainability targets. Ekornes operates two sites adjacent to biodiversity-sensitive areas; however, no direct negative impact has been identified.

Tracking Progress and Performance Monitoring
Ekornes already has annual supplier audits to verify compliance with our Supplier Code of Conduct, Ekornes Environmental Policy, Sustainable Leather Sourcing Policy and FSC Certification. In 2025 the plan is to amplify these supplier audits, to include monitoring of material origin to measure percentage of materials weight that is renewable, recyclable or certified according to third parties.

No changes made as target is new.

[MDR-A & E4-3] ACTIONS AND RESOURCES RELATED TO BIODIVERSITY AND ECOSYSTEMS

Ekornes has no actions to report on for 2024, but have so far identified one action that will be implemented for 2025, in line with our target of 100% sustainable sourcing.

Include Environmental and Biodiversity Topics in Supplier Audits

Ekornes conducts supplier audits based on risk assessments and the formal criteria are formalized in our Supplier Code of Conduct. The Supplier Code of Conduct includes general environmental compliance requirements but does not explicitly mention biodiversity and ecosystems. However, it encourages responsible environmental management and compliance with environmental laws, including sustainable material sourcing and greenhouse gas (GHG) emissions reduction, which indirectly support biodiversity conservation.

This action to be connected with identified impact and risk

Ekornes' reliance on large amounts of raw materials contributes to ecosystem degradation, including deforestation, soil depletion, and biodiversity loss.

Switching to materials from sustainable production processes can lead to increased costs

textiles and steel. The transition to fully certified sourcing will depend on supplier readiness and industry-wide certification adoption rates.

Secondly, Ekornes assumes that existing and new suppliers will be able to achieve and maintain compliance with sustainability certifications. Ekornes will continue engaging with suppliers through collaborative relationships and annual audits to ensure compliance. Certified suppliers will be prioritized over non-certified suppliers.

Thirdly, it is assumed that traceability systems for tracking material origins (e.g. blockchain, certification databases) will be available and further developed in the coming years. This allows for accurate reporting and verification of sustainable sourcing.

Conclusive Scientific Evidence and alignment with existing policy goals

Although Ekornes has not conducted its own scientific impact modeling for biodiversity loss, the target is informed by global biodiversity science and policy frameworks, including the EU Biodiversity Strategy for 2030, including the EU Deforestation Regulation (EUDR) and the Kunming-Montreal Global Biodiversity Framework. Both frameworks call for deforestation-free supply chains and sustainable material sourcing as key drivers for biodiversity restoration. The target is also aligned with industry certifications such as FSC Certification for wood, Leather Working Group (LWG) standards for leather and ISO Environmental Management systems.

Stakeholder Involvement in Target Setting

Internally at Ekornes, the supply chain team, the sustainability team and company leadership have been involved in developing and defining this target. In 2025 Ekornes aims to continue involving a broader group of stakeholders.

ESRS E5 – Resource Use and Circular Economy

This chapter outlines the policies, targets and actions related to resource use and circular economy, as well as relevant information about Ekornes' inflows and outflow.

Identification of Impacts Risks and opportunities
Ekornes has identified and currently addressing the material impacts and risks associated with resource use and the circular economy. Our approach involves a comprehensive assessment of both our operations and value chain.

Company has reviewed our assets and activities to uncover both existing and potential impacts, risks, and opportunities related to resource management and circular economy principles. This assessment spans not only our internal operations but also extends to both upstream and downstream elements of our value chain.

IRO Identified	Type of IRO	Value chain allocation	Time Horizon
Ekornes products contribute to global waste generation throughout the life cycle increasing resource consumption and disposal challenges.	Negative impact	Own operations Downstream value chain	Medium-term, long-term
	Negative impact	Upstream value chain Own operations	Medium-term, long-term
As a production company, Ekornes depends on raw materials, leading to resource exploitation and increased pressure on finite natural resources. Designing recyclable and durable products and furniture can increase costs. This is because it often requires higher quality materials, advanced engineering, and more complex manufacturing processes. Ensuring recyclability may involve specialized material selection, disassembly-friendly designs, and compliance with circular economy standards, all of which can add to production expenses. Additionally, durability, testing, certifications, and potential redesigns to balance longevity with sustainability further contribute to higher upfront costs for manufacturers.	Risk	Upstream value chain	Medium-term, long-term

Impact, Risks, and Opportunities Identification and Assessment

Ekornes has conducted a series of discussions and interviews with internal and external stakeholders to identify material impacts related to circularity. These discussions and subsequent assessments highlighted that the most critical circularity impacts, risks and opportunities occur across the value chain. The approach to IRO identification included:

- Identification of circularity IROs:** across material sourcing, product design, and waste management and creation of the initial long list.
- Validation of the list through interviews and workshops** with internal stakeholders and external experts.

- Assessment using specific criteria scale,** scope, irremediability, and likelihood to determine the most significant impacts.

As part of the further IRO identification process, Ekornes has identified and assessed risks and opportunities related to circularity. These risks and opportunities were first identified through a structured process that included:

- Internal discussions and workshops** with key internal stakeholders and external experts to determine potential risks and opportunities.
- Assessment using magnitude and likelihood of occurrence** to determine material risk and opportunities by internal stakeholders.

During the assessment process, internal stakeholders identified Ekornes' main production facilities as the key units in terms of resource inflows, outflows, and waste generation.

As part of the IRO identification process, Ekornes placed significant focus on the key material resources within its supply chain, particularly:

- Wood from Europe (Finland, Lithuania, Slovakia, Germany, Hungary) and Thailand
- Leather from Brazil
- Textiles from Norway, Belgium, China, and Italy
- Plastics from Norway, Finland, and China
- Chemicals from Norway, Lithuania, and Thailand
- Steel from Finland, Sweden, Germany, Italy, Thailand, and China
- Electronics from China

[MDR-P & E5-1] POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

Ekornes has implemented a set of policies to manage the material impacts and risks related to resource use and the circular economy. For details about the policies see Table for Ekornes policies related to material IROs, page 42-45, where all policies are listed in accordance with ESRS 2 MDR-P and ESRS E 1-2.

Ekornes Environmental Policy

Ekornes Environmental Policy expresses Ekornes' commitment to improving its environmental performance and be a driving force for sustainability within its industry. Resource efficiency and circular design are central to the Environmental policy. The policy addresses both material impacts and the one risk related to E5, because resource efficiency and circular design can reduce the negative impacts of waste pollution through increased recycling, as well as reducing resource depletion through reuse.

Ekornes Quality Policy

Ekornes Quality Policy outlines Ekornes' overall quality policy, which is to deliver products and services that satisfy our customers' assumed expectations and needs. These expectations are defined in the product specification used in manufacturing and ensure high product quality. The policy addresses both material impacts related to E5.

High quality products can reduce the need for use of finite natural resources because the furniture can last longer and be reused by several users before it reaches end of life and recycling.

Sustainability Position Paper – Circularity

The Sustainability Position Paper Circularity outlines Ekornes' commitment to embedding circularity principles across our value chain. The Position Paper covers which key principles guide Ekornes' circularity efforts, Ekornes' approach to circularity and the key activities linked to managing risks and seizing opportunities related to circularity. The policy addresses both material impacts related to E5, as the position paper addresses how Ekornes will reduce waste, increase circularity and improve sourcing practices to reduce resource exploitation.

Compliance handbook

This compliance specification outlines the standards and requirements that furniture products must meet to ensure safety, durability, and compliance with relevant regulations and industry standards. The policy addresses Ekornes' negative impact of waste generation if products are not properly recycled, as compliance with industry standards can facilitate recyclability and therefore mitigate this risk. It is also linked to the potential risk of rising costs due to recyclability and durability of products.

Summary

In summary, the policies are designed to address the following matters:

- Transitioning away from use of virgin resources, including relative increases in use of secondary (recycled) resources (*ESRS E5-1-15-(a))
- Sustainable sourcing and use of renewable resources (*ESRS E5-1-15-(b))
- The overarching approach to circular transition within Ekornes product portfolio.

[E5-4] RESOURCE INFLOWS

In alignment with the established requirements, Ekornes offer an overview of our resource inflows for the year 2024 to enable an understanding of the resource use in our own operations and upstream value chain.

Material Inflows Overview

Ekornes is dependent on several types of raw materials, semi-manufactured goods and products in its production of furniture and packaging for the final products. These resource inflows are sourced from various countries around the world and are utilized in the manufacturing processes across the company's eight production facilities. The column for sourcing region refers to the origin of the material inflows.

Inflow type	Material / Product	Sourcing region
Raw material	Wood	Europe (Slovakia and Germany)
Raw material	Leather	Brazil
Raw material	Textiles	Norway, Belgium, China, Italy
Raw material	Yarn	Austria
Raw material / semi-manufactured goods or parts	Plastic components	Norway, China
Raw material / semi-manufactured goods or parts	Wadding	Norway
Raw material / semi-manufactured goods or parts	Steel	Finland, Sweden, China
Semi-manufactured goods or parts	Aluminium	Norway, Sweden, Vietnam, China, Italy
Semi-manufactured goods or parts	Electrical components	China
Raw material	Chemicals	Germany, Sweden
Raw material	Glue	Sweden
Packaging	Cardboard	Norway, Lithuania, Thailand, USA
Packaging	Styropor	Norway, Lithuania, Thailand, USA
Packaging	Plastic wrap	Norway, Lithuania, Thailand, USA

target has been set on a voluntary basis, but more and more regulation both in Norway and internationally is pushing companies to take action on circularity, notably the Ecodesign for Sustainable Products Regulation.

[MDR-A & E5-2] ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

Develop circular economy standards for the furniture industry through CEN

Ekornes is actively engaged in driving discussions and progress when it comes to circularity in the field of furniture, notably through the company's involvement in the Norwegian Design industry working group for sustainability. Ekornes has through this also participated in developing a new circular economy standards for the furniture industry under CEN Technical committee (TC207-WG10) – Furniture circularity, which is a part of the European Standardization Committee. The first standard (EN 17902 Furniture Circularity – Evaluation method for dis/re-assembly capability) was published in January of 2024. This is an ongoing action and Ekornes has been involved in circularity standards discussions for several years. The HSE Manager is the primary person involved in this work, representing Ekornes in the committee meetings and bringing findings back to the company. Circular economy standards will make it easier for both Ekornes and others in the furniture industry to adapt and so this action is highly relevant for all impacts and risks related to circularity. Developing circular economy standards and participating in industry discussions can reduce the negative impacts of global waste pollution and increase recycling, and also reduce resource exploitation. More recyclable and durable furniture could be more expensive to produce and design, but being involved with design standards early on could lessen this risk.

[MDR-T & E5-3] TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

When it comes to targets related to resource use and circular economy, Ekornes is currently in a target definition process, and while we have had several discussions internally, a final decision will be made on circularity and resource use targets by the end of 2025.

One target has already been defined and is disclosed here in accordance with ESRS 2: MDR-T and ESRS E5-3:

Integration of circular principles in design and manufacturing processes

Ekornes aims to design 100% of new products with circularity as core focus by 2026 and aim to extend this to all products by 2030. All designs will adhere to circularity principles, focusing on durability, reparability and recyclability, with modularity as a core design feature.

The unit of measurement is a percentage, counting the proportion of products designed according to circular principles. The target measures how many products are designed according to circularity principles. The methodology consists of counting and having an overview of what principles guide the design and manufacturing process for each product. The metrics needed to measure progress on this target is the number of (new) products designed in line with circular principles. No assumptions were made to define the target. Currently, some product ranges are designed purposefully according to circular principles, such as the Stressless® dining chairs. The target is not based on conclusive scientific evidence, as this is not relevant to the target. The target is reviewed yearly, through a manual counting process.

This target is linked to the Sustainability Position Paper on Circularity. The target is connected to mitigation of the actual negative impact that Ekornes activities and products could have on global waste generation. The target covers all Ekornes brands and geographical regions company operates in, mainly related to Ekornes' own operations, but also purchasing and procurement. The target addresses the increase of circular product design, as it promotes design for durability, dismantling, reparability and recyclability. The target relates to the following layers in the waste hierarchy: a) prevention, b) preparing for re-use, c) recycling. The

Sustainable sourcing of biological materials
Sustainable sourcing of biological materials is important for Ekornes, and continuous efforts are made to source materials from certified suppliers. The table below summarizes the weight and percentage of different biological materials that are sourced sustainably through various certification schemes.

Biological material	Weight total	Percentage sustainably sourced	Certification scheme used
Wood	6 021,95 tons	40,42%	FSC® C163127 PEFC
Leather	1 533,40 tons	100,00%	Leather Working Group
Textile	17,35 tons	99,14%	Oeko-tex EU Eco flower
Yarn	1,49 tons	-	-
Cardboard	1 208,21 tons	-	-
Total	8 782,00 tons	45,68%	See above mentioned schemes

Recycled materials in Ekornes products

The total weight, recycled weight and percentage of recycled content in materials, components and products in production for 2024 is described in the following. There are no secondary reused materials, components nor products.

Materials	Weight total	Weight recycled	Percentage recycled
Wood	6 021,96 tons	-	-
Leather	1 533,40 tons	-	-
Textiles	677,6 tons	16,08 tons	23,92 %
Yarn	1,49 tons	-	-
Cardboard	1 208,21 tons	688,68 tons	55,00 %
Plastic components	7 847,54 tons	5 493,28 tons	70,00 %
Wadding	180,00 tons	-	-
Steel	1 968,52 tons	905,66 tons	46,01 %
Aluminum	649,69 tons	617,20 tons	95,00 %
Electrical components	246,00 tons	-	-
Plastic wrap	26,74 tons	-	-
Chemicals	2 741,11 tons	-	-
Styropor	77,02 tons	77,02 tons	100%
Total	22 569,44	7 797,92	34,55%

Electrical components: The electrical parts are finished components such as actuators, power supplier and batteries. These are mounted into the relaxers, sofas and beds.

Cardboard: Cardboard is used as outer layer for packaging purposes, whilst Styropor is used as an inner layer for the Stressless products to ensure a safe transport to the destination of the product. Newer products are launched without Styropor packaging.

Styropor: Styropor is used to package finished goods, to protect them during transportation.

Resource inflows - numerical

The following reporting requirements are provided with data at Ekornes Group level. For each of the required disclosures the relevant accounting principles are described in a separate section.

Overall total weight of products and materials
(ESRS E5-4-31-1a)

Inflow	Weight	Unit
Technical inflows	13 787,04	Tons
Biological inflows	8 782,40	Tons
Total weight of inflows	22 569,44	Tons

Wood: Ekornes sources wood from European forests either as veneer, solid wood or plywood. The veneer is further dried down, laminated and processed into wooden components used for recliners and dining chairs. The solid wood is for detailing and visible wooden finishes, processed internally, and the plywood is used as construction material for beds, recliners and sofas.

Leather: The leather sourced is genuine bovine leather tanned externally and further cut and sewn in Ekornes facilities globally.

Textile: The textiles are sourced globally and have different composition. The range of textiles vary from textiles with high wool content such as the Silva, Calido and peony textiles as well as mixture textiles with recycled polyester. Ekornes also have a range of textiles made entirely of polyester.

Yarn: The yarn is used in the 3D knitting process, a production process which reduces waste as the knits covers in the exact shape for dining chairs.

Plastic components: The plastic components are injection molded plastic for materials such as polypropylene, polyethylene and polyoxymethylene. Ekornes are phasing in more recycled plastic in these components.

Wadding: The wadding is produced from polyester and is used as a middle layer between the cover and the polyurethane foam.

Chemicals: Ekornes mainly produces its own polyurethane foam, both injection-molded and block molded, from chemicals. Other chemicals include varnish, adhesives, glue, stain, protective coatings, hardener, release agents and chemical solvents.

Steel: The steel is mainly pipes and wires, which is processed further in Ekornes own facilities in Norway and Thailand and distributed to other factories. Steel also includes fasteners.

Aluminum: The aluminum used is die cast aluminum parts molded for bases of recliners and footstool in the Stressless collection.

Accounting principles for numerical resource inflow calculations

Wood: The weight of wood inflows is based on actual used wood products and components. The weight of wood is estimated based on the converting factor for dried beech wood (Fagus sylvatica) given by the Norwegian Hardwood association (Foreningen Norske Laektrebruk). The dried density factor is given at 480 kg/m³. Consumption data showed wood in volume and this conversion factor was used to obtain an estimated weight. There is no recycled content in the wood inflows.

Leather: The weight of leather inflows is based on actual m² usage through 2024 for Stressless and IMG, as Svane does not use leather in their products. To estimate the weight of the leather a conversion factor for weight per area was used. Data from suppliers showed between 720-1120g per m² and an average of this was used.

All leather used in Ekornes production is certified through the Leather Working Group (LWG). There is no recycled content in the leather inflows.

Textiles: The weight of textile inflows is based on actual usage through 2024 for Stressless and estimated for IMG and Svane based on revenue split among the three brands. Actual usage for Stressless is provided in meters and multiplied by the breadth of the textile rolls. Then the m² is used to estimate the weight of the textile, based on a conversion factor for weight per area. Data from suppliers showed between 0,332kg/m² and 0,485kg/m² and the midrange was used to estimate weight. Ekornes considers a material is sustainably sourced when it is sourced from a certified supplier. Textile used in manufacturing is certified either according to Oeko-tex or EU Eco Flower. Most of the textile is certified according to Oeko-Tex, while the remaining textile is EU Eco Flower-certified. It was not possible to calculate the exact split between the two certification schemes. While the focus is put on biological materials for this disclosure requirement, Ekornes uses a range of biological and synthetic materials, and often they are combined. Oeko-tex and EU Eco Flower are certifications that cover both types of textiles. It was therefore decided to disclose the percentage of certified textile, including both biological and synthetic materials.

Approximately 30% of the textile used by Stressless in 2024 contained recycled materials. The percentage of recycled content varied from 60% to 100%. A weighted average showed that the recycled textile contained approximately 80% recycled content. The weighted average was based on sales data for Stressless and which textile had been used. On average, the total textile collection for Stressless contains approximately 24% recycled materials. It is assumed that Svane and IMG have the same rate of recycled content in their textile collections.

Yarn: The weight of yarn inflows is based on actual usage data for all brands. There is no recycled content in the yarn inflows.

Plastic components: The weight of plastic components is based on actual usage data for Stressless biggest supplier, which accounts for 95% of all used plastic. The remaining plastic for Ekornes components is estimated to account for the remaining 5%. Plastic components weight was estimated for IMG and Svane based on revenue split among the three brands. Actual use of plastic from Stressless's main supplier is estimated by calculating the average weight of the different plastic components (0,373 kg) and multiplying this by the total amount of plastic components. The number of plastic components is estimated internally, based on purchasing data.

The percentage of recycled content in plastic components (70%) is determined through dialogue with suppliers, who have confirmed the share of recycled material in their delivered plastic components to Ekornes (based on raw material input from January through October 2024 specifically used to produce components for Ekornes). For some plastic components, the recycled content on component level was not available, and the average as reported by other suppliers was used.

Wadding: The weight of wadding inflows is based on data from suppliers on how much has been procured from them for all brands through 2024. There is no recycled content in the wadding inflows.

Steel: The weight of steel inflows is based on actual usage data in 2024 for Stressless and Svane and estimated for IMG based on revenue split across the three brands. The actual usage data is based on supplier data and internal data. The recycled content in steel is provided by suppliers.

The recycled content varies from 20% to 77%. The recycled content was calculated per steel type, using the corresponding recycling rate. In total, approximately 46% of the steel inflows are recycled.

Aluminum: The weight of aluminum inflows is based on actual usage in 2024. The recycled content of 95% is provided and documented by the aluminum supplier.

Electrical components: The weight of electrical components is based on actual usage data for all brands through 2024. The usage is counted in pieces of electrical components, and the amount of pieces is multiplied by the average weight of the components. The weight of the components is provided through suppliers.

There is no recycled content in the electrical components.

Chemicals: The weight of chemicals inflows is based on actual usage data for 2024 for all brands and locations. There is no recycled content in the used chemicals.

Cardboard: The weight of cardboard inflows is based on actual usage data for 2024 for all brands and locations. The recycled content of 55% is obtained through dialogue with suppliers.

Styropor: Total weight of styropor inflows was based on the use of styropor for Norway and the US. This weight was scaled based on cardboard data, as this was a materials category where use data was available for all locations. Cardboard was chosen because it is also a materials category used for packaging.

The Styropor used in the transportation of finished goods are 100% from recycled materials. Ekornes has a closed-loop recycling flow with the supplier to recycle all the styropor material from the Ekornes facilities in Norway. The material is certified by REDcert2.

Plastic wrap: Total weight of plastic wrap inflows was based on the use of plastic wrap for Norway and the US. This weight was scaled based on cardboard data, as this was a materials category where use data was available for all locations. Cardboard was chosen because it is also a materials category used for packaging.

There is no recycled content in the plastic wrap.

Total weight of inflows
When disclosing the overall total weight of technical and biological materials used to manufacture key products during the reporting period, the weight of the components and materials that end up in the final product, as well as the weight of the packaging (cardboard) used for the final products has been considered. The accounting principles per material type are described previously.

Biological inflows include wood, leather, textile (26% biological content: wool), yarn and cardboard.

Technical inflows include steel, aluminum, textile (74% technical content: polyester, polyamid) glue, plastic components, wadding, electrical components, chemicals and styropor.

[E5-5] RESOURCE OUTFLOWS

Design of Products in line with Circular Economy Principles

This chapter showcases how Ekornes designs products and chooses materials in line with circular economy principles and promotes recirculation of products, materials and waste after the first cycle of use.

Description of key products placed on the market

- Recliners
- Sofa
- Chairs
- Beds

(E5RS E5-5-36)

Circular principles in design of key products

The table below summarizes how circularity principles are currently reflected in the design of our products.

Circular principle	Ekornes consideration of circular principle	Key products
Durability	All key products are made with high quality materials and craftsmanship to enable long product lifespans.	Recliners, Sofa Chairs, Beds
Reusability	All key products have a high value on the secondhand market due to high product quality and long product life.	Recliners, Sofa Chairs, Beds
Repairability	Because Ekornes products have a classic and timeless design and the core product offering is not changed frequently, spare parts are available in our warehouses, because these parts are still used in new products. This makes it easier for customers to repair products.	Recliners, Sofa Chairs, Beds
Disassembly	Stressless® Dining chairs are modular based and designed for easy disassembly.	Chairs, specifically Stressless Dining Chairs
Recycling	Recycling is dependent on products being disassemblable and being composed of recyclable materials. Dining chairs are the only product now designed to account for disassembly. All key products contain components which are recyclable, though 100% of the product cannot be recycled.	Chairs, specifically Stressless Dining Chairs
Circular business models	Ekornes has defined following circularity target: Ekornes aims to design 100% of new products with circularity as core focus by 2026 and aim to extend this to all products by 2030 and making step towards achieving it. Circular design principles are already partially implemented for new products enabling the transition to a more circular business model.	Chairs, specifically Stressless Dining Chairs
Expected durability of products (E5RS E5-5-36-(a))	There is currently no harmonized industry-wide method for calculating service life in the furniture sector. However, durability requirements used by Ekornes are aligned with standard thresholds: <ul style="list-style-type: none"> • In structural durability, Ekornes recliners, sofas and chairs are tested externally following standard 100kg weight and 100,000 cycles. • Beds: While mechanical durability testing is not currently performed on fully assembled beds, Ekornes conducts extensive testing on individual components such as pocket springs (EN 1957:2012) and wooden frames. These components have demonstrated excellent long-term performance, supported by a 25-year warranty against frame and spring breakage. The number of claims related to these components is low. Compared to leading domestic competitors who also offer 25-year warranties, Ekornes' beds are estimated to perform at a similar durability level.	
Group of product	Durability rate comparing to industry practice	
Recliners	100%	
Sofas	100%	
Chairs	100%	
Beds	100%	

Due to the lack of full-system mechanical testing and limited end-of-life data, a conservative 100% durability estimate is used. Future reporting years aim to refine this through additional testing, warranty data, and customer surveys.

Durability estimates have been developed using the following inputs:

- Testing data from durability tests, including load capacity and cycle testing (e.g. back and seat durability tests).
- Comparison to industry standards, such as NF-EN 1728:2012.
- Warranty periods offered across all product groups, used as a reference point for minimum durability.

Note: These are best estimates based on available testing data and assumptions. Actual service life may vary depending on use environment and maintenance.

Limitations and Forward Plan

- While testing data provides a strong basis for estimating durability, Ekornes has not yet systematically collected end-of-life data from customers, and therefore exact service lifespans in real-world conditions are not verified.

- Acknowledging the need for improved data, Ekornes plans to refine these estimates in future reporting years through customer surveys, warranty data, and product returns analysis.

(E5RS E5-5-36-(a))

Repairability rating of products

There is no established rating system for repairability in furniture in the EU and Norway does not operate with a repairability rating. Once this has been established Ekornes will rate our products according to the system. Until then, Ekornes discloses on this issue in more qualitative ways, by using the structure of a repairability rating used in electronic products.

France launched a Repairability Index in 2021 for five electronic products (TVs, smartphones, washing machines, lawn mowers and laptop). The requirements for the Repairability Index was based on a helpful in guiding a disclosure of the repairability of Ekornes' product range. The table below highlights the Repairability Index requirements that are most relevant for furniture and describes how Ekornes products and customer interaction tries to meet the requirements.

Repairability Index Requirement	Ekornes consideration of requirement	Key products
Availability of technical documentation (such as instructions for use and maintenance)	Instructions for use and maintenance are available for many Ekornes products through our website. There are also video tutorials on YouTube that consumers can watch for step-by-step guidance. Stressless also provides care kits for fabric and leather which allow Stressless owners to take care of their recliners and chairs while the furniture is in use.	Recliners, Sofa, Chairs, Beds
Ease of disassembly (number of steps needed to disassemble, tools needed, characteristics of fasteners)	Ease of disassembly depends on the product range. For instance, the Stressless® Dining Chairs. Most components in the dining furniture from Stressless® such as legs, frame, covers and seats are separable, encouraging circular use. If needed they can be taken apart by the user and replaced. Products that are fully disassemblable have disassembly instructions. Recliners, home office chairs, sofas and beds are not yet designed intentionally for disassembly, but Ekornes is working on implementing disassembly as design criteria for new products.	Chairs, specifically Stressless Dining Chairs
Spare parts availability	Ekornes has high availability of spare parts, as our designs are timeless and similar components are used across different product ranges. The process for customers to obtain spare parts is not streamlined, but the customer can contact the distributor/retailer where the product was purchased and request spare parts. Where possible, Ekornes supplies customers with spare parts.	Recliners, Sofa, Chairs, Beds
Spare parts price	As Ekornes has various product groups and models it is challenging to provide a concise overview of the price of our spare parts. Some parts are small, such as a screw, whereas other parts are bigger, such as an armrest. This influences the price. Transportation cost and other material handling might also influence the total cost of spare parts. If a spare part is asked for within the warranty period, the customer incurs no costs.	Recliners, Sofa, Chairs, Beds

(E5RS E5-5-36-(b))

Recyclable content of products

The rate of recyclable content in Ekornes' products and their packaging is an important measure. The table below shows the percentage recyclable content in the four key product group.

Key product group	Percentage recyclable content	Main barriers to 100% recyclability
Recliners	77%	Foam polyester fibre, glue and paint not recyclable
Dining chairs	98%	Polyester textile not recyclable
Sofas	8%	Only steel components are recyclable
Beds	20%	Only steel springs are recyclable

Key packaging material group	Percentage recyclable content	Main barriers to 100% recyclability
Cardboard	100%	-
Styropor	100%	-
Plastic wrap	100%	-

Accounting principles

For each key product group, one model was selected to be used as the basis for the recyclable content estimates. The inflows and components in the model were then analyzed by the Head of Risk and Compliance to assess whether the given material or part can be recycled. The weight of the recyclable components was then calculated, based on actual data from the bill of materials, to get the total recyclable weight of the model. The weight of the total recyclable content was divided by the total weight of the model, to give the percentage recyclable content of the model.

Because one model is chosen to represent all products within one product group, the provided percentage is

an estimate. Within one product group there are several models, and each model might also have different variations. This estimate thus provides a broad overview of recyclable content in Ekornes' final products.

Cardboard, plastic wrap and styropor are all composed of mono-materials and thus easily recyclable.

Waste

Ekornes is currently working on finalizing our waste management strategy. In the following chapters current waste management practices are described. The reporting is done at Ekornes Group level.

Resource outflows: Waste

Resource outflows		Units	Weight
Waste generated (total)		Tons	2 569
Waste diverted from disposal (total)		Tons	1 011
Hazardous waste (total)		Tons	-
Preparation for reuse		Tons	-
Recycling		Tons	-
Other recovery operations		Tons	-
Non-hazardous waste (total)		Tons	1 011
Preparation for reuse		Tons	215
Recycling		Tons	796
Other recovery operations		Tons	0
Waste directed to disposal (total)		Tons	1 558
Hazardous waste (total)		Tons	202
Incineration		Tons	-
Landfill		Tons	66,1
Other disposal operations		Tons	-
Unknown disposal operations		Tons	135,9
Non-hazardous waste (total)		Tons	1 356
Incineration		Tons	941
Landfill		Tons	391
Other disposal operations		Tons	25
Non-recycled waste (total)		Tons	1 558
Non-recycled waste (percentage)		%	60,6%

(€)B5-5-37-(a), (b)-(i), (m), (n), (o), (p), (q)

Accounting principles

Waste calculations are based on data available during the fiscal period from our eight production sites, with complete data from all factories. The actual data from the factories (direct measurements) has been combined to provide an overview for the Ekornes Group's total waste. The amount of waste sent to landfill in 2024 was higher than previous years, due to Hurricane Helena in September 2024 (Morganton, US).

Hazardous waste accumulates in the factories in Norway, Lithuania and Thailand. All hazardous waste in Norway is sent to landfill. For Lithuania and Thailand there is no available data on handling of hazardous waste at our sites, nor for the country level handling of hazardous waste. It is consequently not possible to make an estimate that is reliable. Hazardous waste for Lithuania and Thailand has therefore been placed in the row called "Unknown disposal operations".

WASTE COMPOSITION

Ekornes' waste streams

- Defect products and product components
- Overproduction, obsolete products in inventory
- Production waste
 - Scraps and leftover material
 - Water waste
- End of life waste (consumer waste stream)
- Packaging waste from resource inflows
- Transportation waste

Ekornes' waste is composed of several materials:

- Biomass, including wood and cardboard
- Metals
- Plastics
- Textiles
- Hazardous materials: Chemicals, oils, varnish
- Electrical waste
- Residual waste

Ekornes has additionally several waste streams which are a direct recycling process between the factory and supplier. The styropor is 100% recycled and re-used in a closed loop between Ekornes and the supplier, as well as the wadding polyester fiber in the Norwegian facilities. For thread spools, a byproduct from the tread used for seams, the spools are directly transported to a plastic supplier for grinding and production of new products.

Social

Contents

S1 Own workforce

98-106

1. ESRs S1 - Own workforce

S1 – OWN WORKFORCE RELATED IMPACTS, RISKS AND OPPORTUNITIES IRO 1-SBM 3

The table below lists the material IROs identified for S1 Own workforce. All our permanent or temporary employees across all operational regions are the subject of impacts, risks and opportunities.

Impact	Type of impact	Value chain allocation	Time Horizon
Providing permanent contracts and enabling a healthy life through good working conditions can enhance employee well-being, satisfaction and a more motivated and engaged workforce	Positive actual	Own operations (Thailand)	Short-term, medium-term, long-term
Manufacturing environments are not 100% safe, posing risks to employee health and safety despite mitigation efforts.	Negative actual impact related to individual incidents	Own operations	Short-term, medium-term, long-term

Connection between workforce impacts and business strategy

Ekomes recognizes that its workforce is a key factor in ensuring long-term business sustainability and operational excellence. The company's strategic focus on secure employment, fair working conditions, and employee well-being is embedded in its business model.

The Double Materiality Assessment (DMA) identified that ensuring permanent employment contracts, competitive wages, and safe working conditions directly enhances workforce stability and satisfaction. These elements, in turn, drive productivity, reduce turnover, and contribute to maintaining high product quality and customer satisfaction—key pillars of Ekomes' business success.

To support a motivated workforce, Ekomes aligns its policies with international labor standards and best practices, ensuring that the company provides equitable opportunities and fosters good and healthy work environments. The company's commitment to workforce well-being informs strategic decisions, such as talent development initiatives, workplace safety programs, and

social dialogue efforts to strengthen employee relations across all operational sites.

Ekomes continuously assesses its workforce-related risks and opportunities and adapts its strategy to address emerging challenges, including evolving labor market trends, regulatory requirements, and workforce expectations.

Ekomes doesn't operate in the regions with high risk of forced or child labour.

There have been no incidents, complaints and severe human rights impacts.

Workforce Risks and Opportunities in the Sustainability Transition

Ekomes is currently in the process of developing its sustainable transition plans, which will define how the company adapts to climate-related challenges and opportunities. At this stage, it is not yet possible to evaluate how these changes will impact the workforce.

Potentially Affected Workforce Groups:

Ekomes has identified the group of employees that can potentially be the most affected based on internal expertise and discussions. The group identified is employees in production and manufacturing roles:

- Employees in production facilities may face higher exposure to workplace safety risks.
- Ekomes mitigates these risks through strict health and safety protocols and policies and regular training.

[MDR-P & S1-1] POLICIES RELATED TO OWN WORKFORCE

People Policy

The People Policy is a high-level framework that outlines Ekomes' commitment to managing its workforce in a fair, inclusive, and ethical manner across all regions. The policy is connected to S1 / Own workforce through covering key aspects of employment and working conditions, ensuring that employees across different regions are treated fairly and equitably. The policy also addresses Health, Safety and Environmental Management practices. The policy thus addresses all material impacts related to S1.

The People Policy integrates human rights and labour rights of people in own workforce. Furthermore, it supports workforce engagement and well-being through structured approaches to performance management, career development, compensation, and benefits. It also addresses measures to remedy human rights impacts by integrating social protection, ensuring that employees receive adequate remuneration and support.

The Ekomes People Policy is aligned with key international frameworks including the UN Guiding Principles on Business and Human Rights, the ILO Core Conventions, and the OECD Guidelines for Multinational Enterprises, and the UN Global Compact Principles. It sets clear expectations for ethical conduct, equal treatment, and decent working conditions across all regions, supporting human rights, fair labour practices, and a safe, inclusive workplace culture.

Compliance with these standards is monitored through structured HR governance, internal audits, the People Engagement & Performance (PEP) process, whistleblowing mechanisms, and regular employee feedback. Global and local HR teams ensure implementation through aligned processes, with oversight provided by the "grandfather principle" in key decisions. These mechanisms ensure Ekomes' commitments are embedded in everyday operations.

Sustainability Position Paper – Our People

The Sustainability Position Paper – Our People outlines the company's guiding principles, approaches, and interim measures related to workforce management while Ekomes finalizes the ongoing process of updating its sustainability strategy, targets, priorities and actions. It serves as a foundation for future policies and strategies that align with emerging global workforce standards. The policy is linked to S1 / Own workforce by committing to a safe, inclusive, and productive workplace. The policy also includes Ekomes' approach to health, safety and wellbeing. The policy addresses all material impacts related to S1. The policy outlines Ekomes' approach to employee engagement.

The policy integrates respect for human rights, labour rights of people in own workforce by providing social protection and fair labour practices. With the non-discrimination principles and the targets to foster an inclusive culture, Ekomes integrates measures to remedy human rights impacts.

Whistleblowing at Ekomes

The policy describes the Global whistleblowing procedure of Ekomes AS and all group companies. It fosters a transparent and ethical work environment where employees feel safe to report concerns without fear of retaliation. It addresses the material impact related to good working conditions, as Ekomes considers being able to voice concerns is a prerequisite for good working conditions.

The whistleblowing mechanism applies to all employees across Ekomes' global operations. Employees are encouraged to report concerns related to bullying, harassment, discrimination, any violations of laws, internal policies, or regulations. This shows the policy is linked to remedying human rights impacts. Ekomes ensures that employees who report wrongdoing are protected from any form of retaliation. To engage employees Ekomes has structured a process that allows employees to report concerns confidentially and, if preferred, anonymously. There is alignment with nationally recognised instruments (Norwegian Employment Law).

Health, Safety and Environmental Policy

The Health, Safety and Environmental Policy outlines Ekomes' approach and objectives related to health, safety and the environment. This policy addresses the impact related to health and safety. There is alignment with nationally recognised instruments (Norwegian Employment Law).

target level to be achieved is the same each year, unless the country averages change. Ekornes will count 2025 as the base year for calculations.

The sick leave is calculated by dividing total number of sick days by total work days and multiplied by 100, where

- Total Sick Days: The sum of all days employees are absent due to sickness.
- Total Work Days (FTE): The total number of workdays adjusted for full-time equivalent employment.

The level of the target is identified based on historic data and internal countries standards. For Norway, Norsk Industri provide average data and this data is in consideration together with historic data.

Zero impositions from external controls / inspections

Ekornes has a goal to have zero impositions from external controls/inspections through pro-active HSE management. This target is listed in 'Ekornes – HSE policy and objectives'. The target level to be achieved is zero impositions. The target relates to all Ekornes employees, across brands and geographies. This target is a yearly target and the target level to be achieved is the same each year. Ekornes counts 2024 as the base year.

Ekornes has 1 imposition in 2024.

[S1-2] PROCESSES FOR ENGAGING WITH OWN WORKERS AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

Engagement with the Workforce at Ekornes

Ekornes values input from its employees and recognizes the importance of structured workforce engagement to ensure a fair, transparent, and inclusive work environment. While a formalized, group-wide engagement approach is not yet in place, the company has established workforce engagement practices at the local level in different regions, including Norway, Lithuania, Thailand, and the USA.

Future Improvements

Ekornes acknowledges the need for a more unified and structured engagement approach at the group level. Moving forward, the company aims to formalize consistent workforce engagement policies that will be implemented on the group level and across all locations to enhance communication, representation, and employee participation.

[MDR-T & S1-5] TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

When it comes to targets related to Own workforce, Ekornes is currently in a target definition process for the topic of Working Conditions, and while we have had several discussions internally, a final decision will be made on these targets by the end of 2025. When it comes to health and safety, Ekornes has three targets to disclose.

Health and safety targets have been defined with involvement of key H&S stakeholders, workforce representatives, – safety delegates from different department. Those targets have been further approved through management review. For all those targets following process is in place for identifying lessons and improvements as a result of the performance:

- Step 1. Case handling system TQM-4 per year
- Step 2. Management review
- Step 3. Departmental committee meetings.

Zero injuries and accidents

Ekornes shall have a zero injuries and accidents. This means that Ekornes shall work to avoid work-related injuries each year. This target is listed in 'Ekornes – HSE policy and objectives'. The target level to be achieved is zero injuries and accidents. The target relates to all Ekornes employees, across brands and geographies. This target is a yearly target and the target level to be achieved is the same each year. Ekornes counts 2024 as the base year.

There is no additional estimates to this target. This target is based on general vision are to have O LTI according to internal understanding: "you can not have a target for 5 injuries per year, (that are 5 to many)".

Ekornes had 20 injuries in 2024.

Sick leave below country average and below 5% for Norway

Ekornes has a goal that sick leave shall not exceed 5 % in the Norwegian companies. In companies outside Norway the sick leave shall not exceed the average level for the respective countries. This target is listed in 'Ekornes – HSE policy and objectives'.

The target relates to all Ekornes employees, across brands and geographies. This target is a yearly target and the

Phase one of the rollout was started and kept running throughout 2024, with a target completion date at the end of 2025. Efforts have included orientations and training sessions to introduce the new framework.

Approach to Action Identification and Stakeholder Involvement

Ekornes uses a combination of stakeholder engagement through discussions and workshops, and workforce data (e.g. turnover, absenteeism) to identify material impacts and relevant actions. While no separate budget lines are allocated per action, resource allocation is integrated into existing HR planning cycles.

Employees and their representatives have not yet been involved and their representatives have not yet been formally involved in setting specific targets, but insights from annual engagement surveys and local dialogues influence action prioritization. As PEP rolls out, Ekornes will explore more formal avenues for participation in shaping future targets.

Additional Information Linked to Positive Impacts in Thailand

While most actions are integrated into general HR practices, Ekornes promotes positive impacts for its workforce through:

- Stable employment contracts, with a large proportion of permanent contracts
- Fair payment practices, monitored via internal HR reviews

Preventing Contribution to Negative Impacts

Ekornes ensures its own practices do not contribute to negative workforce impacts through:

- Internal compliance and risk reviews at factory level (HSE, payroll, and working hours)
- Internal policies ensuring minimum standards on health, safety, non-discrimination, and fair pay
- Supplier Code of Conduct, which reinforces these principles in areas with outsourced functions (e.g. transportation, catering)

Ekornes Management Handbook – Quality, HSE, Environment

Ekornes as chosen to have a management system for Quality, HSE and Environment in accordance with the quality management standard ISO 9001 and the environmental management standard ISO 14001. The Management handbook includes management of Quality, HSE and Environment. This policy addresses the impact related to health and safety.

Policies referenced in this section, including the People Policy, Whistleblowing Procedure, Health, Safety and Environment Policy, and the Ekornes Management Handbook, are made available to all employees through the company's internal digital platforms, such as the Ekornes intranet and TQM. These policies are also introduced during onboarding and reinforced through manager-led dialogues, and ongoing internal communication.

For details about the policies see Table for Ekornes policies related to material IROs, page 42-45 where all policies are listed in accordance with ESRS 2 MDR-P and ESRS E1-2.

[MDR-A & S1-4] ACTIONS RELATED TO OWN WORKFORCE

Ekornes is currently in the action definition stage and is developing measures to address identified material impacts, risks, and opportunities related to its own workforce. At this stage, the company is focusing on initiatives that promote fair working conditions and employee well-being globally. While specific outcome-oriented targets are not yet formalized, the primary actions under development are embedded in ongoing people management processes and group-wide policy updates.

People Engagement & Performance Process

Ekornes has initiated a new People Engagement & Performance initiative (PEP) as the main action at the group level to align workforce practices globally. This action aims to ensure that all initiatives under the Performance & Engagement Process are embedded within the broader People Policy framework, across all brands, departments and geographies. The process is designed to address material workforce impacts by fostering structured engagement, improving goal-setting consistency, and strengthening the connection between employee performance and organizational objectives.

Employee Headcount by gender and contract type
The company's stance is that permanent employment is the main rule. Over 90% of Ekornes employees are employed full-time.

Category	Female	Male	Other*	Not Disabled	Total
Number of employees (headcount)	1.157	1.304	0	0	2.461
Number of permanent employees (headcount)	1.157	1.304	0	0	2.461
Number of temporary employees (headcount)	-	-	-	-	-
Number of non-guaranteed hours employees (headcount)	-	-	-	-	-
Number of full-time employees (headcount)	1.018	1.212	-	-	2.230
Number of part-time employees (headcount)	139	92	-	-	231

Employee turnover and turnover rate

	Norway	Thailand	USA	Lithuania	Other	Total
Number of employees who have left Ekornes	85	300	18	48	51	502

The turnover rate for 2024 was 20.4%. Redundancies due to slowing production in Thailand accounts for most of the turnover.

Accounting principles

Total Number of Employees Headcount: The information presented in this section is based on actual data from internal systems across our operations, as Ekornes does not have one unified system. Factory managers provided data from the systems they use. All employee numbers are provided as headcount and not FTEs. All employee numbers represent year-end values.

For the geographical breakdown of employees, data represents all employees. This is in line with what was reported in the financial statements on page 167 and in ESRs 2 (page 26).

To estimate employee turnover and the corresponding turnover rate for the entire Ekornes Group, company used Lithuania as a reference point, where we have both the number of leavers and the headcount and that represent the most balanced turnover rate per year based on historic data:

- Lithuania Headcount: 256
 - Leavers in Lithuania: 48
- This gives a turnover rate of 18.8% in Lithuania.

- Not Reported: 0
- Total (Manufacturing): 2,052 employees

Tracking and Monitoring

Tracking of reported cases is done manually, and there is currently no system in place to measure the effectiveness of the remediation process.

As of today, Ekornes has not formally measured employee trust in the grievance mechanisms. However, the company plans to introduce structured methods for tracking trust and effectiveness in the future.

[S1-6] CHARACTERISTICS OF EKORNES' EMPLOYEES

Ekornes had 2461 employees at the end of 2024, with most employees based in Norway and Thailand.

Total Number of Employees Headcount - 2024

(ESRS Table 2, include ref to fin.stat)

Category	Number	Percentage
Norway	972	39%
Thailand	881	36%
Lithuania	256	10%
USA	80	3%
Other regions	272	11%
Total Employees	2,461	100%

Employee Headcount by Gender (end of year)

(ESRS Table 1)

Gender	Number of Employees
Male	1,304
Female	1,157
Other	0
Not Reported	0
Total Employees	2,461

[S1-3] CHANNELS FOR OWN WORKFORCE TO RAISE CONCERNS

Grievance and Complaints Handling

Ekornes has a whistleblowing procedure in place that covers grievance and complaints handling. This procedure described how employees can proceed when they want to report concerns confidentially and ensures that reported issues are reviewed and addressed appropriately. Ekornes' whistleblowing policies includes provisions to protect employees from retaliation, ensuring that employees can report concerns without fear of negative consequences.

In cases related to Health & Safety, site-level HSE coordinators are also involved in the investigation and resolution process. Everyone can submit report on the injury or wrong actions through internal system.

Availability and Accessibility

The whistleblowing procedure and reporting channels are accessible to all employees via the company intranet. This ensures that employees across different locations have direct means to raise concerns when needed.

Company ensures that employees aware of those channels through onboarding procedures and displaying information on physical boards at the factories.

Handling and Decision-Making Process

The VP People & Culture and CFO receive and review cases submitted through the whistleblowing channel. They assess the nature of the case and determine the appropriate course of action, including whether external case management is necessary.

Remedy and Follow-Up of Negative Impacts

Ekornes' approach to remedying negative impacts, particularly for Health & Safety, includes:

- Immediate corrective measures to prevent further harm;
- Investigation and root cause analysis;
- Implementation of long-term preventive actions;
- Communication back to involved employees (as appropriate and respecting confidentiality);
- Updates to training or operational procedures when needed.

These steps aim to ensure that issues raised through the grievance mechanism result in meaningful improvements.

Coverage Rate	Collective Bargaining Coverage		Social Dialogue Workplace representation
	Employees – EEA	Employees – Non-EEA	
0-19%	Lithuania	USA, Thailand	
20-39%			
40-59%			
60-79%	Norway		
80-100%			Norway, Lithuania

(ESRS 51-8-60-1b), (c), 51-8-66-5(a) and 51-8-66-70)

Accounting Principles and Methodology

The collective bargaining coverage rate has been calculated by aggregating the number of employees in manufacturing operations who are covered by collective bargaining agreements during the reporting period and dividing this by the total number of manufacturing employees within Ekornes.

This approach reflects a robust baseline, as manufacturing roles constitute the majority of Ekornes' total workforce.

Assumptions and Scope of Estimate

To estimate the total group coverage rate of 30.1%, Ekornes extrapolated the dynamics observed in our key manufacturing countries to the broader organizational context. While some operations—such as in Norway—have strong collective bargaining structures, others, including Thailand and the USA, do not have active union representation.

For remaining locations where specific data is not currently available, we have assumed a similar pattern of coverage: some with moderately high representation and others with little or no union activity. This balanced assumption reflects the diversity of legal, cultural, and operational environments in which Ekornes operates globally. As data quality improves across the group, especially in administrative or sales functions, we will refine these estimates and expand reporting coverage accordingly.

Social Dialogue:

- Norway – 100%
- All employees are covered by workers reps and union reps
- Lithuania – 100%
- All employees are covered by a committee that consists of 3 employee reps and 3 employers reps.

Global coverage 49.8%

[51-10] ADEQUATE WAGES

Ekornes confirms that all its employees receive an adequate wage in line with applicable benchmarks set by local HR teams.

Accounting principles:

Applicable benchmarks for an adequate wage are determined per country by the local HR and payroll teams at Ekornes, ensuring alignment with local economic conditions and industry standards

This rate has been further applied as an estimated average turnover rate for the rest of the organization. From internal workforce data, Ekornes identified that 272 people are employed in countries or roles not covered by the detailed manufacturing turnover data. For these employees, Ekornes applied the 18.8% turnover rate.

By combining the known leavers from manufacturing operations with the estimated leavers from the rest of the organization:

- Known Manufacturing Leavers: 451
- Estimated Non-Manufacturing Leavers: 51
- Total Estimated Leavers: 502

Estimated Turnover Rate – Full Group
502/2,461 = approx. 20.4%

Assumptions

- The turnover rate in Lithuania is used as a proxy for average turnover across the organization.
- The manufacturing turnover data is complete and accurately reflects exits in those roles.
- Non-manufacturing employees experience similar turnover dynamics as those in Lithuanian manufacturing.
- The total group headcount of 2,461 is accurate and includes all full-time employees.

Ekornes does not currently comprehensively register reasons for employees leaving the company.

Estimation of Full-Time and Part-Time Employment

Ekornes does not currently track full-time equivalent (FTE) status or part-time contracts across the full group in a centralized system. To estimate the company-wide breakdown of full-time and part-time employees, Ekornes relied on structured data from our manufacturing operations, which represent the largest and most systematically tracked segment of our workforce.

Within manufacturing operations, the headcount is as follows:

- Total manufacturing headcount: 2,052
- Full-time employees:
 - Female: 836
 - Male: 1,034
 - Total: 1,870

- Part-time employees:
 - Female: 110
 - Male: 72
 - Total: 182

This results in a manufacturing-based ratio of approximately **91.1% full-time** and **8.9% part-time**.

These percentages were then applied to the total company headcount of 2,461 to estimate the employment status across the full organization. The assumption is that the ratio observed in manufacturing is a reasonable proxy for the overall workforce, considering the dominance of full-time contracts and the limited presence of part-time work in other business areas.

Assumptions:

- The full-time/part-time ratio in manufacturing is used as a representative proxy for the entire company.
- The nature of work outside manufacturing supports the assumption of a similar or even higher proportion of full-time employment.
- All figures are reported as headcount, not FTE, and reflect year-end values.
- No double-counting of individuals; each employee is counted once.
- Ekornes plans to explore enhanced tracking of part-time and FTE status across all operations for future reporting cycles, in line with the requirements of the ESRS.

[51-8] COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

Collective bargaining:

The percentage of Ekornes employees covered by collective bargaining agreements:

- Norway: 76%
- Lithuania: 1.5%
- USA: 0% (no unions)
- Thailand: 0% (no unions)
- Total: 30.1%

(ESRS 51-8-8)
(ESRS 51-8-60-c)

[S1-11] SOCIAL PROTECTION

All Ekornes employees are covered by social protection through public programs or benefits provided by the company across all major life events.

Accounting principles:

Social protection refers to all measures that provide access to health care and income support in cases of challenging life events, such as loss of employment, sickness requiring medical care, parental leave (subject to country specific requirements, some countries only have maternity leave), employment injuries or acquired disability, and retirement. The disclosure is based on the coverage of operations

workforce and the best assumption is that the same rule is applicable for all other (administrative and sales) employees. Assumption that all employees covered by social protection through public programs or benefits provided by the company is based on available data covering manufacturing employees.

[S1-14] HEALTH AND SAFETY METRICS

This section describes the coverage, quality and performance of the health and safety management system established at Ekornes to prevent work-related injuries.

88	Health and Safety figures for Ekornes employees	Unit	Value
A	Percentage of own workforce covered by health and safety management system	%	100
B	Fatalities as a result of work-related injuries and work-related ill health	#	0
C	Recordable work-related accidents (lost time injuries) H1	#	20
C	Recordable work-related accidents (H1 value)	rate	4,4
D	Recordable work-related ill health	#	-
E	Days lost to work-related injuries and fatalities from work-related accidents	days	165

Accounting principles

All employees covered by our health and management system are also covered by our Health and Safety policy, see further information on page 99/100. When considering recordable work-related accidents, Ekornes considers accidents that cause absence from work for one shift/day or more. Recordable work-related accidents rate is calculated as the number of accidents per 1 million hours worked and covers own employees. For recordable work-related ill health, Ekornes does not record this information and so cannot disclose it. For future reporting cycles Ekornes will aim to provide actual data on ill-health among employees.

Tables and additional information in relation to chapters of the report

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TABLES AND ADDITIONAL INFORMATION IN RELATION TO CHAPTERS OF THE REPORT

A1 IRO 2 Data points that derive from other EU legislation

The table below contains all disclosure requirements and related data points originating from other EU legislation as set out in Annex B of ERS 2, indicating where the data points can be found in the annual report and which data points are assessed as non-material.

Disclosure Requirement	Data Point	Description	SFDR reference	Pillar 3 reference	Benchmark regulation	EU Climate Law reference	Materiality	Page
ESRS 2 GOV-1	21 (e)	Board's Gender Diversity paragraph	X		X		Material	20
ESRS 2 GOV -1	21 (e)	Percentage of independent board members			X		Material	20
ESRS 2 GOV-4	30	Statement of due diligence	X				Material	24
ESRS 2 SBM-1	40(d)(i)	Participation in activities related to the fuel sector	X	X	X		Not Material	N/A
ESRS 2 SBM-1	40(d)(ii)	Participation in activities related to the chemicals production	X		X		Not Material	N/A
ESRS 2 SBM-1	40(d)(iii)	Participation in activities related to controversial weapons	X		X		Not Material	N/A
ESRS 2 SBM-1	40(d)(iv)	Participation in activities related to cultivation and production of tobacco	X		X		Not Material	N/A
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				X	Material	53
ESRS E1-1	16 g)	Under takings excluded from Paris-aligned Benchmarks	X	X	X		Material	51
ESRS E1-4	34	GHG emission reduction targets	X	X	X		Material	53
ESRS E1-5	37	Energy consumption and risk paragraph	X				Material	53
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	X				Not Material	N/A
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	X				Not Material	N/A
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions		X	X		Material	59
ESRS E1-6	53-55	Gross GHG emissions intensity		X	X		Material	60
ESRS E1-7	56	GHG removals and carbon credits				X	Not Material	N/A
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			X		Material Phase In	N/A
ESRS E1-9	66 a)	Disaggregation of monetary amounts by acute and chronic physical risk		X			Material Phase In	N/A
ESRS E1-9	66 c)	Location of significant assets at material physical risk		X			Material Phase In	N/A
ESRS E1-9	67 c)	Breakdown of the carrying value of its real estate assets by energy efficiency classes					Material Phase In	N/A
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			X		Material Phase In	N/A
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the EPRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	X				Not Material	N/A
ESRS E3-1	9	Water and marine resources	X				Not Material	N/A
ESRS E3-1	13	Dedicated policy	X				Not Material	N/A
ESRS E3-1	14	Sustainable oceans and seas	X				Not Material	N/A
ESRS E3-4	28 c)	Total water recycled and reused	X		X		Not Material	N/A
ESRS E3-4	29	Total water consumption in m ³ per net revenue on own operations	X				Not Material	N/A
ESRS 2 SBM-3 E4	1.6 a) i)	Activities negatively affecting biodiversity sensitive areas	X				Material	76
ESRS 2 SBM-3 E4	1.6 b)	Material negative impacts with regards to land degradation, desertification or soil sealing	X				Material	76
ESRS 2 SBM-3 E4	1.6 c)	Operations that affect threatened species	X				Material	76

ESRS 2 E4-2	24.b)	Sustainable land/agriculture practices or policies	X	Not Material	N/A
ESRS 2 E4-2	24.c)	Sustainable oceans/seas practices or policies	X	Not Material	N/A
ESRS 2 E4-2	24.d)	Policies to address deforestation	X	Material	79/80
ESRS E5-5	37.d)	Non-recycled waste paragraph	X	Material	96
ESRS E5-5	39	Hazardous waste and radioactive waste paragraph	X	Material	96
ESRS 2 SBM-3 S1	14.f)	Risk of incidents of forced labour	X	Material	98
ESRS 2 SBM-3 S1	14.g)	Risk of incidents of child labour	X	Material	98
ESRS S1-1	20	Human rights policy commitments	X	Material	99
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	X	Material	99
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	X	Not Material	N/A
ESRS S1-1	23	Workplace accident prevention policy or management system	X	Material	100/101
ESRS S1-3	32.c)	Grievance/complaints handling mechanisms	X	Material	100/103
ESRS S1-14	88.b) and c)	Number of fatalities and number and rate of work-related accident	X	Material	106
ESRS S1-14	88.e)	Number of days lost to injuries, accidents, fatalities or illness	X	Not Material	N/A
ESRS S1-16	97.a)	Unadjusted gender pay gap	X	Not Material	N/A
ESRS S1-16	97.b)	Excessive CEO pay ratio	X	Not Material	N/A
ESRS S1-17	103.a)	Incidents of discrimination paragraph	X	Not Material	N/A
ESRS S1-17	104.a)	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	X	Not Material	N/A
ESRS 2 SBM-3 S2	11.b)	Significant risk of child labour or forced labour in the value chain	X	Not Material	N/A
ESRS S2-1	17	Human rights policy commitments	X	Not Material	N/A
ESRS S2-1	18	Policies related to value chain workers	X	Not Material	N/A
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	X	Not Material	N/A
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	X	Not Material	N/A
ESRS S2-1 4	36	Human rights issues and incidents connected to its upstream and downstream value chain	X	Not Material	N/A
ESRS S3-1	16	Human rights policy commitments	X	Not Material	N/A
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights (ILO principles or and OECD guidelines)	X	Not Material	N/A
ESRS S3-4	36	Human rights issues and incidents	X	Not Material	N/A
ESRS S4-1	16	Policies related to consumers and end-users	X	Not Material	N/A
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	X	Not Material	N/A
ESRS S4-4	35	Human rights issues and incidents	X	Not Material	N/A
ESRS G1-1	10.b)	United Nations Convention against Corruption	X	Not Material	N/A
ESRS G1-1	10.d)	Protection of whistle-blowers	X	Not Material	N/A
ESRS G1-4	24.a)	Fines for violation of anti-corruption and anti-bribery laws	X	Not Material	N/A
ESRS G1-4	24.b)	Standards of anti-corruption and anti-bribery	X	Not Material	N/A

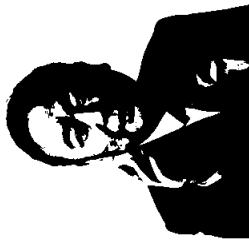


The Board of Directors

Ekornes QM Holding AS

Report of The Board of Directors

The Board of Directors



Ruihai Zhao (1965), Chair

Position: Chair and CEO of Qumei Group.

Education: MBA (Chung Kong Graduate School of Business, China), degrees in global business management from Tsinghua University, China and University of Minnesota, USA.

Experience: Founder and chair of Qumei Home Furnishings Group, with more than 30 years' experience of the furniture industry.



Mogens Falsig (1950), representative of Qumei, Europe

Position: Board member and CEO of Ekornes QM Holding AS.

Education: PhD in Chemistry, University of Aarhus, Denmark.

Experience: More than 25 years' experience in Furniture industry.

As we entered 2024, the furniture industry continued to face headwinds from high inflation and increased living costs. With disposable income constrained, consumer spending remained cautious, shifting away from furniture and household items. This trend contributed to a continued normalization of sales from the elevated pandemic-driven peak in 2022. Throughout the year, volatile market conditions persisted, impacting demand and resulting in a 9% decline in revenues compared to 2023. However, despite lower volumes, revenues were still above pre-pandemic levels, supported by higher prices materializing across the portfolio alongside positive currency effects.

In response to lower activity, Ekornes continued its disciplined approach in adapting to softer market conditions. The Group has during recent years consistently implemented operational and financial initiatives to streamline the organization, enhance cost control, optimize its product portfolio and adjust pricing. These efforts have enabled Ekornes to gradually improve profitability amidst volatile sales which translated into operating earnings (EBIT) for 2024 increasing by 48% from the prior year.

A more positive sales trajectory emerged in the second half of 2024, with order intake gradually improving. In the fourth quarter, order intake increased by 19% compared to the same period in 2023, strengthening the order reserve and positioning Ekornes better for the next year than one year earlier. Furthermore, the positive sales development

has continued in the first quarter 2025, indicating a gradual market recovery.

Demonstrating resilience under challenging market conditions, Ekornes has during 2024 reduced its leverage ratio in line with the company's bond covenants. Through initiatives focused on safeguarding cash flow — including reducing working capital and temporarily limiting investments — Ekornes has built a strong cash position, closing the year with NOK 91.0 million in cash. This financial flexibility ensures the Group remains well-positioned to sustain profitability while adapting operations to evolving market conditions.

Ekornes remains committed to continuous development of its unique brands, delivering smart and stylish seating solutions of exquisite quality to consumers worldwide. Strategic priorities centre on elevating customer appeal through digital upgrades, lifting point-of-sale experiences, and strengthening consumer-oriented market initiatives. Combined with ongoing organizational modernization and continuous optimization of operations and supply chains, these efforts will support margin improvements, securing long-term competitiveness and future growth.

As part of modernizing the organization, the Group is working actively to secure the right competence for the future. In 2024, the company streamlined its executive management team from twelve to six members, appointing new leaders within strategy, marketing and operations,

improvement initiatives taken across operations. Those factors more than compensated for lower revenues. Net financial items were negative NOK 217 million (-24.9%) driven by financial expenses of NOK 403 million (38%).

Earnings before tax for the year were negative NOK 63 million (-144). Tax benefit is calculated at NOK 21 million compared to NOK 3 million in 2023. This gave a net loss of NOK 42 million compared to a net loss of NOK 141 million for 2023.

Cash flow

Net cash flow from operating activities for the year amounted to NOK 243 million, down 46% from NOK 452 million in 2023. In 2023, Ekornes significantly reduced inventory in response to slower post-pandemic sales, which more than offset the increased earnings in 2024.

Working capital stood at NOK 1.046 billion at the end of the year (1.061). During the year, inventory increased by NOK 2 million. As the order intake and reserve picked up in the fourth quarter, the inventory is currently at a satisfactory level to handle incoming orders. Trade receivables decreased by NOK 5 million and trade payables increased by NOK 12 million.

Net cash flow from investing activities was a negative NOK 10 million for the year compared to an outflow of NOK 67 million in 2023. The improvement was due to proceeds of NOK 6.9 million from the sale of two factories in Vietnam which was finalised in the fourth quarter. As part of the initiatives to safeguard operations through times of softer markets, Ekornes temporarily reduced investments in 2023 and the first half of 2024 to ensure adequate cash flow generation. The investment level has started to gradually increase to modernize the organization and develop production facilities, a trend expected to continue going forward.

Net cash flow from financing activities was negative NOK 168 million, all related to payment of lease liabilities and quarterly instalments of NOK 32 million on bank debt which started in the second quarter 2024. This compares to positive NOK 23 million in 2023, which included a refinancing in the first quarter, replacing debt with a new NOK 1.2 billion bond and a NOK 1.6 billion credit facility. In addition, the company issued new share capital, receiving proceeds of NOK 352 million in 2023.

Total operating expenses for the year amounted to NOK 3.664 million, an 1.1% decline from NOK 4.114 million in 2023, mainly reflecting lower capacity and lower activity.

Cost of goods sold decreased 24% to NOK 1.127 million (1.481), corresponding to a 29% share of total revenues (35%). The improvement was driven by lower raw material costs following a decline in prices combined with proactive tender processes through the year.

Payroll expenses amounted to NOK 1.148 million for the year, slightly down from NOK 1.171 million in 2023 as reduced capacity was partly offset by salary adjustments in line with inflation and bonus expenses for the year.

Other operating expenses, including transportation and marketing costs, ended at NOK 1.013 million compared to NOK 1.105 million in 2023. As a share of operating revenues, other operating expenses were 27%, in line with 2023. 2024 included a net gain of NOK 60 million from the sale of the former IMG facility in Vietnam which was finalized in the fourth quarter.

In 2024, research and development costs totalling NOK 38 million (44) were recognised in expenses. These costs relate to salaries and other expenses, as well as the depreciation of capitalized R&D costs.

The subsidiary Ekornes AS has four ongoing development projects receiving tax deduction for research and development through the rights-based tax deduction scheme SkatteUINN for Norwegian companies. Deductions for 2024 have been recognized as a reduction of payroll expenses by NOK 2.0 million (NOK 0 million in 2023) and other operating expenses by NOK 1.7 million (NOK 0 million in 2023).

Costs directly associated with the development of a fixed operating asset are included in the capitalized value of the asset if all the criteria for capitalization have been met. Expenses that arise early in the project phase, as well as maintenance costs, are recognised in expenses as they arise. Capitalized development costs totalled NOK 0.0 million in 2024 (0.0).

Operating earnings (EBIT) for the year came in at NOK 155 million, up from NOK 105 million in 2023. This corresponds to an EBIT margin of 4.1% compared to 2.5% a year earlier. The increase is attributable to higher prices, stringent cost control, currency effects and effects from

Sales primarily target the home furnishings market, where Stressless® and IMG are marketed globally, while Svane® is marketed in the Nordic region and selected markets in Central Europe.

Stressless® is the Group's premium brand, and investments are made to maintain and expand consumer awareness. IMG's goal, on the other hand, is to build a strong brand awareness among furniture distributors, positioning itself in the mid-range price segment.

The Group sells its products in more than 4 000 outlets in 48 markets worldwide, either through own sales companies or via importers. These are primarily furniture chains and independent retailers, but other relevant distribution channels are also deployed.

The group has several important intangible assets, for more information refer to note 11 in the consolidated financial statements.

The Group's corporate headquarters are located at Ekornes in Sykkylven, Norway. The Group has sales offices in Norway, Denmark, Finland, Germany, the UK, France, Spain, the US, China, Taiwan, Hong Kong, Japan, Thailand, New Zealand and Australia.

Production takes place at eight factories as follows: Norway (5), Thailand (1), the USA (1) and Lithuania (1). As at 31 December 2024, Ekornes employed a total of 2 461 people, of which about 39% were employed in Norway.

Financial performance

Ekornes QM Holding Group generated operating revenue of NOK 3 819 million in 2024, down 9% from NOK 4 219 million in 2023. The decline largely reflects weaker consumer spending on household items and furniture as the overall cost of living has risen. A reduction in volumes was partly offset by increased product prices and positive currency effects.

Underlying revenue from the Stressless® was NOK 2 832 million (3 142), revenue from IMG was NOK 741 million (825), while revenue from Svane® amounted to NOK 246 million (253).

alongside the CEO hired in 2023. Effective from 1 September 2024, this transformation aims to increase flexibility, accelerate decision-making, and create a more agile organization. In February 2025, the new management team was finalized with the hire of a new Chief Commercial Officer. Further strengthening its organizational structure, Ekornes is also reviewing its mid-level management setup.

Despite softer market and volatile sales, Ekornes delivered a resilient performance in 2024 with improved profitability and a strengthened financial position. Leveraging strong brands, an extensive distribution network and diversified product offering, the company remains well-positioned to navigate challenging markets. With a flexible operating model and clear strategic priorities, Ekornes is set to maintain profitability while positioning the company for long-term success and deliver on its vision to improve everyday living for consumers worldwide.

Company history and ownership

Ekornes QM Holding AS was founded 4 January 2018 with the purpose of acquiring the Ekornes Group. In May 2018, an offer was made to purchase the shares of all Ekornes shareholders. The share purchase was completed in August 2018 and Ekornes AS was delisted from the Oslo Stock Exchange in October 2018.

Norwegian ultimate parent company Ekornes QM Holding AS is a subsidiary of Qumei Home Furnishings Group. The Qumei group owns 94.12% of the shares in Qumei Runto S.A.r.l. and Hillhouse owns the remaining shares.

Qumei Runto S.A.r.l. owns 100% of the shares in Ekornes QM Holding AS. The Ekornes Group is the only operational part of the Ekornes QM Holding Group. The consolidated financial statements comprise the financial statements of the parent company Ekornes QM Holding AS and its subsidiaries as at 31 December 2024. Ekornes QM Holding AS had as at 31 December 2024, 100% shareholding and voting rights in Ekornes AS who in turn has a 100% ownership share and voting rights for all other consolidated companies.

Nature of the business and strategy

Ekornes owns and manages the brands Stressless®, IMG, Svane® and Ekornes®, and markets these through selected distributors in many countries.

both the production and the distribution side. The most significant structural changes with respect to the players' size have been, and remain, on the distribution side. With respect to furniture manufacturing, a growing proportion takes place in low-cost countries in Europe and Asia. Ekornes is aware of the challenges these changes entail and seeks to respond through continuous improvements in its production processes, sourcing, market concepts, product development and business relations.

Financial risk

Financial risk for Ekornes relates primarily to fluctuations in exchange rates (the NOK against other countries' currencies) and to credit risk, i.e., the ability of the Group's customers to repay what they owe.

Foreign exchange risk

Ekornes' competitiveness is over time affected by movements in the value of the NOK in relation to other currencies. The Group sells its products internationally and bills its customers largely in the respective countries' domestic currencies.

The Group manages all matters relating to foreign currencies and foreign exchange risk from its head office. Currency hedging is an integrated part of operational activities. As part of the Group's efforts to reduce its currency risk/exposure, it also seeks to purchase goods and services for use in Norway from abroad, when this is cost-effective. This, combined with the Group's distribution, sales and marketing activities, along with the associated administrative organization required, provides a natural operational hedge for the exchange rate risk (natural hedging) associated with part of its cash flow.

In addition to natural hedging, the Group makes use of forward contracts for further currency hedging. This does not reduce the long-term foreign exchange risk but provides predictability within the hedging period.

Customer and credit risk

The Group's customers are largely furniture retailers, and there are more than 4 000 customers, with the largest individual customer representing around 1% of total revenues. The Group's customer and credit risk is considered low. Trade receivables are followed up on an ongoing basis, to detect payment irregularities and limit bad debts.

Addressing the softer markets, the company implemented throughout 2023 and 2024 several initiatives to protect profitability and reduce costs, including portfolio optimization, renegotiations of terms with partners and suppliers and rightsizing of operational capacity.

Ending 2024, Ekornes' combined order reserve was up 25% from the end of 2023, while order receipts during the fourth quarter increased by 19% from the same period in 2023, indicating an improving market sentiment. However, demand for Ekornes' products is continuously fluctuating and with market visibility still low, the Group is monitoring the situation closely, considering relevant measures and mitigating actions beyond those outlined above may be introduced.

Ekornes has production facilities in Norway, Lithuania, Thailand and the USA. This implies that the company's market, currency and sourcing risks are naturally diversified, at the same time as the company's competitiveness is affected by changes in exchange rates versus the Norwegian krone. The Group seeks to minimize this risk by various forms of hedging, including currency forward contracts. Product development and the launch of new concepts are part of Ekornes' growth strategy. How the market responds to new products is always uncertain. In addition, there is always a risk of unforeseen operational problems which may result in costs and earnings deviating from predictions.

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Market and business risk

Ekornes seeks to develop products and concepts that can provide international market opportunities. Distribution of sales across several markets offers possibilities for continued growth, at the same time as it spreads market risk and reduces the Group's dependence on individual markets and individual customers. Ekornes' business risk relates to economic cycles, market conditions, political and legislative regulations and changes in the competitive climate, as well as the general pattern of consumption in the markets in which it operates. The Group competes in a fragmented international market, with many players on

The covenants are measured quarterly on a 12-month rolling basis for Ekornes QM Holding Group. The bond agreement also includes restrictions on dividend payments from Ekornes QM Holding AS, and the company is currently not in position to distribute any dividends.

As at 31 December 2024, Ekornes was compliant with all covenant requirements in the bond agreement. The leverage ratio at the end of the fourth quarter 2024 was 4.18, well within the maximum allowed.

See note 18 for more information on interest-bearing loans and credit facilities as at 31 December 2024.

Dividend

The bond and bank agreements include restrictions on dividend payments from the issuer, and Ekornes QM Holding AS is not in position to distribute any dividends for the financial year 2024.

Allocation of net profit

It is proposed that the company Ekornes QM Holding AS's net loss for the year, in the amount of NOK 96.7 million, is transferred from other equity. The company's equity and liquidity are deemed to be satisfactory.

Going concern

In accordance with section 3-3 of the Norwegian Accounting Act, it is hereby confirmed that the financial statements have been prepared on the assumption that the entity is a going concern. The board considers that the annual financial statements for Ekornes QM Holding AS, and the Group provide a true and fair picture of the company's results for the 2024 financial year and the company and Group's financial position at the close of the year.

Risk exposure and risk management

Ekornes' business risk relates to fluctuations in the economic cycle, changes in market conditions, competitors, political and legal conditions as well as general patterns of consumption in the markets in which the Group operates.

During recent years, the furniture industry has experienced significant volatility and rapidly changing market conditions, with overall higher prices and increased interest rates constraining consumer finances, shifting spending away from home refurbishing and furniture. As a result, Ekornes has faced lower economic activity affecting demand for its products, its sales channels and other parts of the value chain.

The net increase in cash and cash equivalents during the year was NOK 65 million, and as at 31 December 2024, the total holding of cash and cash equivalents stood at NOK 910 million, up from NOK 835 million one year earlier. The board considers the Group's liquidity position to be satisfactory.

*Working capital = trade receivables + inventory - trade payables

Balance sheet

As at 31 December 2024, Ekornes had total assets of NOK 8 075 million, compared with NOK 7 960 million 12 months earlier. Book value of properties, plants and equipment amounted to NOK 1 332 million. Total intangible assets totalled NOK 4 408 million, of which brand name and goodwill accounted for NOK 1 399 million and NOK 1 561 million, respectively.

Total equity was NOK 3 715 million at the end of 2024, corresponding to an equity ratio of 46.0%, slightly up from 45.4% one year earlier.

Total interest-bearing debt at the end of the period amounted to NOK 2 704 million (excluding capitalization), down NOK 96 million from the previous year, equal to instalments paid on the bank debt.

Ekornes refinanced its bond and bank debt in the first quarter 2023. The current debt structure includes a NOK 1 200 million bond loan and a NOK 1 504 million term loan with DNB and Sparbank Norge. The bank loan matures in March 2026, while the bond loan matures in September 2026. The bank loan includes NOK 32 million in quarterly instalments until maturity.

The bond was issued on 10 March 2023 by Ekornes QM Holding AS and was listed on the Oslo Stock Exchange on 29 June 2023 under the name 'Ekornes QM Holding AS 23/26 FRN Floor C'. Ekornes has call options to redeem the bond prior to maturity. See note 18 for more information.

Financial covenants and bond agreement

The bond agreement is subject to a set of financial covenants, including a minimum liquidity of NOK 350 million and a maximum leverage ratio of 4.75 at the end of the fourth quarter 2024. The maximum allowed leverage ratio will go down to 4.5 by the end of first quarter 2025 and remain at 4.5 thereafter.

Japan, on the other hand, experienced softer demand as declining real wages weighed on consumer spending, leading to lower store traffic and reduced activity across the furniture sector.

In China, a sharp drop in sales at the start of the year followed an exceptionally strong end to 2023, with retail sales being fully stocked at the start of the year. This resulted in a 45% revenue decline for the full year. The broader economic backdrop, particularly a struggling real estate sector, dampened new housing sales and furniture purchases. However, the second half of the year saw a gradual recovery, supported by several government stimulus measures, including direct consumer subsidies aimed at boosting household consumption. Ekornes remains committed to strengthening its market presence in China by expanding its network of mono-brand Stressless® showrooms, designed to channel customers toward larger flagship stores.

Production

Due to volatile sales and large variations in market conditions around the world, capacity utilization at Ekornes' production facilities varied throughout the year. However, the company has high operational flexibility to adapt swiftly to changes in market conditions.

On 29 September 2024, the hurricane "Helene" swept through North Carolina in the US and flooded the Morganton community where Ekornes has an assembly facility for Stressless® sofas. The facility was closed for eight weeks during the fourth quarter pending repairs and was fully operational again in December 2024. Ekornes experienced overall limited financial impact from the closure as sofa orders were quickly rerouted and handled by production facilities in Norway and Lithuania, utilizing the company's vast operational footprint.

The overall capacity varies also with the number of models being produced and will also be affected by the production of new models as they normally will have a longer production time in the beginning.

Ekornes has also leveraged synergies through cross-production collaboration between production sites. Production capacity may also be right-sized through adjustments in working hours or number of employees.

economic activity, leading to a 12% revenue decline for Central Europe, which totaled NOK 640 million for the year. Given Germany's significance in the region, this decline had a material impact. These difficult market conditions resulted in highly volatile sales, with significant fluctuations between countries and even from week to week.

Despite these headwinds, branded furniture has proven more resilient, with the premium Stressless® brand holding up better than IMG due to its strong market recognition. Meanwhile, the UK market performed relatively well, with revenue of NOK 322 million, in line with 2023. Cooling inflation during the year and a rebound in retail spending over the summer supported a more stable sales environment in this market.

North America

North America remained Ekornes' largest market in 2024, generating NOK 1.318 billion in revenue, accounting for 35% of total sales. While revenues declined 12% year-over-year, this reflects normalization following the extraordinary sales surge during the Covid-19 pandemic which was strongest in North America. Despite the softer market, Ekornes maintained a strong position, particularly with the Stressless® brand, which continues to benefit from high retailer and consumer loyalty.

Newer, fast-growing categories such as dining furniture continued to perform well, contributing to the brand's resilience. However, while other retail sectors have started to recover slightly, the furniture sector seems to be lagging. Store traffic remained somewhat subdued, but seasonal campaigns and product launches have supported sales momentum. With its strong market position and comprehensive distribution network, Ekornes continues to adapt and is well positioned to grow in the North American market.

Asia-Pacific

The Asia-Pacific region delivered a mixed performance in 2024, with total revenues (including other markets) declining 17% year-over-year to NOK 613 million. Australia and New Zealand performed relatively well, with branded furniture continuing to sell well through the region's largest retailers. While revenues were slightly down from 2023, targeted seasonal campaigns and an enhanced digital marketing strategy helped sustain sales.

Maximizing efficiency across operations, Ekornes leverages its eight production facilities to optimize capacity utilization across brands. This includes also various degrees of shared back-office functions and commercial organization. Over time, cost allocation between the brands has gradually become less meaningful as operations have become more integrated, making segment-specific profitability irrelevant as a steering mechanism. Revenue figures for brands will still be disclosed alongside a review of main markets.

The Nordics

The Nordic markets faced a challenging first half of 2024, as high inflation and peak interest rates constrained consumer spending and led to lower store footfall. This had the greatest impact on the premium Stressless® segment, with some customers opting for lower-priced alternatives such as IMG.

However, the second half of the year saw a gradual recovery, supported by easing interest rates in Denmark and Sweden, while expectations of rate cuts in Norway for 2025 further boosted consumer confidence. Sales picked up, particularly in Norway and Denmark, where Stressless® demonstrated resilience. The fourth quarter was especially strong, with Black Friday and the Christmas season delivering solid sales and a healthy order intake. Svane® also performed well in the second half as product portfolio optimization has supported both sales and margins.

For the full year, the Nordics contributed NOK 698 million in revenue, up 6% from 2023 and representing 18% of total revenue, compared to 16% in the prior year. The growth was primarily driven by price increases. Norway remained the largest market, accounting for NOK 537 million, up 10% year-over-year, while the rest of the Nordic region saw a slight decline.

Europe

The European market remained soft in 2024, with Central and Southern Europe particularly affected by weak consumer activity amid a slowing economy. Revenue for the region ended at NOK 1.190 million, marking a 10% decline from the previous year.

Germany, the largest market in Central Europe, was especially weak as the struggling German economy weighed on the furniture industry. Rising bankruptcies and a general reluctance among businesses to invest further dampened

Interest rate risk

The Group's interest rate risk is associated with both short-term borrowings and the bond and bank debt. Loans at floating interest rates constitute an interest rate risk for the Group's cash flows. The Group has a stable financial structure with significant available liquidity.

Operational risk

At any given time, Ekornes is exposed to the risk of unforeseen operational incidents, which may lead to higher operating costs and lower earnings than predicted and expected. To reduce the financial consequences of unforeseen events, the Group has insurance covering losses deriving from major incidents or lengthy business interruptions.

To ensure operational efficiency, the Group has good systems and routines for maintenance, training and quality assurance – all factors which help to reduce the risk of operational non-conformance.

Supplier risk

A crucial element in Ekornes' strategy for ensuring efficient operations is reliable access to raw materials and other input factors of consistent quality, including securing distribution and transportation capacity. The Group seeks to always have at least two or three actual or potential suppliers for its strategically most important input factors. In some cases, however, this is neither possible nor expedient. The objective is nevertheless that sole-supplier situations should be the exception and preferably avoided altogether.

Regulatory risk

Ekornes operates in a global market where changes in trade policies and import regulations can materially affect demand and profitability. The recent introduction of tariffs by the US administration may lead to increased product costs for end consumers, potentially reducing sales volumes, altering competitive dynamics, and putting pressure on margins. Ekornes continuously monitors regulatory developments and evaluates mitigation measures, but escalating trade barriers or abrupt regulatory shifts in key markets remain a risk to future performance.

Markets

Ekornes discontinued segment reporting for the brands Stressless®, IMG and Svane® from the fourth quarter 2024.

<p>decent working conditions in line with the OECD Guidelines for Multinational Enterprises. The duty to conduct due diligence requires the Company to identify, assess, prevent, and mitigate possible adverse impacts on fundamental human rights and decent working conditions. The due diligence shall include an assessment of the Company's own operations, its supply chains and business partners.</p> <p>The Transparency Act further imposes an obligation on Ekornes to publish an account of the information the Group has become aware of during its due diligence. The purpose is to ensure the public access to information about the Group's due diligence and the results thereof. The board of directors will ensure that the Group publishes the account in accordance with the guidelines of the Transparency Act before the deadline 30 June 2025. The statement will be available on https://www.ekornes.com/en/sustainability.</p> <p>Insurance for board members and general manager</p> <p>Ekornes has liability insurance for directors and officers in all Group companies and the insurance covers claims made anywhere in the world resulting from a claim first made against insured persons during the policy period. The limit of liability is NOK 100 million per claim and in the annual aggregate.</p> <p>Shares and shareholders</p> <p>At the close of 2024, Ekornes QM Holding AS had a total of 30 000 outstanding shares, all of which were held by one shareholder Qumei Runto Sær in Luxembourg.</p> <p>As at 31 December 2024, Ekornes QM Holding AS has 100% voting and ownership in all other Group companies through Ekornes AS.</p> <p>Events after the balance sheet date</p> <p>No significant events have occurred between the balance sheet date and the date of publication of the financial statements which have materially affected the Company's financial position, and which should have been reflected in the financial statements presented here.</p> <p>Outlook</p> <p>After a challenging start to 2024 with subdued demand for furniture, Ekornes ended the year with a healthy growth in order intake and order reserve compared to both the same period of 2023 and the previous quarter. This positions the company better in a volatile market environment than one</p>	<p>Evaluation of operational risk, which includes marketing and sales developments, production and developments in the raw materials markets, are among those areas that are continuously reported to and reviewed by the board of directors. Relevant areas of risk, including exchange rates, HSE, internal auditing, finance and IT, as well as strategic risk, are reviewed no less than once a year.</p> <p>Ekornes considers it important that the Group's values and ethical guidelines form an integral part of its business operations. The company guidelines, laid down in "Objectives and Values for the Ekornes Group" and "Code of Conduct", provide guidance for employees in order to reduce the possibility of the company being placed in situations that may harm its reputation or financial standing. It is expected that employees and business associates comply with them. In addition, routines have been established for the reporting and follow-up of wrongdoing and other causes for concern, and efforts are constantly being made to further develop and follow up the Group's corporate social responsibility.</p> <p>Ekornes QM Holding AS and Ekornes AS have no provisions in the articles of association that regulate the appointment and replacement of members of the board of directors.</p> <p>Ekornes QM Holding AS and Ekornes AS have no provisions in the articles of association and no mandates that authorize the board of directors to resolve that the issuer shall buy back or issue own shares.</p> <p>Management reports monthly to the board of directors on key operational developments, including project risk assessments, and on financial performance. In addition, quarterly financial reports are prepared and distributed to the financial market, in accordance with the Oslo Stock Exchange's recommendation.</p> <p>The Transparency Act</p> <p>The act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (the Transparency Act) entered into force on 1 July 2022. The Transparency Act is applicable to the Ekornes Group, and the Group must comply with the obligations of the Transparency Act as at 1 July 2022.</p> <p>The core of the Transparency Act is the company's duty to conduct due diligence on fundamental human rights and</p>	<p>sustainable Ekornes shares the value it creates between its shareholders, employees and the communities affected by its operational activities.</p> <p>Ekornes aims to take a leading position in creating a more sustainable value chain. These efforts alone will not change the world but aim to make a difference and set new standards for the industry. See the chapter "Sustainability statement" for more information. The signing of the board of director's report includes the sustainability statement.</p> <p>Report on corporate governance</p> <p>Risk management and internal control</p> <p>The board of directors places a high priority on managing risk and has and is responsible to ensure that the company has good risk management and internal controls in accordance with the regulations that apply to its business activities.</p> <p>The board conducts an annual review of the company's most important areas of risk exposure, and its internal control arrangements. Ekornes' risk management is based on the principle that risk assessment is an integral part of all business activities. As a company with global operations, Ekornes is exposed to various risk factors of a financial and operational nature, which may affect business activities and the company's financial position.</p> <p>The systems and procedures related to risk management and internal control shall ensure efficient operations, timely and correct financial reporting, and compliance with the laws and regulations to which the company is subject. The rules and guidelines take into account the extent and nature of the company's activities and the integration of stakeholder considerations in the company's value creation through its corporate values, ethical guidelines and corporate social responsibility policies.</p> <p>The internal control systems relating to the field of accounting/finance comprise job descriptions, procedures, control routines and guidelines/templates for organizing and performing the company's financial reporting and for its content/quality. Together with supervision of the organization and performance of Health, Safety and Environment (HSE) activities, this is intended to ensure that the company operates in compliance with relevant laws and regulations, and its internal rules and guidelines.</p>	<p>Related parties</p> <p>The Group's related parties comprise members of the board and management, as well as companies those individuals' control or have a significant influence over. No material transactions were undertaken with related parties during the period.</p> <p>The working environment and the employees</p> <p>Ekornes recognizes that its employees are the Group's most important resource. The Group therefore wishes to promote a healthy, safe and fair working environment, offering equal opportunities regardless of gender, ethnicity or religion, in line with prevailing legislation and regulations. As at 31 December 2024, Ekornes employed a total of 2 461 people. Of the total number of employees, 61% work outside Norway.</p> <p>Ekornes gives high priority to the safety of its workforce and aims for zero work-related personal injuries. The Group is working actively in the areas of prevention and emergency preparedness to reduce the number of personal injuries incurred. There were 20 lost-time injuries in 2024, compared with 15 injuries in 2023. This gives an H1-value for the period of 4.4, compared to 2.6 the year before. Attention to this issue has been lifted into 2025.</p> <p>The Group had a sickness absence rate of 3.7% in 2024, unchanged from 3.7% the year before.</p> <p>Ekornes places great emphasis on meeting the objective of the Norwegian Anti-Discrimination Act and Accessibility Act (Likestillings- og diskrimineringsloven). The company makes an annual statement of equality and non-discrimination for the legal companies Ekornes AS and Ekornes Beds AS in Norway, which is available from the company's website www.ekornes.com/nb-no/samfunnsansvar.</p> <p>See the chapter "Sustainability statement" and section "Social" for more information.</p> <p>Sustainability</p> <p>The Ekornes Group has made quality furniture for over 90 years. Sustainability has been part of the company's heritage and history throughout that time. The Group aims to make more from less and continue to produce long-lasting quality products that reduce the environmental footprint through the lifecycle. The mindset is that a</p>	<p>Report of The Board of Directors Annual report Ekornes QM Holding 2024</p>
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year ago. Furthermore, the positive sales developments have continued into 2025, indicating a gradual market recovery despite volumes still well below elevated pandemic levels.

However, recently introduced tariffs by the US administration and trade restrictions have created substantial regulatory uncertainty and reduced visibility. This has led some retailers to be cautious with inventory buildup while volatility in order intake has increased from week to week and between regions. The Group monitors the situation closely and will implement relevant measures if required. Ekornes also expects to pass on most of the cost increases incurred by the tariffs and has some flexibility in its supply chain and operating model to adapt to potential changes with a vast international footprint and comprehensive sourcing network.

Ekornes is also well positioned to maintain profitability in evolving market conditions while simultaneously continuing to position the organization well for the future. Focus areas include intensifying efforts to elevate customer appeal by upgrading point-of-sale experiences and strengthening market initiatives. In parallel, Ekornes continues to maximize operations and supply chain efficiencies through optimization and consolidation of its global manufacturing footprint, supporting cost-effective structures and improved margins.

Modernizing the organization to ensure long-term competitiveness, investments are expected to gradually increase from today's temporarily very low levels. These strategic priorities support continuous development of Ekornes' strong brands and underpin the Group's commitment to deliver smart and stylish seating solutions of exquisite quality to consumers worldwide.

Oslo, 29 April 2025

The board of Ekornes QM Holding AS

Ruihai Zhao
Chair

Mogens Falsig
Director and CEO

Ekornes QM Holding Group Consolidated financial statements

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Consolidated income statement

(Figures in NOK 000)	Notes	Y 2024	Y 2023
Operating revenues	2	3 818 988	4 219 006
Cost of goods sold	14	1 126 583	1 480 731
Payroll expenses	3, 4	1 148 141	1 170 811
Depreciation and write downs	11, 12	312 238	324 021
Other operating expenses	5, 6, 11, 12	1 012 970	1 104 613
Net other losses (gains)	20	64 238	33 914
Total operating expenses		3 664 191	4 114 090
OPERATING EARNINGS	2	154 797	104 916
Financial income and expenses			
Financial income	7	151 057	91 994
Net gains (losses) on foreign exchange	7	34 231	44 784
Financial expenses	7	402 739	385 495
Net financial items		-217 452	-248 717
Earnings before tax		-62 655	-143 800
Tax expense	8	-20 579	-3 297
EARNINGS FOR THE YEAR		-42 076	-140 503
Basic earnings per share	9	-1 402,5	-4 683,4
Diluted earnings per share	9	-1 402,5	-4 683,4

The following notes form an integral part of the consolidated financial statements.

Annual report Ekomres QM Holding 2024 | Consolidated income statement

Consolidated statement of comprehensive income

(Figures in NOK 000)	Y 2024	Y 2023
Earnings for the year	-42 076	-140 503
Other comprehensive income		
Items which may be reclassified to profit and loss:		
Translation differences	140 616	48 848
Total other comprehensive income	140 616	48 848
Total Comprehensive Income For The Period	98 540	-91 655

The following notes form an integral part of the consolidated financial statements.

Consolidated statement of comprehensive income | Annual report Ekomres QM Holding 2024

Consolidated balance sheet (contd.)

(Figures in NOK 000)	Notes	31.12.2024	31.12.2023
EQUITY AND LIABILITIES			
Contributed equity			
Share capital	17	150	150
Premium paid		3,159,324	3,159,324
Total contributed equity		3,159,474	3,159,474
Retained earnings			
Translation difference		382,671	242,055
Other equity		172,595	214,671
Total retained earnings		555,266	456,726
Total equity		3,714,740	3,616,200
Non-current liabilities			
Pension liabilities	3	8,442	7,143
Provisions		23,711	5,545
Deferred tax	8	766,028	773,469
Lease liabilities	12	1,74,347	164,556
Interest-bearing debt - Bond	18	1,194,439	1,187,660
Interest-bearing debt - Bank	18	1,375,236	1,498,938
Total non-current liabilities		3,542,202	3,637,512

Current liabilities			
Trade payables		184,542	172,073
Public charges payable		71,451	59,878
Tax payable	8	35,973	33,786
Value of forward contracts	20	22,824	0
Interest-bearing debt - Bank	18	128,000	96,000
Other current liabilities	13	311,525	281,714
Lease liabilities	12	64,143	61,434
Total current liabilities		817,858	704,884
Liabilities classified as held for sale	11	0	1,171
Total liabilities		4,360,060	4,343,567
TOTAL EQUITY AND LIABILITIES		8,074,800	7,959,767

The following notes form an integral part of the consolidated financial statements.

Oslo, 29 April 2025

Ruihai Zhao
Chair

Mogens Falsig
Director and CEO

The board of Ekornes QM Holding AS

Consolidated balance sheet | Annual report Ekornes QM Holding 2024

Consolidated balance sheet

(Figures in NOK 000)	Notes	31.12.2024	31.12.2023
ASSETS			
Non-current assets			
Buildings and sites	11	860,435	897,837
Machinery and equipment	11	202,703	231,350
Operating movables and fixtures	11	19,510	24,269
Asset under construction	11	29,161	20,953
Right-of-use assets	12	219,311	208,686
Total property, plant and equipment		1,332,120	1,383,094
Software and licenses	11	67,164	50,081
Goodwill	11	1,561,115	1,561,115
Customer relations	11	1,196,494	1,175,475
Brand name	11	1,398,822	1,439,495
Deferred tax assets	8	184,098	129,699
Total non-current intangible assets		4,407,692	4,355,865
Other receivables and investments		17,610	24,269
Total non-current financial assets		17,610	24,269
Non-current assets classified as held for sale	11	0	16,835
Total non-current assets		5,757,422	5,780,064
Current assets			
Inventory	14	717,479	715,538
Trade receivables	15	512,155	517,775
Value of forward contracts	20	0	20,735
Other short-term receivables	13	176,348	90,341
Cash and bank deposits	16	910,395	835,314
Total current assets		2,317,378	2,179,703
TOTAL ASSETS		8,074,800	7,959,767

The following notes form an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

(Figures in NOK 000)	Share capital	Premium paid	Translation difference	Other	Total equity
Equity 31.12.2022	120	2 807 354	193 207	355 174	3 355 855
Earnings for the period	0	0	0	-140 503	-140 503
Other comprehensive income	0	0	48 848	0	48 848
Capital increase	30	351 970	0	0	352 000
Equity 31.12.2023	150	3 159 324	242 055	214 671	3 616 200
Equity 31.12.2023	150	3 159 324	242 055	214 671	3 616 200
Earnings for the period	0	0	0	-42 076	-42 076
Other comprehensive income	0	0	140 616	0	140 616
Equity 31.12.2024	150	3 159 324	382 671	172 595	3 714 740

Consolidated statement of cash flow

(Figures in NOK 000)	Notes	Y 2024	Y 2023
Cash flows from operating activities			
Earnings before tax (EBT)		-62 655	-143 800
Tax paid for the period	8	-60 931	-46 731
Depreciation and write downs	11, 12	312 258	324 021
Change in inventory	14	-1 941	481 645
Change in trade receivables	15	4 620	-43 527
Change in trade payables		12 469	-17 845
Change in other time limited records		38 873	-101 592
Net cash flow from operating activities		242 695	452 171
Cash flows from investing activities			
Proceeds from sale of PP&E	11	70 633	779
Payments for purchase of PP&E	11	-81 010	-68 232
Net Cash flows from investing activities		-10 377	-67 453
Cash flows from financing activities			
Payment of lease liabilities	12, 19	-71 519	-71 643
Proceeds from issue of share capital	17	0	352 000
Proceeds from bond borrowings	18	0	1 200 000
Repayment of bond borrowings	18	0	-2 020 000
Repayment of bank borrowings	18	-96 000	-1 037 500
Proceeds from bank borrowings	18	0	1 600 000
Net cash flow from financing activities		-167 519	22 857
Change in net cash & cash equivalents		64 798	407 575
Effect of exchange gains / (losses) on cash and cash equivalents		10 282	-1 140
Net cash & cash equivalents at the start of the period	16	835 314	428 879
Net cash & cash equivalents at the close of the period	16	910 395	835 314
Restricted cash at the end of the period		24 296	21 932
Unrestricted cash at the end of the period		886 099	813 382

In the statement of cash flow, cash and bank deposits are recognised as cash. The restricted cash at 31 December 2024 are related to the payment of employee tax deductions in Norway.

The following notes form an integral part of the consolidated financial statements.

Notes to the consolidated financial statements

REPORTING ENTITY AND PRESENTATION

Ekomes QM Holding AS is a limited company registered in Norway, with main office located in Ikomnes.

The consolidated financial statements comprise Ekomes QM Holding AS and consolidated subsidiaries (Ekomes QM Holding Group). The Group Ekomes QM Holding includes the group Ekomes and its holding companies. Ekomes is the largest furniture manufacturer in Norway, and owns the brands Ekomes', Stressless', Svane' and IMG.

Stressless' is one of the world's most well-known brands within the furniture industry, while Ekomes', Stressless' and Svane' are the most well-known furniture brands in Norway. IMG is best known in Australia and the USA. Manufacture takes place at the Group's eight factories. The Group has five factories in Norway, one in the USA, one in Thailand and one factory in Lithuania. Products are sold in large parts of the world through own sales companies or through importers. Ekomes' business idea is to develop and manufacture products that are outstanding with respect to comfort and functionality, and whose price and design appeal to a wide audience.

Ekomes QM Holding AS' consolidated financial statements for 2024 were approved at a board meeting on 29 April 2025. The consolidated financial statements were proposed for final adoption at the ordinary General Meeting on 29 April 2025.

Presentation

The functional currency is determined for each company in the Group, based on the currency in the primary economic environment in which each individual company operates. Ekomes QM Holding AS' functional currency is Norwegian Kroner (NOK). The presentation currency for the consolidated financial statements of Ekomes QM Holding is Norwegian Kroner (NOK).

The consolidated financial statements have been prepared in accordance with equitable accounting principles for similar transactions and events under otherwise same conditions. The accounting principles have been applied consistently by all group companies.

STATEMENT OF COMPLIANCE

The Ekomes QM Holding AS's consolidated financial statements have been prepared in accordance with IFRS[®] Accounting Standards as adopted by the EU and are mandatory for financial years beginning on or after 1 January 2024, and Norwegian disclosure requirements listed in the Norwegian Accounting Act as of 31.12.2024.

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

No changes in IFRS effective for the 2024 financial statements are relevant this financial year.

MAIN ACCOUNTING PRINCIPLES

(A) PRINCIPLES FOR CONSOLIDATION

The consolidated financial statements comprise the financial statements of the parent company and its subsidiaries as at 31 December 2024. As at 31 December 2024, Ekomes QM Holding AS has 100% voting and ownership in all other group companies through Ekomes AS.

See Note 21 for a list of subsidiaries included in the consolidated financial statements of Ekomes QM Holding AS.

(i) Acquisitions

The purchase of subsidiaries is recognized in accordance with the acquisition method at the date on which the group obtains control. Both consideration and assets acquired are measured at fair value. Any excess value attributable to goodwill is tested annually for impairment. Transaction costs are recognized as expense in the consolidated financial statements.

(ii) Subsidiaries

Subsidiaries are entities controlled by the group. Control exists when the group has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. In assessing control, potential voting rights that may be exercised or converted are taken into account. Subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Ekomes has no associates or jointly controlled enterprises.

(iii) Elimination of transactions at consolidation

Translation differences arising from the translation of net investments in foreign operations are recognized in the statement of comprehensive income.

For all foreign operations, the translation differences are presented on separate line under equity (reserve for translation differences).

(B) DERIVATIVES

The Group makes use of derivatives to hedge currency risks arising from its operational, financing and investment activities. In accordance with its treasury policy, Ekomes does not hold or issue derivative financial instruments for trading purposes. Derivatives are recognized at their fair value on acquisition. Gains or losses, deriving from reassessment to changed fair value are recognized in profit and loss immediately.

(C) PROPERTY, PLANT AND EQUIPMENT

(i) Over assets

Items of property, plant and equipment are stated in the balance sheet at acquisition cost less accumulated depreciation (see below) and impairment losses (see accounting policy 1). The acquisition cost of self-constructed assets includes the cost of materials, direct labor and an appropriate proportion of production overheads. When substantial parts of a non-current tangible asset have different useful lives, they are deemed to be separate components for accounting purposes.

(ii) Subsequent costs

In the acquisition cost of an item of property, plant or equipment, Ekomes includes the cost of replacement of parts of any such item, when the expenditure is expected to bring future economic benefits to the Group, and the cost of the replaced parts can be measured reliably. The carrying amount of the replaced part is deducted. All other expenses are recognized in profit and loss as they accrue.

(iii) Depreciation

Ordinary depreciations are charged linearly to profit or loss over estimated useful life for each individual operating asset. Land is not depreciated.

(D) INTANGIBLE ASSETS

Intangible assets that are purchased separately are initially measured at cost recognized as intangible asset when the group has control of the asset. Future economic benefits are expected to flow to the group and the cost can be reliably measured. For intangible assets included in a business combination cost has been measured at fair value at the transaction date. Subsequently, intangible assets are recognized at cost less accumulated amortization and possible impairment. Intangible assets with definite lifetime are depreciated over useful life. Useful life and depreciation method for intangible assets with definite life are assessed at least once a year. Linear depreciation is used for the intangible assets, as this is considered the best way to reflect the use of the assets. Profit or loss from disposal of intangible assets are calculated as the difference between net sales revenue and the recognized value of the asset and is reported as part of other income or other expenses in the operating result of the income statement.

(i) Research and Development

Expenses relating to research activities are recognized in profit and loss as they incur. Development costs are capitalized to the extent that the product or process is technically and commercially feasible, and Ekomes has sufficient resources to complete their development. Capitalized costs include materials costs, direct payroll costs and a share of directly attributable overheads. Capitalized development costs are recognized at acquisition cost less accumulated depreciation and write-downs. Capitalized development costs are depreciated linearly over the asset's estimated useful life.

(iii) Goodwill

Goodwill is recognised as the aggregate of the consideration transferred and the amount of any non-controlling interest and deducted by the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is not depreciated but is tested at least annually for impairment. In connection with this, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from synergies from the business combination.

(iv) Customer relations and brands

The value of customer relations and brands arising from the acquisition of subsidiaries is valued at acquisition cost less accumulated depreciation, which is allocated linearly over expected useful life. Costs relating to the in-house development and maintenance of brand names and other intangible assets are recognized as expenses in the income statement in the period they are incurred. Any acquisition of such assets is recognized in the balance sheet.

(i) Government grants:
Grants that compensate the Group for the acquisition cost of an asset are recognized as a reduction in the asset's acquisition value. Grants that compensate for expenses incurred are recognized as a cost reduction in the financial statements covering the same period as the expenses they are intended to cover.

(K) LEASES
Lease amounts representing variable payments based on such factors as specific cost elements in related services or usage, lease amounts for short-term leases of a duration of up to 12 months as well as lease amounts for low-value leases covering such elements as PCs and other office equipment, is expensed as other expenses over the lease term.

(L) TAX
Tax on the year's profit comprises tax payable and deferred tax. Tax is included in profit and loss with the exception of tax that is recognized directly in equity or in other comprehensive income. Tax payable comprises the expected tax payable on the year's taxable earnings at the rate applicable on the balance sheet date, plus any corrections in tax payable for previous years. Deferred tax is calculated on temporary differences between the recognized values of assets and liabilities in the financial statements and their value for tax purposes.

The following temporary differences are not taken into account:
Initial recognition of assets or liabilities which affect neither profit/loss in the accounts or for tax purposes, as well as differences relating to investments in subsidiaries that are not expected to be reversed in the foreseeable future. Deferred tax liabilities and assets are measured on the basis of expected future tax rates applicable to group companies in which temporary differences have arisen. Deferred tax liabilities and assets are recognized at nominal value. Deferred tax assets are capitalized only to the extent that it is probable that the asset may be utilized in connection with future taxable profits. Deferred tax assets are reduced to the extent that it is no longer probable that the tax assets will be utilized.

(M) STATEMENTS OF CASH FLOWS
Ekornes QM Holding group uses the indirect method to present cash flows from operating activities. Interest received as well as interest paid are included in cash flows from operating activities. Dividends paid are included in cash flows from financing activities.

(E) TRADE AND OTHER RECEIVABLES
Trade and other receivables are stated at cost less a provision for bad debts.

(F) INVENTORY
Inventory is recognized at the lower of acquisition cost and net sales price. Net sales price is the estimated sales price under ordinary operating conditions, less estimated expenses for completion, marketing and distribution. Acquisition cost is based on the first-in/first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their present location and condition. Self-produced goods include variable costs and fixed overheads which can be allocated on the basis of normal operating capacity.

(G) IMPAIRMENTS
An impairment arises when the book value of an asset or cash-generating entity (assessment entity) exceeds its recoverable value. Impairment write-downs are recognized in profit and loss. The recoverable amount is defined as the higher of the asset or cash-generating entity's fair value less sales costs and value in use.

(H) EQUITY
Dividends are recognized as a liability in the period in which they are approved. Any proposed dividend remains part of equity until the date of its final approval.

Translation differences:
Translation differences arise in connection with exchange rate differences of consolidated foreign entities. Exchange rate differences in monetary amounts (liabilities or receivables) which arise in reality a part of a company's net investment in a foreign entity, are also included as translation differences. If a foreign entity is sold, the accumulated translation difference linked to the entity is reversed and recognized in the statement of comprehensive income in the same period as the gain or loss on the sale is recognized.

(I) EMPLOYEE BENEFITS
(i) Defined-contribution pension plans:
Liabilities in respect of contributions to defined-contribution pension plans are recognized as an expense in profit and loss as they accrue.

(ii) Defined-benefit pension plans
Net liabilities in respect of defined-benefit pension plans are calculated separately for each plan. This is achieved by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. These future benefits are discounted to determine their present value, and the fair value of any plan assets is deducted to arrive at a net liability. When the benefits of a plan are improved, the portion of the increased benefit relating to past accruals is recognized as an expense in profit and loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in profit and loss. Actuarial gains and losses are recognized directly in equity when they arise.

(J) REVENUE
(i) Revenue
IFRS 15 requires that the Group, for each contract with a customer, identify performance obligations, determine the transaction price, match the transaction price to the performance obligation if the contract encompasses more than one performance obligation, decide if operating revenues must be recognized over time or on one date, and recognize operating revenues on the date of or over the period for the fulfillment of the delivery liability concerned.

The Group's most important performance obligation derives from products made to the customer's specification and orders. To determine at when the performance obligation is fulfilled and control of the delivered products are transferred to the customer, Ekornes use the principles of Incoterms. Thus, it is the Incoterms principles that determine when the performance obligation is fulfilled, and control of the products are transferred to the customer. When control is achieved by the customer, all risks related to the products are transferred from Ekornes to the customer. At the point when the performance obligation is fulfilled, control is transferred and the customer bears the risks with the products, the Group recognizes operating revenues.

The Group's most important discretionary judgement with respect to applying IFRS 15 relates to the calculation of the transaction price. This is because the price to the customer includes several different discounts and bonuses. The estimation of bonuses for the year requires the exercise of discretionary judgement.

A breakdown of The Group's operating revenues by segment and customer location may be found in Note 2, 'Revenue per brand and markets'.

Note 2 Revenue per brand and markets

Discontinue segment reporting

The division into product areas is based on the Group's management and internal reporting structures and Ekornes QM Holding Group's business was previously divided into the segments/product area Stressless, IMG and Svane.

Ekornes has since 2020 moved from segment focused organization towards a matrix organization. Ekornes remains committed to maximizing efficiency across its operations, leveraging its eight production facilities to optimize capacity utilization across brands. This includes also various degrees of shared back-office functions and commercial organization. Over time, cost allocation between the brands has gradually become less meaningful as operations have become more integrated, making segment-specific profitability reporting not relevant as a steering mechanism. All internal reporting to the board of directors and to the group management is from October 2024-based on the new reporting structure.

As a result, Ekornes will discontinue segment reporting, though revenue figures for each brand and marked will continue to be disclosed.

(Figures in 000 NOK)	Y 2024	Y 2023
Operating revenues by brand		
Stressless*	2 832 022	3 141 558
IMG	740 507	824 548
Svane*	246 459	252 901
Total	3 818 988	4 219 006
Operating revenues by markets		
Norway	536 701	489 961
Other Nordic	161 319	165 763
Central Europe	640 373	726 503
Southern Europe	227 802	279 144
UK/Ireland	322 157	321 941
USA/Canada/Mexico	1 317 615	1 499 873
Japan	111 039	129 544
Australia	297 024	308 733
China	99 816	179 977
Other Markets	105 141	117 567
Total	3 818 988	4 219 006

Note 3 Salary and personnel expenses

(Figures in NOK 000)	2024	2023
Payroll expenses	950 480	968 194
Employer's national insurance contributions	95 150	99 737
Pensions	51 116	55 371
Other personnel costs	51 394	49 508
Total personnel expenses	1 148 141	1 170 811
Average number of full-time equivalents	2 561	2 703

Board of Directors' declaration on the remuneration policy applying to senior executives

A major element of the remuneration policy established with respect to Ekornes QM Holding AS and its subsidiaries is that executives should be offered competitive terms, with a salary comparable to similar positions in their national labour markets. The Company has established performance-related bonus schemes that form a major part of the overall compensation package offered to profit-centre managers. Salary and other remunerations are mainly adjusted in accordance with developments in salary/price levels in the country in which the position is located. If the board terminates the CEO, 12 months' salary without holiday pay and pension will be paid after the ordinary notice period of 6 months.

Pension commitments

A Group pension scheme (defined contribution plan) has been established for employees of the Group's Norwegian companies and in most of its foreign subsidiaries. The Group also has certain pension liabilities expensed continuously. For accounting purposes, pension schemes are treated in accordance to IAS 19. Norway's new AFP early retirement scheme is deemed to be a defined benefit multi-employer scheme. In principle, the liability shall be calculated and recognised. However, the scheme's current administrator is, for practical reasons, unable to perform these calculations. Until these calculations are made, the new AFP early retirement scheme must be recognised as a defined contribution scheme. See table below.

Mandatory occupational pension scheme

Pursuant to the Norwegian Mandatory Occupational Pensions Act, all the Group's Norwegian subsidiaries must establish a pension scheme for their employees. These companies have pension schemes that comply with Norwegian law.

Pension costs

The pension costs of the Group for the financial year was NOK 51.1 (53.4) million, which is almost entirely comprised of defined contribution pension; only two companies in the Group operate with defined benefit pension; Ekornes K.K. in Japan and Ekornes S.A.R.L. in France.

Pension liabilities

The accumulated pension liabilities as at 31 December 2024 are related to the defined benefit plans in Japan and France. The pension liabilities are calculated by actuaries and presented below. Based on the limited participation and liabilities, the plans are considered of low materiality and significance for the Group.

(Figures in NOK 000)	31.12.2024	31.12.2023
Accumulated pension liabilities	8 442	7 143

Bonus-based incentives

Ekornes QM Holding Group has bonus-based remuneration for all employees in the operating companies who do not have any other personal bonus scheme. The bonus-based remuneration will be based on achieved results for 2024. The bonus is paid on a pro rata basis according to the number of months employed during the year. Only those employed as at 31 December 2024, as well as those retiring during 2024, are entitled to receive a bonus for 2024. For accounting purposes, the bonus is treated as a cash bonus.

See Note 4 for details of remuneration and salary paid to CEO and board of directors.

NOTE 5 Other operating expenses

(Figures in NOK 000)

Breakdown of other operating expenses	2024	2023
Transport and other distribution cost	333 560	372 409
Marketing cost	181 750	167 533
Commission to representatives	81 337	85 968
Market support	58 045	70 690
ICT Cost	84 903	75 853
Maintenance expenses	44 317	42 499
Guarantee cost of returns/warranties	61 928	87 108
Gain sale of factories*	-60 327	0
Other	227 459	202 533
Total	1 012 970	1 104 613

*Vietnam - Sale of the two factories

On 4. January 2023, Ekornes announced that the group will concentrate operations in Thailand, discontinue activities in Vietnam, and reduce the workforce by approximately 700 FTEs. Ekornes has made substantial investments in the production facility in Thailand to enable the concentration of all Asian operations at one location.

The two factories in Vietnam, including leasing agreements, were sold in October 2024 and was held for sale in balance sheet 31.12.2023. NOK 60 million in gain from the sale of the assets in Vietnam was included in "Other operating expenses" as at 31.12.2024.

Ekornes has received 100% of the sales proceed of 14 USD 8.0. 80% of the proceeds was received in 2024 and 15% was received in February 2025, after both buyer and seller had paid the necessary taxes and fees including submitted the application for change of land use right certificate to the Vietnamese authority. The last 5% was received in March 2025.

The following is related to remuneration to auditor, both group auditor, and other auditors:

(Figures in NOK 000)

Breakdown of auditing fees	2024	2023
Statutory auditing services	11 009	9 934
Other certification services	675	564
Other non-auditing services	346	251
Tax advisory services	401	648
Total	12 431	11 417

Auditing fees are stated ex. VAT.

NOTE 6 Research & Development

In 2024, research and development costs totalling NOK 38 million (NOK 44 million in 2023) were recognised in expenses. These costs relate to salaries and other expenses, as well as the depreciation of capitalised R&D costs.

Costs directly associated with the development of a fixed operating asset are included in the capitalised value of the asset if all the criteria for capitalisation have been met. Expenses that arise early in the project phase, as well as maintenance costs, are recognised in expenses as they arise. Capitalised development costs totalled NOK 0 million in 2024 (NOK 0 million in 2023).

The subsidiary Ekornes AS has four ongoing development projects receiving tax deduction for research and development through the rights-based tax deduction scheme SkatteFUNN for Norwegian companies. Deductions for 2024 have been recognized as a reduction of payroll expenses by NOK 2.0 million (NOK 0 million in 2023) and other operating expenses by NOK 1.7 million (NOK 0 million in 2023).

Note 4 Remuneration to group management and board of directors

The Group's related parties comprise members of the board and management, as well as companies those individuals control or have a significant influence over.

Ruihai Zhao, who chairs the board of directors, is one of the primary shareholders of Qumei Home Furnishings Group. The I&G furniture previously sold in the Chinese market through Qumei's stores in China is from 2024 sold through Ekornes China Co. Ltd. The Group had MINOKO in revenue related to sales to Qumei Home Furnishings Group in 2024 (MINOK 33.1 in 2023).

Individual bonus agreements were entered into with group management for 2024. The bonuses payable to group management are included in salary in the table below. The following tables show the remuneration to CEO, as well as to the members of the boards of operating company Ekornes AS and the Group

Remuneration to CEO in 2024

(Figures in NOK 000)	Salary	Pension cost	Other remuneration	Total remuneration
The Hämmerlins Leopold	4 228	104	0	4 332
Total remuneration	4 228	104	0	4 332

Remuneration to CEO in 2023

(Figures in NOK 000)	Salary	Pension cost	Other remuneration	Total remuneration
Fredrik Odegaard Nilssen - Interim CEO to 10 September 2023	3 082	99	4	3 142
The Hämmerlins Leopold - Appointed from 11 September 2023	1 145	99	0	1 244
Total remuneration	4 226	199	4	4 386

Remuneration to Board of directors

(Figures in NOK 000)	2024	2023
Total remuneration	3 260	3 425

NOTE 8 Tax related costs (contd.)

(Figures in NOK 000)	2024	2023
Reconciliation of effective tax rate		
Earnings before tax	-62 655	-143 800
Tax calculated at 22% (22 %)	-13 784	-31 636
Effect of other tax rates	-7 087	26 280
Permanent differences	-3 470	551
Adjustment in respect of current income tax of previous years	3 762	1 507
Tax expense	-20 579	-3 297
Deferred tax assets	184 098	129 699
Deferred tax liabilities	766 028	773 669
Net deferred tax	-581 930	-643 971

The Group recognises deferred tax assets and liabilities net only if the Group has a legal right to set them off against each other, and only deferred tax assets and liabilities within the same tax regime.

As at 31 December 2024, the Group had a tax loss carryforward of NOK 253.7 million. NOK 236.5 million of this was capitalised as at 31 December 2024. Deferred tax assets relating to tax loss carryforwards in one of our subsidiaries have not been recognised as at 31 December 2024 since the company does not expect to utilise the loss in the foreseeable future.

Net deferred tax	2024	2023
Intangible assets	-662 517	-638 937
Property, plant & equipment	-45 271	-80 671
Inventory	62 118	62 054
Receivables	1 941	1 902
Provisions	17 454	11 202
Pensions	2 968	2 636
Other items	9 362	-9 390
Tax loss carried forward	52 014	27 233
Net Deferred tax at 31.12	-581 930	-643 971
The Group's carry forward tax deficit has the following maturity:		
No final maturity date	31.12.2024	31.12.2023
	52 014	27 233
Total tax loss carryforward	52 014	27 233

NOTE 7 Net financial items

(Figures in NOK 000)	2024	2023
Interest income	148 857	90 650
Financial income	2 200	1 344
Total financial income	151 057	91 994
Gain/(loss) on foreign exchange	34 231	44 784
Interest expenses*	400 276	382 573
Financial expenses	2 463	2 923
Total financial expense	402 739	385 495
Total financial items	-217 452	-248 717

***Refinancing bond and bank loan March 2023**

On 10 March 2023, Ekornes QM Holding AS issued a NOK 1,200 million senior secured floating rate bond issue due 10 September 2026 with ticker EK002 (ISIN: NO0012853537). The net proceeds from the bond issue was used to refinance (in whole) the outstanding bond issue with ticker EK001 (ISIN: NO0010848401) and general corporate purposes. In conjunction with the new bond issue, Ekornes bought back EK001 bonds from existing bondholders participating in the new bond issue, at a price of 103% of par. Ekornes called the remaining EK001 bonds at a price of 101.84% of par and the bond was repaid on 30 March 2023.

Ekornes QM Holding AS has in March 2023 obtained NOK 1,400 million in term loan from DNB and Sparebanken More to refinance its existing debt. The old loans were repaid to DNB and Sparebank More on 30 March 2023.

Transaction costs related to the issue of the bond and the bank loan has been amortized over the period from the settlement date to the maturity date of the bond and bank loan. The effective interest method has been used in calculating the amortised cost of the financial liability, and in the allocation and recognition of the interest expense in Income statement over the period.

NOTE 8 Tax related costs

(Figures in NOK 000)	2024	2023
Tax expense included in net result:		
Period taxes:		
Tax payable in the period	59 971	54 942
Deferred tax		
Changes in deferred tax liability	-80 550	-58 239
Tax expense	-20 579	-3 297

Expensed tax payable is higher than the Group's tax payable in the balance sheet as of 31. December 2024. This is because parts of the year's tax payable in foreign subsidiaries has been paid in advance.

NOTE 9 Earnings per share

	2024	2023
Profit for the period	-42,075,921	-140,503,184
Opening No. of shares	30,000	30,000
Closing No. of shares	30,000	30,000
Weighted average number of shares	30,000	30,000
Basic earnings per share	-1,402.53	-4,683.44
Diluted earnings per share	-1,402.53	-4,683.44

There are no instruments with a diluting effect.

NOTE 10 Estimation uncertainty

In the process of applying the Group's accounting policies in accordance with IFRS, management has made several judgements and estimates. All estimates are assessed to the most probable outcome based on the management's best knowledge. Changes in key assumptions may have significant effect and may cause material adjustments to the carrying amounts of assets and liabilities, equity and the profit for the year.

- The group's most significant accounting estimates relate to the following items:
- Impairment assessment and valuation of goodwill, write-downs on property, plant & equipment and intangible assets
 - Write-down of inventory to net realisable value
 - Provision for expected credit losses on trade receivables

Impairment assessments (see note 11 for further descriptions)

The Group has made significant investments in tangible fixed assets, intangible assets and goodwill. Valuation and remaining economic life of fixed assets and intangible assets are based on future expectations and will always involve discretionary assessments with inherent estimation uncertainty. Goodwill is assessed for impairment annually or when there are indications of impairment, while other assets are assessed when there are indications of impairment. Factors indicating impairment and triggering requirements for testing the value of assets include significant reduction in market values, significantly weaker results in relation to historical results or in relation to expected results, significant changes in the use of assets or in the overall business strategy, including assets that are decommissioned or discontinued and assets that are damaged or decommissioned, significant negative developments in the industry or economies, substantial reduction of market share, significant adverse regulatory decisions and court decisions, and significant cost overruns when developing assets.

According to IAS 36 Impairment of Assets, the recoverable amount of assets is the higher of value in use and fair value less costs to sell. Value in use, especially when using discounted cash flow methods, must be largely based on management's discretionary estimates and expectations, including determining appropriate cash-generating units, discount rates, estimating future performance, asset revenue-generating capacity, margins, required maintenance investments and future market conditions assumptions. The effects of recession and increased macroeconomic risk can affect estimates of future earnings and the discount rate used to estimate the recoverable amount of the assets. For the assessment of impairment of goodwill, discounted cash flow models have been used to determine recoverable amount, based on the latest financial budgets and forecasts approved by the management. A forecast period of five years is assumed, during which the last year has been used as a basis for calculating a terminal value based on Gordon's growth model. Future developments in volume, sales prices and operating margins are important factors in the Group's impairment assessments. Expectations of future cash flows will vary over time as a result of changes in market conditions, demand and the competitive situation, and long-term estimates of key assumptions in the individual countries and regions will be uncertain.

Write-down of inventory to net realisable value

The cost of inventories may not be recoverable if those inventories are damaged, if they have become wholly or partially obsolete, or if their selling prices have declined. The cost of inventories may also not be recoverable if the estimated costs of completion or the estimated costs to be incurred to make the sale have increased. The practice of writing inventories down below cost to net realisable value is consistent with the view that assets should not be carried in excess of amounts expected to be realised from their sale or use.

A new assessment is made of net realisable value in each quarterly reporting. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed (i.e. the reversal is limited to the amount of the original write-down) so that the new carrying amount is the lower of the cost and the revised net realisable value.

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate expected credit losses for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by geography, product type, customer type and rating) and coverage by letters of credit and other forms of credit insurance.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

NOTE 11 Property, Plant, Equipment and Intangible assets (contd.)

Estimated useful lives are as follows:

- Buildings 25-50 years
- Machinery & equipment 5-16 year
- Operating movables and fixtures 2-10 years
- Licenses and patents 5 years
- Software 3 years
- No depreciation of Land property

Depreciation method, useful life and residual value are reassessed annually.

Intangible assets

Goodwill is not depreciated in the consolidated financial statements, but is tested annually for impairment.

Customer relationships and brand names are depreciated on a straight-line basis over estimated lifetime. Estimated lifetime customer relationships are rated at 25 years for Stressless and 20 years for IMG. For brands, the estimated lifetime is estimated at 50 years for Stressless and 20 years for IMG. Depreciation expense is included in ordinary depreciation in the income statement.

In connection with the purchase price allocation, excess values were identified related to brand names, customer relationships, real estate and fixed assets.

(Figures in NOK 000)	Software and licenses	Goodwill	Customer relationships	Brand name	Total
Acquisition value 1.1.2024	258 423	1 561 115	1 302 291	1 656 419	4 778 248
+ additions	22 021	0	0	0	22 021
- disposals	-24 448	0	0	0	-24 448
Currency exchange differences	159	0	0	0	159
Acquisition value 31.12.2024	256 155	1 561 115	1 302 291	1 656 419	4 775 981
Accumulated dep. and write-downs 1.1.2024	208 342	0	331 916	216 924	757 182
Depreciations and write-downs in 2024	5 039	0	69 874	40 673	115 586
- Acc. depreciation on operating assets sold	-24 448	0	0	0	-24 448
Currency exchange differences	59	0	0	0	59
Accumulated dep. And write-downs 31.12.2024	188 992	0	401 790	257 597	848 379
Accumulated currency translation differences 1.1.2024	0	0	205 099	0	205 099
Currency translation differences in 2024	0	0	90 894	0	90 894
Accumulated currency translation 31.12.2024	0	0	295 993	0	295 993
Book value 31.12.2024	67 164	1 561 115	1 196 494	1 398 822	4 223 594

Depreciations and write-downs includes NOK 5 million in write-downs for "Software and licenses" in 2024.

PPA values split per brands	Goodwill	Customer relationships	Brand name	Total
Stressless*	676 614	780 315	1 226 966	2 684 095
IMG	884 501	415 979	171 856	1 472 336
Book value 31.12.2024	1 561 115	1 196 494	1 398 822	4 156 431

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NOTE 11 Property, Plant, Equipment and Intangible assets

(Figures in NOK 000)	Sites and buildings	Machinery and equipment	Operating movables	Asset under construction	Total
Acquisition value 1.1.2024	1 845 854	1 206 770	131 577	20 953	3 205 154
+ additions	4 429	24 700	3 108	26 446	58 683
+/- reclassification*	3 386	15 372	0	-18 739	0
- disposals	-22 031	-15 981	-5 011	0	-43 024
Currency exchange differences	15 889	14 376	4 261	521	35 045
Acquisition value 31.12.2024	1 847 527	1 245 237	133 934	29 161	3 255 859
Accumulated dep. and write-downs 1.1.2024	948 017	975 420	107 307	0	2 030 744
Depreciations and write-downs in 2024	54 473	70 019	7 633	0	132 125
- Acc. depreciation on operating assets sold	-20 118	-14 810	-4 019	0	-38 947
Currency exchange differences	4 720	10 905	3 502	0	19 126
Accumulated dep. And write-downs 31.12.2024	987 092	1 041 534	114 423	0	2 143 049
Book value 31.12.2024	860 435	203 703	19 510	29 161	1 112 810

***Vietnam - Sale of the two factories**

The two factories in Vietnam including leasing agreements classified as held-for-sale in the balance sheet as at 31.12.2023 were sold in October 2024. NOK 60 million in gain from the sale of the assets in Vietnam was included in "Other operating expenses" in Y 2024.

(Figures in NOK 000)	Sites and buildings	Machinery and equipment	Operating movables	Asset under construction	Total
Acquisition value 1.1.2023	1 834 568	1 202 593	130 689	21 234	3 189 083
+ additions	12 106	24 686	5 070	15 104	56 967
+/- reclassification*	-11 265	11 053	0	-15 513	-15 725
- disposals	-975	-37 429	-6 403	0	-44 807
Currency exchange differences	11 420	5 868	2 221	127	19 636
Acquisition value 31.12.2023	1 845 854	1 206 770	131 577	20 953	3 205 154
Accumulated dep. and write-downs 1.1.2023	889 341	935 673	101 429	0	1 926 443
Depreciations and write-downs in 2023	57 500	72 312	9 092	0	138 904
+/- reclassification	0	0	0	0	0
- Acc. depreciation on operating assets sold	-613	-34 272	-3 850	0	-40 735
Currency exchange differences	1 790	1 706	2 637	0	6 133
Accumulated dep. And write-downs 31.12.2023	948 017	975 420	107 307	0	2 030 744
Book value 31.12.2023	897 837	231 350	24 269	20 953	1 174 409

***Held for sale**

On 4 January 2023, Ekornes announced that the group will concentrate operations in Thailand and discontinue activities in Vietnam, and reduce the workforce by approximately 700 FTEs. Ekornes has made substantial investments in the production facility in Thailand to enable the concentration of all Asian operations at one location. The two factories in Vietnam including leasing agreements were classified as held-for-sale in the balance sheet 31.12.2023.

Non-current assets classified as held-for-sale NOK 16,8 million. MNOK 15,75 is related to assets. Liabilities classified as held-for-sale NOK 1,2 million.

NOTE 11 Property, Plant, Equipment and Intangible assets (contd.)

(Figures in NOK 000)	Potential impairment at following changes in forecast period and terminal value	Change	Ekornes
Growth in sales		-1 %	0
EBITDA-margin		-1 %	0
Discount rate (WACC)		+1 %	0

Discontinue segment reporting and impairment
 Ekornes has discontinued segment reporting, but have performed impairment testing of goodwill for Stressless and IMG at 31 December 2024. Recoverable amount is higher than carrying amount for both brands.

Intangible assets

These are some of the company's most important intangible assets:

- Registered trademarks (Ekornes®, Stressless®, IMG og Svane®)
- Registered domains
- Patents
- Registered designs
- Distribution network (international)
- Market concept
- Product concepts
- Manufacturing expertise
- International marketing
- International sourcing

With the exception of some patents and domains, none of these assets has been included in the balance sheet.

NOTE 11 Property, Plant, Equipment and Intangible assets (contd.)

(Figures in NOK 000)	Software and licenses	Goodwill	Customer relationships	Brand name	Total
Acquisition value 1.1.2023	247 116	1 561 115	1 302 291	1 656 419	4 766 941
+ additions	11 265	0	0	0	11 265
- disposals	0	0	0	0	0
Currency exchange differences	42	0	0	0	42
Acquisition value 31.12.2023	258 423	1 561 115	1 302 291	1 656 419	4 778 248
Accumulated dep. and write-downs 1.1.2023	199 543	0	265 093	176 251	638 887
Depreciations and write-downs in 2023	8 778	0	68 823	40 673	118 274
+/- reclassification	0	0	0	0	0
- Acc. depreciation on operating assets sold	0	0	0	0	0
Currency exchange differences	21	0	0	0	21
Accumulated dep. and write-downs 31.12.2023	208 342	0	331 916	216 924	757 182
Accumulated currency translation differences 1.1.2023	0	0	154 956	0	154 956
Currency translation differences in 2023	0	0	50 144	0	50 144
Accumulated currency translation 31.12.2023	0	0	205 099	0	205 099
Book value 31.12.2023	50 081	1 561 115	1 175 475	1 439 495	4 226 166

Depreciations and write-downs includes NOK 8,7 million in write-downs for "Software and licenses" in 2023.

PPA values split per brands	Goodwill	Customer relationships	Brand name	Total
Stressless*	676 614	757 536	1 255 065	2 689 234
IMG	884 501	417 919	384 430	1 486 850
Book value 31.12.2023	1 561 115	1 175 475	1 439 495	4 176 085

Impairment assessment goodwill

The Group has performed an impairment assessment of goodwill at 31 December 2024 in accordance with IAS 36. Book value of goodwill was NOK 1,561 million at 31 December 2024. The group represent the lowest level within the entity at which the goodwill is monitored for internal management purposes. When performing impairment testing and measuring recoverable amount, value in use is calculated for the group. Management projections are based on budget for 2025 approved by the Board of Directors. Cash flow projections beyond the forecast period is estimated by extrapolating the projections using a steady growth rate for subsequent years equivalent to the expected inflation rate of 2.0%. When calculating value in use the future expected cash flows after tax are discounted applying an appropriate discount rate (WACC) after tax of 9.6%.

The most important assumptions when estimating future cash flows is management projections of revenue growth and operating margin. In the forecast period, the average expected growth rate is expected to be 7.3% for the group. Operating margins are expected to increase.

Based on management impairment assessment at 31 December 2024, recoverable amount is higher than carrying amount, and the Group has concluded that it will not be necessary to make any impairments in the financial statements for 2024. Management has performed sensitivity analysis for changes in key assumptions when estimating recoverable amount. The outcome of the sensitivity analysis performed at 31 December 2024 is presented in the table below.

NOTE 12 Leasing agreements (contd.)

(Figures in NOK 000) Right-of-use assets	Operating movables	Machinery and equipment	Office, warehouse and sites	Total
Acquisition cost 1.1.2023	25 403	5 994	353 525	384 922
Addition of right-of-use assets				
- New leasing agreements	4 889	133	24 611	29 632
- Existing leasing agreements adjusted or extended	3 244	66	23 753	27 062
Disposals	0	0	-1 270	-1 270
Currency exchange differences	587	209	5 340	6 136
Acquisition cost 31.12.2023	34 123	6 401	405 960	446 484
Accumulated depreciation and impairment 1.1.2023	17 188	4 267	150 084	171 539
Depreciation	6 142	1 101	59 074	66 316
Disposals	0	0	-159	-159
Currency exchange differences	-59	-249	410	101
Accumulated depreciation and impairment 31.12.2023	23 270	5 119	209 409	237 798
Carrying amount of right-of-use assets 31.12.2023	10 853	1 283	196 551	208 686

Lease liabilities

Undiscounted lease liabilities and maturity of cash outflows	2024	2023
Less than one year	65 360	64 633
One to five years	164 252	154 149
More than five years	27 760	33 763
Total undiscounted lease liabilities	257 371	252 545

Total lease liabilities

Current lease liabilities	64 143	61 434
Non-current lease liabilities	174 347	164 556
Total cash outflows for leases	71 436	71 643
Interest expense on lease liabilities	7 226	7 541
Short term leases and low-value leases recognized on a straight-line basis as expense	3 950	1 278

NOTE 12 Leasing agreements

The Group has entered into several different operational leasing agreements. The leasing agreements are primarily associated with non-Norwegian subsidiaries. The operating movables and machinery are leased in a 3-5-year period, while several of the office and warehouse have a longer time frame.

Practical expedients applied

The Group has elected to apply the practical expedient and does not recognise lease liabilities or right-of-use assets for leases presented in the table below:

- Short-term leases (defined as 12 months or less) or
- Low value assets (< NOK 25 000)

Variable lease payments

In addition to the lease liabilities below, the Group is committed to pay variable lease payments for some of their leases. The variable lease payments are expensed as incurred.

Extension options

Several agreements involve a right of renewal which may be exercised during the last period of the lease terms. The Group assesses at the commencement whether it is reasonably certain to exercise the renewal right.

Restrictions

The leases do not contain any restrictions on the Group's dividend policy or financing. The Group does not have significant residual value guarantees related to its leases to disclose.

(Figures in NOK 000) Right-of-use assets	Operating movables	Machinery and equipment	Office, warehouse and sites	Total
Acquisition cost 1.1.2024	34 123	6 401	405 960	446 484
Addition of right-of-use assets				
- New leasing agreements	6 419	0	511	6 930
- Existing leasing agreements adjusted or extended	76	49	55 773	55 898
Disposals	0	0	0	0
Currency exchange differences	565	52	15 266	15 883
Acquisition cost 31.12.2024	41 182	6 503	477 510	525 195
Accumulated depreciation and impairment 1.1.2024	23 270	5 119	209 409	237 798
Depreciation	7 538	611	56 378	64 547
Disposals	0	0	0	0
Currency exchange differences	460	18	3 061	3 539
Accumulated depreciation and impairment 31.12.2024	31 288	5 747	268 848	305 884
Carrying amount of right-of-use assets 31.12.2024	9 895	756	208 661	219 311

NOTE 15 Accounts receivable

(Figures in NOK 000)

Trade receivables	31.12.2024	31.12.2023
Receivables related to revenue from contracts with customers - external	551 697	535 025
Total accounts receivables (Gross)	551 697	535 025
Allowance for expected credit losses	38 542	17 250
Total accounts receivables (Net)	513 155	517 775

The change in provisions for bad debts is as follows:

(Figures in NOK 000)	2024	2023
Opening balance 1. January	17 250	12 846
Actual bad debts in the year	-708	780
Change in bad debt provisions	20 584	5 185
Closing balance 31. December	38 542	17 250

Accounts receivable are non-interest-bearing. The Group has more than 4,000 customers with the largest group of stores accounting for around 3.5 per cent of sales revenues. The largest single customer accounts for around 4.0 per cent of total sales revenues. Bad debts are classified as other operating expenses in profit and loss. See Note 20 for details of credit and foreign exchange risks relating to trade receivables.

NOTE 13 Other receivables and other liabilities

(Figures in NOK 000)

Other receivables	31.12.2024	31.12.2023
Other receivables related to the production cycle	12 573	9 848
Prepayments to suppliers	4 881	2 321
Prepaid expenses	45 668	48 802
Prepaid tax and VAT refunds due	29 846	17 902
Other	83 280	11 469
Total other receivables	176 348	90 341

Other current liabilities	31.12.2024	31.12.2023
Salaries payable	152 283	135 928
Accrued bonus/market support to customers	41 474	43 134
Accrued other marketing costs	9 034	10 292
Accrued cash discounts to customers	3 275	3 272
Accrued commission to sales staff	8 245	5 498
Accrued administrative costs	6 328	11 303
Advances from customers (contract liabilities)	15 939	13 572
Accrued interest bond	2 513	2 838
Accrued freight	13 073	7 510
Other	59 363	48 367
Total other liabilities	311 525	281 714

NOTE 14 Inventory

(Figures in NOK 000)

Inventory	31.12.2024	31.12.2023
Inventory finished goods	274 790	295 153
Inventory semi-finished	74 507	70 600
Inventory raw materials	368 182	349 785
Total	717 479	715 538

All amounts are net after write-downs of 31.12.2024.

NOTE 16 Cash and bank deposits

(Figures in NOK 000)	31.12.2024	31.12.2023
Cash and bank deposits	910 395	835 314

In the statement of cash flow cash and bank deposits are recognised as cash. Total restricted cash is NOK 24,3 million at 31.12.2024 (NOK 21,9 million at 31.12.2023). The restricted cash at 31 December 2024 are related to the payment of employee tax deductions in Norway.

All the Norwegian subsidiaries in the Ekornes Group and its subsidiaries in Finland, Lithuania, Denmark, France, Germany, UK and the US participate in a multi-currency group account scheme, with the parent company Ekornes AS as the principal account holder. The parent company agrees permitted drawdowns on the group accounts for each individual subsidiary. All participants are jointly and severally liable for the amount at any time outstanding on the group account. The parent company has entered into agreements with respect to credit facilities with DNB. See also Note 18.

As of 31.12.2024, the Group had the following currency exposure with respect to its group account scheme:

Currency	Amount in 000 currency	Exchange rate 31.12.2024	Amount in 000 NOK
NOK	826 866	1,00	826 866
USD	807	11,35	9 160
GBP	1 705	14,22	24 248
DKK	5 466	1,58	8 644
JPY	103 236	0,07	7 466
NZD	559	6,36	3 559
Total deposits in group account scheme			879 945
EUR	-16 349	11,80	-192 842
AUD	-1 252	7,03	-8 804
SGD	-234	8,33	-1 946
SEK	-11 346	1,03	-11 678
Total drawn down on group account scheme			-215 270
Total group account			664 675

NOTE 17 Shares and shareholders

The Norwegian ultimate parent company Ekornes QM Holding AS is a subsidiary of Qunel Home Furnishing Group Co., Ltd in China. Qunel Home Furnishing Group Co., Ltd is listed on Shanghai Stock exchange. Qunel Group owns 94,42% of the shares in Qunel Runto S.à.r.l and Hillhouse Investment owns the remaining shares.

As at 31 December 2023 and 31 December 2024, Ekornes QM Holding's registered share capital comprised 30.000 ordinary shares. All shares have a face value of NOK 5,00. All shares in the company have equal voting and dividend rights. All shares give equal rights to the company's net assets. Ekornes QM Holding AS has no treasury shares as at 31 December 2023 or 31 December 2024.

The calculation of earnings per share and diluted earnings per share is shown in Note 9 Earnings per share.

As at 31 December 2023 and 31 December 2024, the company's sole shareholder was

Shareholder	Country	No. of shares held	Percentage
Qunel Runto S.à.r.l.	Luxembourg	30.000	100 %

As at 31 December 2023 and 31 December 2024, the board has been granted the following authorisations:

The board has been granted no authorisations.

NOTE 19 Reconciliation for liabilities arising from financing activities

Reconciliation of changes in liabilities arising from financing activities is shown in the tables below:

(Figures in NOK 000)	Interest-bearing debt - Bond	Interest-bearing debt - Bank	Less: liabilities financing activities	Total liabilities from financing activities
Liabilities 1.1.2024	1 187 660	1 594 938	225 990	3 008 588
Financing activities with cash settlement	0	-96 000	-71 519	-167 519
Financing activities without cash settlement				
Changes in leases	0	0	84 019	84 019
Other	6 779	4 298	0	11 077
Liabilities 31.12.2024	1 194 439	1 503 236	238 490	2 936 165
Hereof:				
Non-current liabilities	1 194 439	1 375 236	174 347	2 744 022
Current liabilities	0	128 000	64 143	192 143
Liabilities 1.1.2023	2 020 000	1 037 500	229 916	3 287 415
Financing activities with cash settlement	-820 000	562 500	-71 643	-329 143
Financing activities without cash settlement				
Changes in leases	0	0	67 717	67 717
Other	-12 340	-5 062	0	-17 401
Liabilities 31.12.2023	1 187 660	1 594 938	225 990	3 008 588
Hereof:				
Non-current liabilities	1 187 660	1 498 938	164 556	2 851 155
Current liabilities	0	96 000	61 434	157 434

NOTE 20 Financial risk

The Group operates in many markets, on both the sales and purchasing sides. This means the company has a natural spread with respect to its market, foreign exchange and sourcing risk. For the Group, financial risk is largely associated with fluctuations in exchange rates (NOK vs other countries' currencies), interest rate risk deriving from changes in interest rates and credit risk in the form of the ability of the Group's customers to pay what they owe (trade receivables).

Customer and credit risk

The Group sells its products to distributors through its own sales companies and the customers are generally furniture retailers. The Group has more than 4,000 customers, with the largest group of stores accounting for around 3.5 per cent of sales revenues. The largest single customer accounts for around 4 per cent of total sales revenues. Routines have been established to ensure that sales are made to creditworthy customers and within specific credit limits to lessen market and credit risk. Customer and credit risk is considered low. Outstanding receivables are followed up on an ongoing basis and efforts are made to keep them at a reasonable level. An analysis of expected losses is carried out at the close of each reporting period. The estimation reflects the probability-weighted outcome. The time-value of money and reasonable and verifiable information about events and actual conditions available on the reporting date. Trade receivables will generally be written off if they have fallen due for payment one year or more in the past and no debt recovery process is ongoing. Based on the fact that the Group generally has B2B customers, few receivables overdue and historically few bad debts, the assessment of expected losses has not led to any material change in the provision for bad debts as at 31. December 2024. The provision matrix will be based on historical experiences, updated with today's expectations for the future customized to the customers characteristics (brand, geography, maturity on customer relations). The table below show details of the Group's exposure to credit risk on trade receivables using a provision matrix.

(Figures in NOK 000)

31.12.2024	Total	Not due	<30 d	30-60d	60-90d	>90d
Trade receivables - gross	551,697	390,751	70,853	13,454	13,009	69,632
Expected default rate	7.0 %	0.2 %	0.2 %	1.2 %	42.8 %	50.2 %
Expected credit losses	38,542	736	141	160	5,569	31,926
31.12.2023	Total	Not due	<30 d	30-60d	60-90d	>90d
Trade receivables - gross	535,025	392,253	87,616	16,508	5,243	33,105
Expected default rate	3.2 %	0.2 %	0.4 %	1.2 %	29.8 %	43.2 %
Expected credit losses	17,250	768	335	196	1,650	14,300

Interest-rate risk

Interest-rate risk is the risk of fluctuations in future cash flows from a financial instrument as a result of changes in market rates. The Group's exposure to interest rates is primarily related to its short-term and long-term borrowings at floating interest rates. Loans at floating interest rates represent an interest-rate risk for the Group's cash flow, which is partly offset by the opposite effect of cash and cash equivalents at floating interest. The borrowing portfolio is currently at a floating rate of interest, which means the Group is affected by changes in interest rates. At the close of 2024, the Group had total interest-bearing debt of NOK 2,697.7 million. The Group has a stable financing structure. Lenders are well-rated Norwegian banks and are listed on Oslo Stock exchange. The table below shows sensitivity to a potential change in interest rates on that part of the Group's affected borrowings. The estimate is based on actual loans at the end of 2024, and by keeping all other variables remaining constant the Group's profit/loss and equity before tax will be affected as follows by changes in debt instruments at floating interest rates.

(Figures in NOK 000)	Increase/decrease in base points	Effect on profit/loss before tax	Effect before tax on equity
31.12.2024	100	27,040	27,040
31.12.2023	100	28,000	28,000

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages this risk by ensuring, as far as possible, that it always has sufficient liquidity available to meet its obligations both under normal and challenging circumstances, and without incurring unacceptable losses or risk of damaging the Group's reputation. At the close of 2024, the Group had cash reserves of NOK 910.4 million in the form of bank deposits, of which NOK 24.3 million was restricted to the payment of employees' tax deductions. In addition, the Group had unused drawing facility of NOK 1,750 million. The board considers the Group's liquidity situation to be satisfactory. The table below shows a maturity analysis for the Group's financial liabilities based on contractual, non-discounted payments. When a counterparty has a choice about when an amount is to be paid, the liability is included in the earliest date the business can expect to receive payment. Financial liabilities which must be repaid upon demand are included in the "<1 year" column.

NOTE 20 Financial risk (contd.)

(Figures in NOK 000)	Remaining term (years)					Total
	<1	1 to 2	2 to 3	3 to 5	> 5	
Financial liabilities						
Interest-bearing debt - Bond	0	1 200 000	0	0	0	1 200 000
Interest-bearing debt - Bank	128 000	1 376 000	0	0	0	1 504 000
Leasing	64 143	55 921	45 659	63 072	10 095	238 490
Trade payables and other liabilities	567 518	11 855	11 855	0	8 442	599 670
Total	759 661	2 643 376	57 514	63 072	18 537	3 542 160

(Figures in NOK 000)	Remaining term (years)					Total
	<1	1 to 2	2 to 3	3 to 5	> 5	
Financial liabilities						
Interest-bearing debt - Bond	0	0	1 200 000	0	0	1 200 000
Interest-bearing debt - Bank	96 000	128 000	1 376 000	0	0	1 600 000
Leasing	61 487	53 164	41 277	60 266	9 797	225 990
Trade payables and other liabilities	513 664	2 773	2 773	0	7 143	526 352
Total	671 151	183 936	2 620 049	60 266	16 940	3 552 342

Foreign exchange risk

The Group sells its products internationally, and bills its customers primarily in the respective countries' own currencies. The Group manages all matters related to currency and foreign exchange risk from head office. Currency hedging is an integral part of the Group's operational activities.

As part of the company's efforts to reduce its foreign exchange risk/currency exposure the Group also seeks to purchase goods and services for use in Norway on international markets where cost-effective. Together with the Group's distribution, sales and marketing activities and associated administrative organization, this provides natural operational hedging of the company's foreign exchange risk (natural hedging) for part of its cash flow. In addition to natural hedging, the company uses forward contracts for additional currency hedging. This does not reduce the long-term foreign exchange risk, but provides predictability within the hedging horizon. According to the group's strategy, 80 per cent of the expected currency exposure in the coming six-month period is hedged in currencies where the expected annual exposure exceeds NOK 7.5 million, and correspondingly for 50 per cent of the expected exposure in the coming 6-12-month period. Financial risk is primarily associated with fluctuations in exchange rates and the ability of the Group's customers to pay what they owe. The Group's competitiveness is affected, over time, by movements in the value of the NOK in relation to other currencies. The Group actively seeks to limit this risk.

The following average exchange rates applied to forward contracts exercised in 2024:

Value/ Currency	Volume (Figures in NOK 000)	Volume (Figures in currency 000)	Average exchange rate (in NOK)
AUD	154 194	22 080	6.98
DKK	80 600	52 205	1.54
EUR	442 547	40 375	11.46
GBP	139 134	10 933	12.70
USD	299 760	28 430	10.54

NOTE 20 Financial risk (contd.)

New forward contracts
In 2023 and 2024, the Group entered into forward contracts, and all realised and unrealised gains and losses associated with these contracts are recognised in net other gains/(losses). All contracts that are open as at 31 December 2024 fall due for payment in the next 12 months. As at 31 December 2024, the market value of existing forward currency contracts came to negative NOK 22.8 million.

(Figures in NOK 000)	31.12.2024	31.12.2023
Market value of forward contracts		
Share in 2024	0	20 735
Share in 2025	-22 824	0
Total	-22 824	20 735

Total net other (losses)/gains comprises:	2024	2023
Realised (losses)/gains on new forward contracts	-20 680	-37 302
Change in value of realised and unrealised contracts	-43 538	23 388
Net other (losses)/gains	-64 238	-33 914

Classifications of financial assets and financial liabilities 31 December 2024

(Figures in NOK 000)	Fair value through profit and loss	Amortised cost Bank and receivables	Amortised cost Other financial liabilities
Cash & cash equivalents	0	910 395	0
Stocks & shares in other enterprises	1 557	0	0
Forward currency contracts	-22 824	0	0
Trade & other current receivables	0	689 503	0
Non-current receivables	0	16 032	0
Long-term debt related to bond issued	0	0	1 194 439
Long-term debt to credit institutions	0	0	1 375 236
Short-term debt to credit institutions	0	0	128 000
Trade & other current payables	0	0	567 518
TOTAL	-21 266	1 615 951	3 265 193

Classifications of financial assets and financial liabilities 31 December 2023

(Figures in NOK 000)	Fair value through profit and loss	Amortised cost Bank and receivables	Amortised cost Other financial liabilities
Cash & cash equivalents	0	833 314	0
Stocks & shares in other enterprises	1 633	0	0
Forward currency contracts	20 735	0	0
Trade & other current receivables	0	608 116	0
Non-current receivables	0	22 636	0
Long-term debt related to bond issued	0	0	1 187 660
Long-term debt to credit institutions	0	0	1 498 938
Short-term debt to credit institutions	0	0	96 000
Trade & other current payables	0	0	513 664
TOTAL	22 368	1 466 066	3 296 263

NOTE 21 Group entities

The following subsidiaries are included in Ekornes QM Holding AS's consolidated financial statements. Ekornes QM Holding AS has 100% voting and ownership in all other group companies through Ekornes AS.

Company	Primary business activity	Registered office	Domicile
Ekornes AS	HQ, production and sales	Ikornes	Norway
J. E. Ekornes ApS	Sales	Odense	Denmark
Ekornes K.K.	Sales	Tokyo	Japan
OY Ekornes AB	Sales	Helsinki	Finland
Ekornes Inc.	Sales	Somerset NJ	US
Ekornes Ltd.	Sales	London	UK
Ekornes Möbelvertriebs GmbH	Sales	Hamburg	Germany
Ekornes S.A.R.L.	Sales	Paris	France
Ekornes Iberica SL	Sales	Barcelona	Spain
Ekornes Singapore PTE. Ltd	Sales	Singapore	Singapore
Ekornes Pty Ltd	Sales	Sydney	Australia
Ekornes Asia Pacific Co. Ltd	Sales	Bangkok	Thailand
Ekornes China Co Ltd	Sales	Shanghai	China
Ekornes Taiwan Ltd.	Sales	Taipei	Taiwan
Ekornes Hong Kong Co. Ltd	Sales	Hong Kong	China
Ekornes Beets AS	Production and sales	Fetsund	Norway
Ekornes Beets GmbH	Dormant	Hamburg	Germany
IMG Holco AS	Holding	Ikornes	Norway
IMG (Vietnam) Co. Ltd	Dormant	Binh Duong	Vietnam
IMG Australia PTY Ltd	Sales	Melbourne	Australia
Ekornes (Thailand) Limited	Production	Chachoengsao	Thailand
IMG New Zealand Limited	Sales	Auckland	New Zealand
Ekornes Lithuania UAB	Production	Panevezys	Lithuania

The subsidiaries J. E. Ekornes USA, Inc and International Möbel Group USA, Inc was merged with Ekornes Inc. as of January 1, 2024. Ekornes Beets GmbH and IMG Vietnam Co are dormant pending dissolution. All formalities have been submitted to the local government.

NOTE 22 Subsequent events

No significant events have occurred between the balance sheet date and the date of publication of the financial statements which have materially affected the Company's financial position, and which should have been reflected in the financial statements presented here.

Ekornes QM Holding AS Financial statements

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Balance sheet for Ekornes QM Holding AS

ASSETS (Figures in NOK 000)	Notes	31.12.2024	31.12.2023
Assets			
Non-current assets			
Investments in subsidiaries	5	5 667 114	5 667 114
Deferred tax assets	4	47 378	20 111
Total non-current assets		5 714 492	5 687 225
Current assets			
Debtors			
Other short-term receivables		4 369	3 835
Receivables from group companies	6	445 011	559 248
Total receivables		449 381	563 083
Cash and bank deposits		15 332	111 500
Total current assets		464 713	674 583
Total assets		6 179 204	6 361 808

(Continued on next page)

Income statement for Ekornes QM Holding AS

(Figures in NOK 000)	Notes	2024	2023
Operating income and operating expenses			
Other operating expenses	2	2 942	3 414
Total operating expenses		2 942	3 414
Operating profit		-2 942	-3 414
Financial income and expenses			
Income from subsidiaries	3	155 011	212 505
Other interest income	3	2 655	6 268
Other interest expenses	3, 9	278 665	312 028
Net financial items		-120 999	-93 255
Earnings before tax		-123 941	-96 670
Tax expense	4	-27 267	-21 267
EARNINGS FOR THE YEAR		-96 674	-75 402
Brought forward			
Allocated to/from other equity	8	-96 674	-75 402
Net brought forward		-96 674	-75 402

Statement of cash flow for Ekornes QM Holding AS

(Figures in NOK 000)	Note	2024	2023
Cash flow from operations			
Profit before income taxes		-123 941	-96 670
Group contribution not received	3	-155 011	-212 505
Change in trade payables		-56	-196
Change in other accruals		9 592	-60 499
Net cash flow from operations		-269 416	-369 870
Cash flow from investments			
Group contribution from subsidiary		269 248	0
Net cash flow from investments		269 248	0
Cash flow from financing			
Proceeds from issue of share capital	7, 8	0	352 000
Proceeds from bond borrowings	9	0	1 200 000
Repayment of bond borrowings	9	0	-2 020 000
Repayment of bank borrowings	9	-96 000	0
Proceeds from bank borrowings	9	0	1 600 000
Repayment on borrowings from Ekornes AS	6	0	-829 881
Net cash flow from financing		-96 000	302 119
Exchange gains/ (losses) on cash and cash equivalents			
		0	0
Net change in cash and cash equivalents		-96 168	-67 751
Cash and cash equivalents at the beginning of the period		111 500	179 251
Cash and cash equivalents at the end of the period		15 332	111 500

Statement of cash flow | Annual report Ekornes QM Holding AS 2024

Balance sheet for Ekornes QM Holding AS (contd.)

EQUITY AND LIABILITIES (Figures in NOK 000)	Notes	31.12.2024	31.12.2023
Equity			
Contributed equity			
Share capital	7, 8	150	150
Share premium	8	3 159 324	3 159 324
Total contributed equity		3 159 474	3 159 474
Retained earnings			
Other equity	8	319 004	415 677
Total retained earnings		319 004	415 677
Total equity		3 478 478	3 575 151
Non-current liabilities			
Interest-bearing debt - Bond	9	1 194 439	1 187 660
Interest-bearing debt - Bank	9	1 375 236	1 498 938
Total non-current liabilities		2 569 675	2 686 599
Current debt			
Trade creditors		248	304
Interest-bearing debt - Bank	9	128 000	96 000
Other current debt		2 803	3 754
Total current debt		131 051	100 058
Total liabilities		2 700 727	2 786 657
Total equity and liabilities		6 179 204	6 361 808

Oslo, 29 April 2025

The board of Ekornes QM Holding AS

Ruihai Zhao
Chair

Mogens Falsig
Director and CEO

Note 2 Salary and personnel expense and other operating expenses

The company has no employees. Neither the Chairman of the Board, nor the General Manager, has any bonus agreement or any severance pay agreement. The Board has received board remuneration from the subsidiary Ekornes AS. Ruihai Zhao, who chairs the board of directors, is one of the primary indirect shareholders of the company through his share of Quirel Home Furnishings Group.

(Figures in NOK 000)	2024	2023
Remuneration to Board of directors from Ekornes AS	1 200	1 075
Total remuneration		
The following is related to remuneration to auditor:		
(Figures in NOK 000)	2024	2023
Breakdown of auditing fees		
Statutory auditing services	940	960
Other certification services	0	21
Other non-auditing services	427	18
Total	1 367	999

Auditing fees are stated including VAT.

Note 3 Net financial items

(Figures in NOK 000)	2024	2023
Financial income		
Group Contribution from Ekornes AS	155 011	212 505
Other interest income	2 655	6 268
Total financial income	157 667	218 773
Financial expenses		
Interest expenses Bond	160 850	202 922
Interest expenses Bank	116 435	86 760
Interest expenses to Ekornes AS*	0	20 185
Other interest expenses	1 381	2 162
Total financial expenses	278 665	312 028

Interest expenses to Ekornes AS*
In July 2021, Ekornes QM Holding acquired the remaining 9.5% of the shares in Ekornes Holding AS from Ruihai Zhao Holding Company, Limited for NOK 74.1 million. Ekornes QM Holding AS and Ekornes Holding AS merged in December 2021. Ekornes QM Holding AS had 1.00% voting and ownership of Ekornes Holding AS. The transaction was funded with internal loan from Ekornes AS of NOK 74.1 million and with an interest rate of NIBOR 3 M and 6.5% margin. The loan including accrued interest was paid to Ekornes AS in March 2023.

Note 1 Accounting principles

BASIC PRINCIPLES - ASSESSMENT AND CLASSIFICATION

The financial statements comprise the income statement, the balance sheet, cash flow statement and notes to the financial statements. They have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway, as applicable at 31 December 2024. The notes are therefore an integral part of the financial statements for the year.

The financial statements are based on the fundamental principles of historic cost, comparability, going concern, congruence and prudence. Transactions are recognized at the value of the consideration on the date of the transaction. Revenues are recognized when they are earned and costs are matched with earned revenues.

The accounting principles are elaborated below. Assets/liabilities relating to the production cycle, and items falling due for payment within a year of the balance date, are classified as current assets/current liabilities. Current assets/current liabilities are valued at the lower/higher of acquisition cost and fair value. Fair value is defined as the estimated future sales price, less anticipated sales costs. Other assets are classified as non-current assets. Non-current assets are valued at acquisition cost. Non-current assets, whose value falls over time, are depreciated. If the value of an asset is impaired and the impairment is not expected to be of a temporary nature, the value of the non-current asset is written down. Similar principles normally also apply to liabilities.

FOREIGN CURRENCY

Transactions in foreign currencies are translated based on monthly exchange rates. Monetary items denominated in foreign currencies are translated at the rate of exchange on the balance sheet date. Translation differences are recognized in profit and loss as gain/loss on foreign exchange. Non-monetary assets and liabilities that are measured at historic cost in a foreign currency are translated at the exchange rate in effect when the transaction takes place. Non-monetary assets and liabilities that are recognized at fair value are translated to NOK at the exchange rate in effect when fair value is determined.

SUBSIDIARIES

Subsidiaries are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognized if the impairment is not considered temporary. In accordance with generally accepted accounting principles, impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contributions and other distributions from subsidiaries are recognized in the same year as they are recognized in the financial statement of the provider. If dividends / group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

FINANCIAL LIABILITIES

Loans, borrowings and payables are recognized at fair value net of directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. The effective interest method amortisation is included as finance costs in the income statement. Payables are measured at their nominal amount when the effect of discounting is not material.

MAJOR INDIVIDUAL TRANSACTIONS

The effects of major individual transactions are shown on separate lines in the income statement and/or commented on in the notes.

RELATED PARTIES

Related parties are defined as group companies, major shareholders, directors of the Company or its subsidiaries, and senior executives. Agreements relating to the remuneration paid to the board of directors and senior executives are detailed in note 2.

DEFERRED TAX AND TAX EXPENSE

Deferred tax liabilities are calculated on the basis of temporary differences between the carrying values recognized in the financial statements for the year and the carrying values recognized for tax purposes. A nominal tax rate is used for calculation purposes. Positive and negative differences are set off against each other within the same period. A deferred tax asset arises if temporary differences give rise to a future tax deduction. The tax expense for the year comprises changes in deferred tax liabilities and deferred tax assets as well as tax payable for the financial year.

Note 6 Balance with related parties

(Figures in NOK 000)	31.12.2024	31.12.2023
Other short term receivables	445 011	559 248
Group contribution from Ekornes AS	445 011	559 248
Total		

Note 7 Share capital and shareholder information

The Norwegian ultimate parent company Ekornes QM Holding AS is a subsidiary of Qumel Home Furnishing Group Co., Ltd in China. Qumel Home Furnishing Group Co., Ltd is listed on Shanghai Stock exchange. Qumel Group owns 94,12% of the shares in Qumel Runto S.a.r.l and Hillhouse Investment owns the remaining shares.

As at 31 December 2023 and 31 December 2024, Ekornes QM Holding's registered share capital comprised 30 000 ordinary shares. All shares have a face value of NOK 5,00. All shares in the company have equal voting and dividend rights. All shares give equal rights to the company's net assets. Ekornes QM Holding AS has no treasury shares as at 31 December 2023 or 31 December 2024.

As at 31 December 2023 and 31 December 2024, the company's sole shareholder was

Shareholder	Country	No. of shares held	Percentage
Qumel Runto S.a.r.l.	Luxembourg	30 000	100 %

As at 31 December 2023 and 31 December 2024, the board has been granted the following authorisations:
The board has been granted no authorisations.

Note 8 Shareholders' equity

(Figures in NOK 000)	Share capital	Share premium	Other equity	Total
Equity 31.12.2023	150	3 159 324	415 677	3 575 151
Profit for the year	0	0	-96 674	-96 674
Equity 31.12.2024	150	3 159 324	319 004	3 478 478

Note 4 Tax related costs

(Figures in NOK 000)	2024	2023	
Components of the income tax expense			
Change of deferred tax	-27 267	-21 267	
Tax expense	-27 267	-21 267	
Basis for tax payable			
Profit before taxes	-123 941	-96 670	
Temporary differences	123 941	96 670	
Taxable income (basis for payable taxes in the balance sheet)	0	0	
Reconciliation of the tax expense			
Result before taxes	-123 941	-96 670	
Calculated tax	-27 267	-21 267	
Effective tax rate in %	22,0 %	22,0 %	
Calculation of deferred tax/deferred tax benefit	31.12.2024	31.12.2023	Change
Other	17 401	27 164	-9 763
Accumulated loss to be brought forward	-232 756	-118 579	-114 178
Total	-215 355	-91 414	-123 941
Deferred tax/(Deferred tax benefit) (22% / 22%)	-47 378	-20 111	-27 267

The company has a total tax loss carried forward of MINOK 233 as at 31 December 2024, this loss carried forward has no due date.

Note 5 Subsidiary

Ekornes QM Holding AS has 100% ownership and voting right in Ekornes AS.

(Figures in NOK 000)	Location	Ownership/ voting right	Result (100%)	Equity 31.12 (100%)	Book value 31.12
Ekornes AS	Ikornes	100 %	133 706	1 365 784	5 667 114
Book value investments in subsidiaries at 31.12.2024		100 %	133 706	1 365 784	5 667 114

Note 9 Interest-bearing loans

In February 2023, Ekornes successfully refinanced outstanding debt with a NOK 1,200 million bond loan and bank facility of NOK 1,600 million with DNB and Sparebank More. The new financing structure strengthens the financial position and supports the strategy for long-term profitable growth.

Long-term borrowing agreement 31 December 2024

Ekornes QM Holding AS has in March 2023 obtained NOK 1,600 million in term loan from DNB and Sparebanken More to refinance its existing debt. The old loans were in Ekornes AS and was repaid to DNB and Sparebank More on 30 March 2023.

The loan is secured with a share pledge in Ekornes AS and material sales companies in Germany, UK and US. The loan has quarterly instalments of NOK 32 million, four times per year with the first instalment 30 June 2024. Interest expenses are paid quarterly. Final maturity in March 2026. NOK 128 million are classified as short term borrowing 31. December 2024 (NOK 96 million as at 31. December 2023).

Since the refinancing and as at 31. December 2024, Ekornes was compliant with all covenant requirements in the bank agreement. The leverage ratio for the bank loan at the end of the fourth quarter 2024 was 1,7% well below the maximum allowed. The calculation for the bank leverage ratio do not include the bond.

Senior Secured Bond at 31. December 2024

On 10 March 2023, Ekornes QM Holding AS placed NOK 1,200 million in 3,5-year senior secured floating rate bonds due 10 September 2026 with ticker EKO02 (ISIN: NO001285537). The net proceeds from the bond issue was used to refinance (in whole) the outstanding bond issue with ticker EKO01 (ISIN: NO0010848401) and general corporate purposes. The bond is secured with a share pledge in Ekornes QM Holding AS. No instalments are payable before maturity in September 2026 and interest expenses are paid quarterly. NIBOR is adjusted at the end of each quarter and at 31. December 2024 the coupon was 12,67%. From 10 March 2025 the coupon is 12,45%.

The application for the EKO02 bonds to be listed on the Oslo Stock Exchange was approved by the Financial Authority of Norway 29 June 2023. In conjunction with the new bond issue, Ekornes bought back EKO01 bonds from existing bondholders participating in the new bond issue, at a price of 103% of par. Ekornes called the remaining EKO01 bonds and the bond was repaid on 30 March 2023.

(Figures in NOK 000)

Currency	NOK			
Issue Amount	1.200.000			
Nibor 3M	4,67%			
Margin	8,00%			
Coupon	12,67%			
Tenor / redemption:	42 months / 3,5 years			
Settlement Date:	10.03.2023			
Maturity Date:	10.09.2026			

External interest-bearing debt

	Bond	Bank loan	Total
Opening balance 1. January	1.187.660	1.594.938	2.782.599
Repayment of borrowings	0	-96.000	-96.000
Net Amortization borrowing cost	6.779	4.298	11.077
Closing balance external debt 31. December	1.194.439	1.503.236	2.697.675

NOK 128 million of the bank debt are classified as short term borrowing 31. December 2024. The bond and bank debt is measured at amortized cost using the effective interest method. The effective interest method amortisation is included as finance cost in the Income statement.

Note 9 Interest-bearing loans (contd.)

Financial covenants related to the bond

The bond agreement is subject to a set of financial covenants including a minimum liquidity of NOK 350 million and a maximum leverage ratio of 8,0 at issuance. The maximum allowed leverage ratio has a gradual step-down mechanism towards 4,5 by first quarter 2025:

- (i) 5,25:1 for the Relevant Period ending on 30 September 2024
- (ii) 4,75:1 for the Relevant Period ending on 31 December 2024 and
- (iii) 4,50:1 for any Relevant Period thereafter.

The covenants are measured quarterly on a 12-month rolling basis for Ekornes QM Holding Group. The bond agreement also includes restrictions on dividend payments from Ekornes QM Holding AS, and Ekornes QM Holding AS is not in position to distribute any dividends.

Since the refinancing and on 31. December 2024, Ekornes was compliant with all covenant requirements in the bond agreement. According to bond terms the net interest-bearing debt (including leasing liabilities) is NOK 2.032,1 million at 31. December 2024 and 12-month rolling adjusted EBITDA is NOK 486,0 million. Ekornes had positive one-offs of NOK 24,6 Y 2024. (Mainly cost in payroll and gain of MNOK 60,3 related to sale of factories in Vietnam), with positive one-offs of MNOK 53,0 in Q4 2024. The leverage ratio at the end of the fourth quarter 2024 was 4,18 well below the maximum allowed of 4,75 at 31. December 2024.

Confirmation from the Board of Directors and CEO at Ekornes QM Holding AS

We confirm that, to the best of our knowledge, the financial statements for the period from 1 January to 31 December 2024 have been prepared in accordance with IFRS as adopted by EU, with such additional information as required by the Accounting Act, and give a true and fair view of the Company's and the Group's consolidated assets, liabilities, financial position and results of operations.

We confirm that the Board of Directors' report provides a true and fair view of the development and performance of the business and the position of the Company and the Group, together with a description of the key risks and uncertainty factors that the company is facing.

We confirm that the Board of Directors' report has been prepared in compliance with sustainability reporting standards in accordance with the Norwegian accounting act section 2-6, and with rules established from the EU Taxonomy Regulation, article 8 no. 4.

Oslo, 29 April 2025

The Board of Directors of Ekornes QM Holding AS

Ruihai Zhao
Chair of the Board

Mogens Falsig
Director and CEO



To the General Meeting of Ekomes QM Holding AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

- We have audited the financial statements of Ekomes QM Holding AS, which comprise:
 - the financial statements of the parent company Ekomes QM Holding AS (the Company), which comprise the balance sheet as at 31 December 2024, the income statement and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
 - the consolidated financial statements of Ekomes QM Holding AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2024, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Ekomes QM Holding AS for 7 years from the election by the general meeting of the shareholders on 28 September 2018 for the accounting year 2018.

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 of 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. The Group's business activities are largely unchanged compared to last year. Furthermore, impairment assessment of goodwill and intangible assets has the same characteristics and risks as in the prior year, and therefore continues to be an area of focus this year.

PricewaterhouseCoopers AS, Torgallmenningen 14, 5014 Bergen, P.O. Box 3984 - Sandviken, NO-5635 Bergen
 T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
 Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



How our audit addressed the Key Audit Matter

Key Audit Matters

Impairment assessment of goodwill and intangible assets

The Group has recognised goodwill of NOK 1 581 115 thousand, brand name of NOK 1 398 822 thousand, and customer relations of NOK 1 196 494 thousand at 31 December 2024.

Goodwill and other intangible assets are related to the acquisition of Ekomes AS in August 2018.

Goodwill and other intangible assets with an indefinite useful life is subject to impairment assessments at least annually. No impairment loss was recognised in 2024 based on management's impairment assessment at the balance sheet date.

Goodwill and other intangible assets are allocated to the Group as a whole. Management determined that the recoverable amount exceeded the carrying amount, and consequently that no impairment was required.

Impairment assessments require application of management judgement related to, among other, future cash flows and discount rate applied. We focused on this area due to the magnitude of the amounts of goodwill and other intangible assets recognised, and due to the application of management judgement required when determining the assumptions applied to support the valuation of goodwill and other intangible assets.

We refer to disclosures in note 11 to the consolidated financial statements for information on the Group's accounting policy for impairment of goodwill and other intangible assets, and explanation of management's valuation process.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

We obtained and reviewed management's impairment assessment of goodwill and other intangible assets. The documentation contained an assessment of the Group and key assumptions applied by management. We considered whether the model contained the expected elements and methodology. We found the model to be reasonable and in accordance with our expectations.

Our procedures to evaluate management's impairment assessment included challenging key assumptions such as revenue growth, operating margins, reinvestments and changes in net working capital. We assessed the reasonableness of the prognosis compared to historical performance, budget approved by the Board of Directors, management forecast and long-term strategic plans. We also considered external available information relevant to the industry and our own knowledge of the industry. To assess the reasonableness of the discount rate applied by management, we compared key components with external market data.

All together, we found management's conclusion and assumptions to be within a reasonable range. Further, we evaluated the adequacy of the disclosures to the financial statements and found them to appropriately explain management's valuation process and the uncertainties inherent in some of management's assumptions.



Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

Our opinion on whether the Board of Directors' report contains the information required by applicable statutory requirements, does not cover the Sustainability Statement, on which a separate assurance report is issued.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible 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 Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We 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 Company's and the Group'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 Company's and the Group'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 Company and the Group 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 present the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors 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.

From the matters communicated with the Board of Directors, 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.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Ekomex QM Holding AS, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 52990054TSRF5YXFTY82-2024-12-31-0-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and Regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and XBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorforeningen.no/revisionsberetninger>

Bergen, 29 April 2025
PricewaterhouseCoopers AS

Fredrik Gabrielsen
State Authorised Public Accountant
(This document is signed electronically)



To the General Meeting of Ekornes QM Holding AS

Independent Sustainability Auditor's Limited Assurance Report

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of Ekornes QM Holding AS (the «Company») included in Sustainability Statement section of the Board of Directors' report (the «Sustainability Statement»), as at 31 December 2024 and for the year then ended.

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 Norwegian Accounting Act section 2-3, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Sustainability Statement (the «Process») is in accordance with the description set out in the section «[IRC-1] Description of process to identify and assess material impacts, risks and opportunities» in the General disclosures; and
- compliance of the disclosures in section EU Taxonomy 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)»), issued by the International Auditing and Assurance Standards Board.

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 Sustainability Auditor's Responsibilities section of our report.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm 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.

Other Matter

The comparative information included in the Sustainability Statement was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

Responsibilities for the Sustainability Statement

The Board of Directors and the Managing Director (Management) are 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 section «[IRC-1] Description of process to identify and

PricewaterhouseCoopers AS, Torgallmenningen 14, 5014 Bergen, P.O. Box 3984 - Sandviken, NO-5635 Bergen
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
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assess material impacts, risks and opportunities» in the General disclosures of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's 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 Group's 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 Norwegian Accounting Act section 2-3, including:

- compliance with the ESRS;
- preparing the disclosures in section EU Taxonomy of the Sustainability Statement, in compliance with 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.

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 Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Sustainability Auditor's Responsibilities

Our responsibility is 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 Sustainability Statement, in relation to 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



- Performed inquiries of relevant personnel on selected information in the Sustainability Statement;
- Performed substantive assurance procedures on selected information in the Sustainability Statement;
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and other sections of the Board of Directors' report;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- Obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement;
- Evaluated whether information about the identified taxonomy-eligible and taxonomy-aligned economic activities is included in the Sustainability Statement; and
- Performed inquiries of relevant personnel and substantive procedures on selected taxonomy disclosures included in the Sustainability Statement.

Bergen, 29 April 2025
PricewaterhouseCoopers AS

Frederik Gabrielsen
 State Authorised Public Accountant – Sustainability Auditor
 (This document is signed electronically)



- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in the section "[IRO-1] Description of process to identify and assess material impacts, risks and opportunities" in the General disclosures.
- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. 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 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.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

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 (e.g., stakeholder engagement, business plans and strategy documents); and
 - reviewing the Company's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures, with respect to the Process implemented by the Company was consistent with the description of the Process set out in the section "[IRO-1] Description of process to identify and assess material impacts, risks and opportunities " in the General disclosures.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by:
 - Obtaining an understanding of the Group's control environment, processes, control activities and information system relevant to the preparation of the Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control; and
 - Obtaining an understanding of the Group's risk assessment process;
- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;



EKORNES®

EKORNES QM Holding AS
Industrivegen 1, NO-6222 Ikkornes, Norway
E-mail: office@ekornes.com
www.ekornes.com
Tel. +47 70 25 52 00
Foretaksregisteret NO 820 350 022



Skatteetaten

Vår dato 23.01.2020 Din/Deres dato 13.01.2020 Saksbehandler
Joakim Engebretsen

800 80 000 Din/Deres referanse Telefon
Skatteetaten.no AR354903272 92251412

Org.nr Vår referanse Postadresse
974761076 2020/5038206 Postboks 9200 Grønland
0134 OSLO

U.off. offl. § 13, fv. § 13

EKORNES QM HOLDING AS
c/o Regus, Postboks 354 Sentrum
0101 OSLO

Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk

Vi viser til Ekornes QM Holding AS' (org.nr. 820 350 022) søknad om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapet dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Fra søknaden siteres:

Ekornes QM Holding AS søker herved om unntak fra plikten til å avlegge årsregnskap på norsk, jf. lov om årsregnskap m.v. nr. 56 1998 ("Regnskapsloven") § 3-4 tredje ledd.

Ekornes QM Holding AS ble etablert 4. januar 2018 med tanke på å kunne gjennomføre oppkjøp av Ekornes konsernet. De nye eierne av Ekornes er kinesiske Qumei Home Furnishing Group og Huatai Securities som eier henholdsvis 90,5 % og 9,5 % av konsernet gjennom Ekornes Holding AS. Norsk konsernspiss er Ekornes QM Holding AS, et heleid datterselskap av av Qumei Home Furnishing Group. Ekornes QM Holding AS eier 90,5% av aksjene i Ekornes Holding AS.

a) Ekornes Qm Holding AS og Konsernet – Kun utenlandske eiere og engelsk som arbeidsspråk

Konsernet har en hovedeier og en minoritetsaksjonær som begge er utenlandske. Konsernet Ekornes QM Holding konsolideres inn i konsernet Qumei Home Furnishing Group. Qumei er notert på Shanghai Børsen. Regnskapsrapportering på norsk har ingen verdi for selskapets aksjeeiere.



Styret i Ekornes QM Holding AS består utelukkende av utenlandske personer, hvorav en er kinesisk og en dansk. Selskapet har ingen ansatte og bistås i daglig drift av ledelsen i Ekornes AS som er morselskap i det operasjonelle underkonsernet.

Ekornes QM Holding AS er et rent holdingselskap. Som sådan har selskapet ingen egen virksomhet og heller ingen kunder eller leverandører. De motpartene selskapet har er profesjonelle tjenesteleverandører og finansielle aktører. Disse aktørene er vant med og har i mange tilfeller krav eller forventning om kommunikasjon på engelsk. Arbeidsspråket for selskapet og i selskapets styre er derfor også engelsk. Alle avtaler med tredjeparter er på engelsk. All selskapsdokumentasjon utformes på engelsk. Norsk språk benyttes i Ekornes QM Holding AS i dag utelukkende der dette følger av norske krav, f.eks. i forbindelse med registreringer i Foretaksregisteret, og utformes på bakgrunn av de opprinnelige engelskspråklige dokumentene.

I den grad selskapet må utforme årsregnskap og årsberetning på engelsk vil dette skape merarbeid og kostnader som er unødig sett fra selskapets ståsted. Da selskapet i tillegg ikke har ansatte i ledelsen eller organisasjonen for øvrig som håndterer slikt arbeid, må selskapet i stor grad basere seg på rådgivere for å håndtere alt av norsk dokumentasjon.

b) Ekornes Qm Holding konsernet - Rapporterer til Oslo Børs på engelsk

Ekornes QM Holding AS utstedte i april 2019 et obligasjonslån for å refinansiere konsernet. [...] Obligasjonslånet ble plassert med utgangspunkt i en engelskspråklig informasjonspakke. Ved notering av obligasjonslånet på Oslo Børs ble det utarbeidet et noteringssprospekt godkjent av Finanstilsynet på engelsk.

Verdipapirhandelloven § 5-13 åpner for at utsteder kan velge kun å rapportere på engelsk. Ekornes Qm Holding AS benytter den muligheten. Årsaken er at selskapet må rapportere samme informasjon på Oslo Børs og Shanghai Børsen (basert på det kinesiske morselskapets notering) for å sikre at obligasjonseiere på Oslo Børs og aksjeeiere på Shanghai Børsen får den samme informasjonen om Ekornes QM Holding konsernet.

Rapportering på norsk vil som beskrevet ovenfor ikke ha noen verdi for selskapets eiere og avvike fra all vesentlig dokumentasjon som er benyttet i forbindelse med plassering av obligasjonslånet, notering av obligasjonslånet og videre rapportering og offentliggjøring på Oslo Børs.

Det er også relevant at det allerede lages kinesiske oversettelser av informasjon som offentliggjøres på Oslo Børs. Avlegging av årsregnskap og årsberetning også på norsk vil øke risikoen for at det oppstår språklige avvik og usikkerhet i markedet, samt et betydelig merarbeid for Ekornes QM Holding AS, men også dets morselskap i Kina.

c) Driften utføres i underkonsernet Ekornes AS (Opco) – Rapporterer på Norsk og Engelsk



Driften i konsernet er knyttet til underkonsernet Ekornes AS. Ekornes AS utarbeider full årsrapport for konsernet og selskapet Ekornes AS på norske og engelsk for å sikre at långivere, kunder, leverandører, ansatte og lokalsamfunnet får nødvendig informasjon om driften. Vår hovedbankforbindelse [...] krever også at de hvert kvartal får konsernregnskapet knytte til *underkonsernet* Ekornes.

For norske formål er dermed hensynet til kommunikasjon ivarettatt. Det er Ekornes AS som har norske kunder, leverandører og dermed kreditorer som kan tenkes å ha et større behov for å motta regnskapsinformasjon på norsk. Som nevnt ovenfor har Ekornes QM Holding AS ikke slike kontraktsparter.

Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *"årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte, kunder og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I dette tilfellet er det opplyst at selskapet er et rent holdingselskap, uten leverandører, kunder eller ansatte og at eierne og styremedlemmene er utenlandske. Selskapet rapporterer til Oslo Børs på engelsk. Underkonsernet Ekornes AS rapporterer på norsk og engelsk. Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis for Ekornes QM Holding AS.



Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Roar Thorbjørnsen
underdirektør
Innsats, storbedrift
Skatteetaten

Joakim Engebretsen

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.