

Financial statements for the fourth quarter and full-year 2024



HIGHLIGHTS

Fourth quarter 2024

(Fourth quarter 2023 in brackets)

- Operating revenue of NOK 1 018 million, down 9% year-over-year on lower volumes and capacity, but up 19% from the third quarter in line with seasonality
- Gross operating earnings (EBITDA) of NOK 183 million (143), with the improvement driven by increased prices, lower costs, currency effects and a gain from the sale of the Vietnam facility
- Net cash flow from operating activities of NOK 79 million (155), with higher earnings more than offset by increased working capital versus large inventory reductions last year
- Solid financial position, with cash of NOK 910 million as at 31 December 2024 (835)
- Strong order intake of NOK 1 154 million, up 19% year-over-year, leaving the order reserve at NOK 585 million as at 31 December 2024 (468), up from NOK 480 million at the end of the third quarter

Demand gradually recovering

The furniture market remains volatile, with significant sales variations across regions. During the fourth quarter, the Nordic markets led the way with North America also delivering satisfactory performance, while the rest of Europe remained weaker affected by a slower economy.

Activity picked up in the quarter in line with seasonal patterns, driven by the strong-selling Black Friday and Christmas season. This grew the order intake by 30% from the previous quarter, and a healthy 19% from the fourth quarter last year. Positive sales developments have continued into the first quarter 2025, indicating a gradual market recovery despite sales volumes remaining well below the elevated levels experienced during the pandemic.

Higher sales further increased the order reserve by 22% from the previous quarter, with capacity utilization picking up across operations. However, the assembly facility for Stressless® sofas in Morganton, North Carolina was closed for eight weeks during the quarter pending repairs from flood damages on 29 September, as announced in the previous reporting. The facility has been restored and is fully operational again. Apart from some deliveries being delayed into 2025, Ekornes has overall experienced 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. Ekornes has received insurance payments related to building damages, while final settlement for inventory damages is pending and included as a claim in other short-term receivables.

During recent years, the furniture industry has experienced

declining demand and rapidly changing market conditions, with rising living costs constraining consumer finances and shifting spending away from home refurbishment and furniture. Addressing softer markets, Ekornes has consistently adapted and executed a broad range of operational and financial initiatives across the business. These measures, including streamlining of the organization, stringent cost control and price adjustments, have enabled the company to gradually improve profitability during 2024 amidst volatile sales.

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 not relevant as a steering mechanism. As a result, from this quarter onward, Ekornes will discontinue segment reporting, though revenue figures for each brand and marked will continue to be disclosed.

Demonstrating resilience under challenging market conditions, Ekornes has reduced its leverage ratio in line with company's bond covenants. As a result of implemented initiatives to ensure healthy cash generation through softer market conditions, such as reduced working capital and temporarily very low investments, Ekornes has built a strong cash position, standing at NOK 910 million at the end of 2024. This gives the company significant financial flexibility and a strong position to maintain profitability as efforts continue to adapt the organization to markets conditions.



Company history and ownership

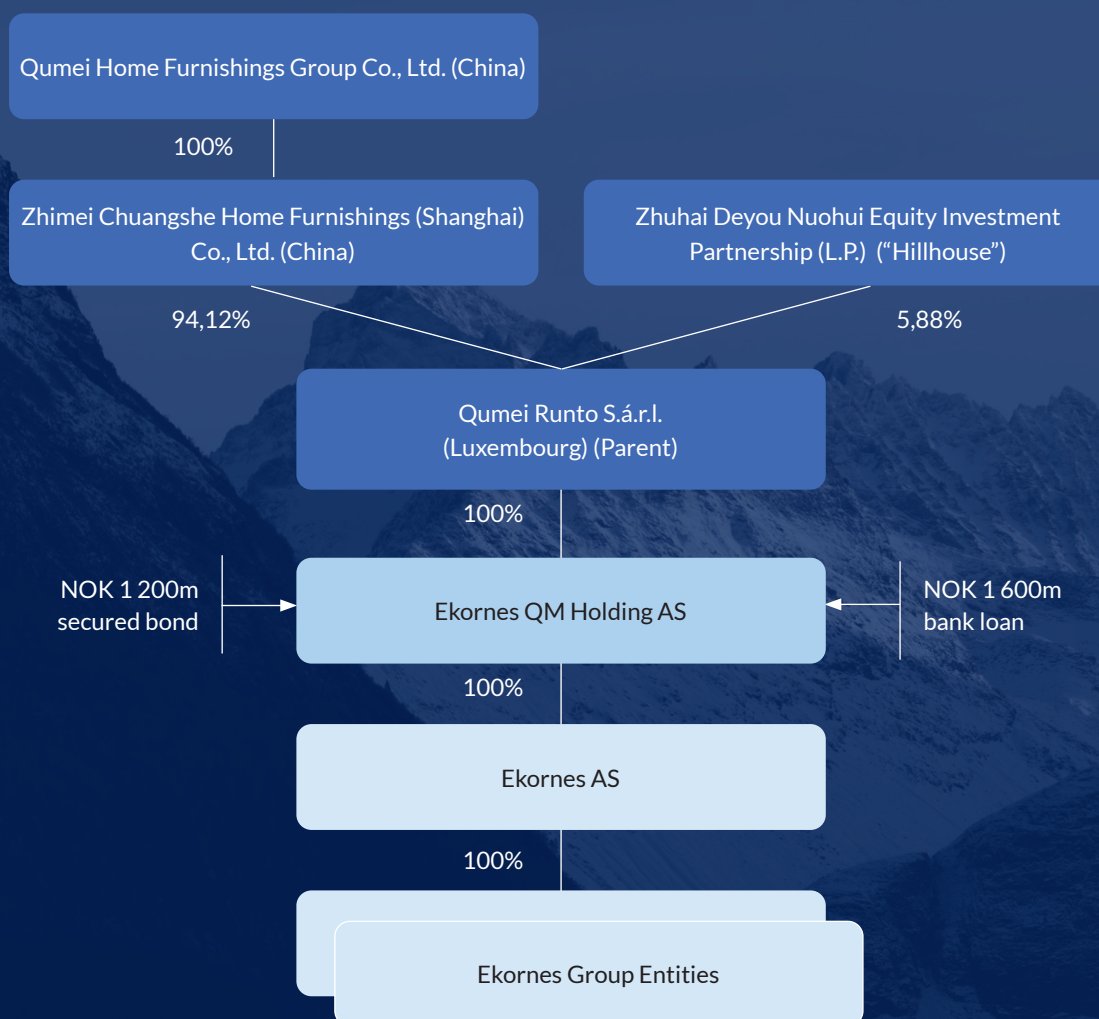
Ekornes QM Holding AS was founded 4 January 2018 with the purpose of acquiring the Ekornes Group. In May 2018, an offer was made to purchase the shares of all Ekornes shareholders. The share purchase was completed in August 2018 and Ekornes AS was delisted from the Oslo Stock Exchange in October 2018.

Norwegian ultimate parent company Ekornes QM Holding AS is a subsidiary of Qumei Home Furnishings Group. 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)



Key figures

		Q4 2024	Q4 2023	Q3 2024	Y 2024	Y 2023
Gross operating revenue	MNOK	1 018,2	1 124,0	852,3	3 819,0	4 219,0
Stressless®	MNOK	754,0	829,1	622,5	2 832,0	3 141,6
IMG	MNOK	194,4	224,9	173,5	740,5	824,5
Svane®	MNOK	69,9	70,0	56,3	246,5	252,9
Gross operating earnings (EBITDA)	MNOK	182,7	143,2	115,3	467,1	428,9
Operating earnings (EBIT)	MNOK	104,6	60,1	36,7	154,8	104,9
Operating margin (EBIT)	%	10,3%	5,4%	4,3%	4,1%	2,5%
Earnings before tax (EBT)	MNOK	44,9	7,1	-4,1	-62,7	-143,8
Net earnings	MNOK	38,5	-26,1	-2,1	-42,1	-140,5
Net interest-bearing Debt (NIBD)	MNOK	1 793,6	1 964,7	1 903,9	1 793,6	1 964,7
Cash and Bank deposits end of period	MNOK	910,4	835,3	832,1	910,4	835,3

FINANCIAL REVIEW

(Figures in brackets represent the corresponding period in 2023).

FOURTH QUARTER FINANCIAL REVIEW

Fourth quarter 2024 operating revenues came in at NOK 1 018 million, down 9% from the fourth quarter 2023 on lower volumes and some reduced capacity from last year. The decline was partly offset by higher prices, which have gradually materialized through the year. Compared to the third quarter 2024, revenues were up 19%, reflecting increased order intake in line with seasonality.

Revenues from the Stressless®, representing 74% of Group revenues, were NOK 754 million, a decrease of 9% from the fourth quarter 2023 mainly due to continued weak development during 2024 in Central and Southern Europe. Furthermore, Stressless® revenues were somewhat impacted by the temporary production stop at the Morganton Stressless® facility. Revenues from IMG fell by 14% to NOK 194 million on weaker sales development, particularly in North America and the Asia-Pacific. Svane® revenues were unchanged from last year, ending at NOK 70 million for the quarter, where product portfolio optimization has supported both sales and margins.

Cost of goods sold amounted to NOK 282 million during the quarter, a reduction of 31% from the corresponding period last year (410). Cost of goods sold was 28% of operating revenues during the quarter, down eight percentage points from the corresponding period last year and the lowest since the first quarter 2021. The improvement in gross profit margin was driven by stringent cost control and lower material costs, complemented by price increases materializing.

Payroll expenses increased 6% to NOK 296 million (279), mainly reflecting salary adjustments in line with inflation and bonus expenses. Other operating expenses came in at NOK 242 million (313), with the reduction mainly reflecting a net gain of NOK 60 million from the sale of the former IMG facility in Vietnam which was finalized in the quarter. Transportation and marketing costs have remained stable.

Net other losses amounted to NOK 16 million during the quarter, mainly related to unrealized losses on currency forward contracts with no cash effect. This compares to a net gain of NOK 21 million in the fourth quarter 2023. See note 3 in the financial statements for more information.

Total operating expenses for the period ended at NOK 914 million, down 14% from NOK 1 063 million in the fourth quarter 2023. Compared to the previous quarter, operating expenses increased by 12% in line with higher activity.

Operating earnings (EBIT) for the quarter were NOK 105 million (60), corresponding to an EBIT margin of 10.3%. This compares to 5.4% in the fourth quarter 2023 and 4.3% in the previous quarter. The improvement from last year mainly reflects higher prices, lower costs and the sales gain from the Vietnam facility. Direct expenses related to production have declined due to initiatives such as consolidation of operations, reduced production capacity and product portfolio optimization. This has supported margins alongside currency effects and lower material costs.

Net financial items for the quarter were negative NOK 60 million (-53), reflecting financial expenses of NOK 108 million (99), partly offset by financial income of NOK 50 million (34).

Key figures

Earnings before tax for the fourth quarter 2024 ended at NOK 45 million, compared to NOK 7 million in the fourth quarter 2023.

Tax for the period is calculated at NOK 6 million, resulting in a net profit for the quarter of NOK 39 million. This compares to a net loss of NOK 26 million in the fourth quarter 2023.

FULL YEAR 2024 FINANCIAL REVIEW

For the full year 2024, Ekornes generated operating revenues of NOK 3 819 million (4 219). The decline of 9% compared to 2023 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.

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).

Cost of goods sold decreased to NOK 1 127 million from NOK 1 481 million in the year before. Payroll expenses ended at NOK 1 148 million during the period, slightly down from NOK 1 171 million in 2023.

Other operating expenses, including sales and marketing costs and gain from sales of assets in Vietnam, ended at NOK 1 013 million, compared to NOK 1 105 million in 2023. 2023 also included restructuring costs related to streamlining operations and capacity adjustments.

Operating earnings (EBIT) for the full year 2024 came in at NOK 155 million, up from NOK 105 million in 2023. The increase is attributable to higher prices and the improvement initiatives taken across operations.

Net financial items were negative NOK 218 million (-249), driven by financial expenses of NOK 403 million (385).

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.



Order receipts and order reserve

		Q4 2024	Q4 2023	Q3 2024	Y 2024	Y 2023	Change Y 2024 / Change Y 2023
Order receipts	MNOK	1 154,4	969,8	888,8	3 987,7	3 986,7	0,0 %
Order reserve	MNOK	585,4	467,8	480,1	585,4	467,8	25,1 %

Order receipts in the fourth quarter 2024 amounted to NOK 1 154 million, up 19% from NOK 970 million in the fourth quarter 2023 and up 30% compared to the third quarter 2024. Order receipts for the full year 2024 amounted to NOK 3 988 million, unchanged from 2023.

As at 31 December 2024, Ekornes' combined order reserve was NOK 585 million, up 25% from NOK 468 million at the end of 2023. Order reserve at the end of the previous quarter stood at NOK 480 million.

Balance Sheet

		31.12.2024	30.9.2024	31.12.2023
Working capital*	MNOK	1 046,1	981,3	1 061,2
Bank deposits	MNOK	910,4	832,1	835,3
Total assets	MNOK	8 074,8	7 911,8	7 959,8
Interest-bearing loans	MNOK	2 704,0	2 736,0	2 800,0
Total liabilities	MNOK	4 360,1	4 299,2	4 343,6
Equity	MNOK	3 714,7	3 612,5	3 616,2
Equity ratio	%	46,0%	45,7%	45,4%
Value of forward contracts	MNOK	-22,8	-9,3	20,7
Net interest-bearing Debt (NIBD)	MNOK	1 793,6	1 903,9	1 964,7

* Working capital = trade receivables + inventory – trade payables

As at 31 December 2024, Ekornes had total assets of NOK 8 075 million, up from NOK 7 911 million three months earlier. The increase mainly follows higher bank deposits, inventory and trade receivables.

Total equity was NOK 3 715 million at the end of the period, corresponding to an equity ratio of 46.0%, slightly up from 45.7% three months earlier.

Total interest-bearing debt at the end of the period amounted to NOK 2 704 million (excluding capitalization), down NOK 32 million from the previous quarter, equal to the instalment paid on the bank debt.

Ekornes refinanced its bond and bank debt in the first quarter 2023. The current debt structure includes a NOK 1.2 billion bond loan and a NOK 1.54 billion term loan with DNB and Sparebanken Møre. 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 6 for more information.

Financial covenants

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 step-down to 4.5 by the end of first quarter 2025 and onwards. 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.

Cash flow

		Q4 2024	Q4 2023	Q3 2024	Y 2024	Y 2023
Net cash flow from operating activities	MNOK	79,4	154,9	25,7	242,7	452,2
Net cash flow from investing activities	MNOK	42,6	-11,8	-26,7	-10,4	-67,5
Net cash flow from financing activities	MNOK	-49,7	-23,8	-50,1	-167,5	22,9
Change in net cash & cash equivalents	MNOK	72,3	119,3	-51,1	64,8	407,6
Effect of exchange gains / (losses) on cash and cash equivalents	MNOK	6,0	-1,2	1,4	10,3	-1,1
Net cash & cash equivalents at the start of the period	MNOK	832,1	717,2	881,7	835,3	428,9
Net cash & cash equivalents at the close of the period	MNOK	910,4	835,3	832,1	910,4	835,3

Net cash flow from operating activities in the fourth quarter 2024 was NOK 79 million (155). The reduction from the fourth quarter 2023 mainly reflect inventory reductions of NOK 148 million last year, partly offset by increased earnings this quarter.

Net cash flow from operating activities for the full 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. As the order intake and reserve increased in the fourth quarter, the inventory is currently at a satisfactory level to handle incoming orders.

Net cash flow from investing activities was positive NOK 43 million in the quarter (-12), driven mainly by proceeds of NOK 69 million from the sale of the Vietnam IMG facility. For the full year, cash flow from investing activities were negative to NOK 10 million compared to an outflow of NOK 67 million in 2023.

As part of the initiatives to safeguard operations through times of softer market conditions, Ekornes reduced investments significantly during 2023 and the first half 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 50 million during the quarter (-24), relating to instalment on bank debt and payment of lease liabilities. For the full year, net cash flow from financing activities amounted to NOK 168 million.

Net change in cash and cash equivalents was positive NOK 73 million during the quarter, and together with NOK 6 million in exchange rate gains, the cash position stood at NOK 910 million as at 31 December 2024. This compares with NOK 835 million 12 months earlier and NOK 832 million at the end of the third quarter 2024.

Market review

THE NORDICS

The Nordic markets continued their positive trajectory in the fourth quarter, supported by increasing footfall in stores and growing consumer optimism as inflation has stabilized. Black Friday and Black Week campaigns delivered strong results, particularly in Norway where Stressless® remained the primary growth driver. Sweden has also seen positive developments as declining interest rates are positively influencing consumer purchasing power. Meanwhile, Stressless® in Denmark was somewhat affected by lower store traffic and high price sensitivity, which have led to a stronger performance from IMG in this market. Finland remains a challenging market with the retail industry in general struggling financially.

Going forward, the outlook in the Nordic markets is positive, supported by stable inflation and expectations of lower interest rates fueling consumer optimism. With a strong presence in these markets, Ekornes is well-positioned to capitalize on upcoming product launches and targeted marketing initiatives.

EUROPE

In Europe, the market environment remained challenging, particularly in Central Europe, where economic development and ongoing recessionary pressures in Germany continued to weigh on consumer sentiment. Store traffic remained volatile, and discretionary spending is under pressure, but promotional campaigns have yielded positive results, driving solid sales of promotional chairs and power sofas. Stressless® continues to hold up better than IMG, benefiting from its strong brand recognition as consumers increasingly favor established premium brands over non-branded alternatives. To strengthen its position, IMG is undergoing a strategic repositioning, with efforts focused on refining its market presence and expanding its distribution network.

Meanwhile, the UK market remained a bright spot, with Stressless® gaining market share despite broader market declines. IMG is also making progress, prioritizing new partnerships and a more structured distribution approach. Looking ahead, uncertainty persists across the region, with consumer confidence closely tied to economic developments. However, Ekornes remains well-positioned to navigate the volatility, leveraging its strong brands, targeted marketing initiatives, and a flexible operating model.

NORTH AMERICA

North America remains Ekornes' largest market and continued to deliver a stable performance in the fourth quarter, despite retailers still managing larger inventories than pre-pandemic levels. As seen in Europe, Stressless® is holding up better than IMG, benefiting from strong brand loyalty among retailers and consumers. Winter campaigns and recent product launches have been well received, supporting sales momentum. The temporary closure of the Morganton facility after the flood in September was efficiently handled, resulting in minimal lost sofa orders. However, store traffic remained somewhat weak with the furniture sector trailing other retail categories.

Following the presidential election, uncertainty lingers from potential tariffs on the furniture industry, leading some retailers to be cautious with inventory buildup. Despite this, Ekornes holds a strong market position in North America and leverages its well-known brands and comprehensive distribution network in the region.

ASIA-PACIFIC

The Asia-Pacific region delivered a mixed performance in the fourth quarter, with decent sales in Australia and New Zealand (ANZ), while Japan and China were somewhat weaker. ANZ continued its positive trend, with healthy year-over-year growth in order intake. Consumer sentiment is expected to improve further, supported by anticipated interest rate cuts in early 2025. Japan, on the other hand, faced pressure as declining real wages weighed on consumer spending, leading to softer demand across the furniture sector. Despite this, Stressless® maintained stable sales, and targeted promotions helped sustain momentum in key retail channels.

In China, sales showed good growth compared to the previous quarter, indicating a gradual recovery despite retailers still working through excess inventory from last year. The overall macroeconomic environment remains fragile, with the struggling real estate market continuing to suppress consumer confidence. However, recent government stimulus, including direct consumer subsidies aimed at boosting general consumption, provide support for the sector going forward. With strategic marketing initiatives and store openings planned in 2025, Ekornes remains focused on developing its position to drive growth in the Chinese markets.

Outlook

After a challenging start to 2024 with subdued demand for furniture, Ekornes ended the year with a healthy growth in order intake and reserve compared to both the same period last year and the previous quarter. This positions the company better in a volatile market environment than one year ago. Furthermore, the positive sales developments have continued into 2025, indicating a gradual market recovery despite volumes still well below elevated pandemic levels.

At the same time, market development for the furniture industry is uncertain and visibility limited following the US presidential election and potential impact of new tariffs. This has led some retailers to be cautious with inventory buildup. Although outcome is unclear, Ekornes has 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.



H & S

As at 31 December 2024, Ekornes employed a total of 2 461 people, of which 39% were employed in Norway.

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 eight lost-time injuries in the fourth

quarter 2024. This gives an H1-value for the period of 7,0 compared to 0,7 the same period the year before.

The Group had a sickness absence rate of 3,4% in Q4 2024, compared to 3,9% in Q4 2023. For the full year, absence rate was 3,7%, unchanged from 3,7% in 2023.

Risks and uncertainties

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. 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 quarter have increased by 19% from the same period last year, 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.

For more information on the Group's risk factors and risk management, reference is made to the company's 2023 Annual Report published on ekornes.com/investor-relations.

Related parties

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 in the quarter.

Events after the balance sheet date

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.

Oslo, February 26th, 2025
The board of Ekornes QM Holding AS

Ruihai Zhao
Chair

Mogens Falsig
Director and CEO



Consolidated income statement

(Figures in MNOK)	Note	Q4 2024	Q4 2023	Q3 2024	Y 2024	Y 2023
Gross operating revenue	2	1 018,2	1 124,0	852,3	3 819,0	4 219,0
Cost of goods sold		281,7	409,8	244,3	1 126,6	1 480,7
Payroll expenses		295,6	278,9	235,3	1 148,1	1 170,8
Depreciation and write downs	5	78,1	83,1	78,6	312,3	324,0
Other operating expenses	7	241,9	313,1	239,0	1 013,0	1 104,6
Net other losses (gains)	3	16,4	-21,0	18,4	64,2	33,9
Total operating expenses		913,6	1 063,9	815,6	3 664,2	4 114,1
Operating earnings (EBIT)		104,6	60,1	36,7	154,8	104,9
Financial income		49,5	33,7	36,0	151,1	92,0
Net gains (losses) on foreign exchange		-1,3	12,3	22,2	34,2	44,8
Financial expenses		107,9	99,0	99,1	402,7	385,5
Net financial items		-59,7	-53,0	-40,9	-217,5	-248,7
Earnings before tax (EBT)		44,9	7,1	-4,1	-62,7	-143,8
Calculated tax cost (Income)		-6,4	-33,2	2,0	20,6	-3,3
Net earnings		38,5	-26,1	-2,1	-42,1	-140,5
Earnings per share		1 283,3	-870,6	-70,8	-1 402,5	-4 683,6
Earnings per share (diluted)		1 283,3	-870,6	-70,8	-1 402,5	-4 683,6

Consolidated statement of comprehensive income

(Figures in MNOK)	Note	Q4 2024	Q4 2023	Q3 2024	Y 2024	Y 2023
Net earnings		38,5	-26,1	-2,1	-42,1	-140,5
Other income and expenses:						
Items which can be recl. to earnings and loss:						
Translation differences	5	63,7	-52,2	14,9	140,6	48,8
Total other income and expenses		63,7	-52,2	14,9	140,6	48,8
Total comprehensive income		102,2	-78,3	12,8	98,5	-91,7

Consolidated balance sheets

(Figures in MNOK)	Note	31.12.2024	30.9.2024	31.12.2023
ASSETS				
Non-current assets				
Buildings and sites		860,4	883,7	897,8
Machinery and equipment		203,7	193,3	231,3
Operating movables and fixtures		19,5	21,0	24,3
Assets under construction		29,2	23,1	21,0
Right-of-use assets		219,3	187,5	208,7
Total property, plant & equipment		1 332,1	1 308,6	1 383,1
Software and licenses		67,2	66,4	50,1
Brand name	5	1 398,8	1 409,0	1 439,5
Goodwill	5	1 561,1	1 561,1	1 561,1
Customer relations	5	1 196,5	1 166,8	1 175,5
Deferred tax assets	7	184,1	184,6	129,7
Total non-current intangible assets		4 407,7	4 388,0	4 355,9
Other receivables and investments		17,6	27,6	24,3
Total non-current financial assets		17,6	27,6	24,3
Non-current assets classified as held for sale	7	0,0	16,0	16,3
Total non-current assets		5 757,4	5 740,2	5 780,0
Current assets				
Inventory		717,5	678,5	715,5
Trade receivables		513,2	495,3	517,8
Value of forward contracts	3	0,0	0,0	20,7
Other short-term receivables		176,3	165,7	90,3
Cash and bank deposits		910,4	832,1	835,3
Total current assets		2 317,4	2 171,6	2 179,7
TOTAL ASSETS		8 074,8	7 911,8	7 959,8

Consolidated balance sheets

(Figures in MNOK)	Note	31.12.2024	30.9.2024	31.12.2023
EQUITY AND LIABILITIES				
Equity				
Contributed equity				
Share capital	8	0,2	0,2	0,2
Premium paid		3 159,3	3 159,3	3 159,3
Total contributed equity		3 159,5	3 159,5	3 159,5
Retained earnings				
Translation difference		382,7	319,0	242,1
Other equity		172,6	134,1	214,7
Total retained earnings		555,3	453,1	456,7
Total equity		3 714,7	3 612,5	3 616,2
Non-current liabilities				
Pension liabilities		8,4	8,2	7,1
Provisions		23,7	5,0	5,5
Deferred tax		766,0	761,1	773,7
Lease liabilities		174,3	143,7	164,6
Interest-bearing debt - Bond	6	1 194,4	1 192,2	1 187,7
Interest-bearing debt - Bank	6	1 375,2	1 405,7	1 498,9
Total non-current liabilities		3 542,2	3 515,9	3 637,5
Current liabilities				
Trade payables		184,5	192,5	172,1
Public charges payable		71,5	46,7	59,9
Tax payable		35,4	14,8	33,8
Forward currency contracts	3	22,8	9,3	0,0
Interest-bearing debt - Bank	6	128,0	128,0	96,0
Lease liabilities		64,1	62,1	61,4
Other current liabilities		311,5	328,8	281,7
Total current liabilities		817,9	803,5	704,9
Total liabilities		4 360,1	4 298,1	4 342,4
Liabilities classified as held for sale	7	0,0	1,1	1,2
TOTAL EQUITY AND LIABILITIES		8 074,8	7 911,8	7 959,8

Consolidated statement of cash flows

(Figures in MNOK)	Note	Q4 2024	Q4 2023	Q3 2024	Y 2024	Y 2023
Cash flows from operating activities						
Earnings before tax (EBT)		44,9	7,1	-4,1	-62,7	-143,8
Tax paid for the period		-47,9	-3,3	-3,3	-60,9	-46,7
Depreciation and write downs		78,1	83,1	78,6	312,3	324,0
Change in inventory		-39,0	148,1	14,0	-1,9	481,6
Change in trade receivables		-17,9	-34,2	54,1	4,6	-43,5
Change in trade payables		-8,0	-3,7	13,5	12,5	-17,8
Change in other time limited records		69,1	-42,1	-127,0	38,9	-101,6
Net cash flow from operating activities		79,4	154,9	25,7	242,7	452,2
Cash flows from investing activities						
Proceeds from sale of PP&E	7	68,3	0,0	0,0	70,6	0,8
Payments for purchase of PP&E		-25,7	-11,8	-26,7	-81,0	-68,2
Net Cash flows from investing activities		42,6	-11,8	-26,7	-10,4	-67,5
Cash flows from financing activities						
Payment of lease liabilities		-17,7	-23,8	-18,1	-71,5	-71,6
Proceeds from issue of share capital		0,0	0,0	0,0	0,0	352,0
Proceeds from bond borrowings	6	0,0	0,0	0,0	0,0	1 200,0
Repayment of bond borrowings	6	0,0	0,0	0,0	0,0	-2 020,0
Proceeds from bank borrowings	6	0,0	0,0	0,0	0,0	1 600,0
Repayment of bank borrowings	6	-32,0	0,0	-32,0	-96,0	-1 037,5
Net cash flow from financing activities		-49,7	-23,8	-50,1	-167,5	22,9
Change in net cash & cash equivalents		72,3	119,3	-51,1	64,8	407,6
Effect of exchange gains / (losses) on cash and cash equivalents		6,0	-1,2	1,4	10,3	-1,1
Net cash & cash equivalents at the start of the period		832,1	717,2	881,7	835,3	428,9
Net cash & cash equivalents at the close of the period		910,4	835,3	832,1	910,4	835,3
Restricted cash at the end of the period*		24,3	21,9	14,0	24,3	21,9
Unrestricted cash at the end of the period		887,0	813,4	818,1	887,0	813,4

*In the statement of cash flow, cash and bank deposits are recognized as cash. The restricted cash on 31 December 2024 are related to the payment of employee tax deductions in Norway.

Consolidated statement of changes in equity

(Figures in MNOK)	Share capital	Premium paid	Translation difference	Other equity	Sum
Equity 31.12.2022	0,1	2 807,4	193,2	355,2	3 355,9
Earnings for the period	0,0	0,0	0,0	-140,5	-140,5
Other comprehensive income	0,0	0,0	48,8	0,0	48,8
Proceeds from issue of share capital	0,0	352,0	0,0	0,0	352,0
Equity 31.12.2023	0,2	3 159,3	242,1	214,7	3 616,2
Equity 31.12.2023	0,2	3 159,3	242,1	214,7	3 616,2
Earnings for the period	0,0	0,0	0,0	-42,1	-42,1
Other comprehensive income	0,0	0,0	140,6	0,0	140,6
Equity 31.12..2024	0,2	3 159,3	382,7	172,6	3 714,7

Notes to the consolidated financial statements

NOTE 1 Accounting principles

The consolidated financial statements for the fourth quarter 2024, closed as at 31 December 2024 have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU, and include Ekornes QM Holding AS and its subsidiaries.

The interim report has not been audited. The interim report does not include all the information required of a complete set of year-end financial statements and should therefore be read in conjunction with the consolidated financial statements for 2023. The 2023 annual report, which contains the Group's consolidated financial statements and the financial statements for the parent company Ekornes QM Holding AS, may be found on the company's website www.ekornes.com/en/investor-relations/reports.

The accounting principles, significant estimates, and areas where judgement is applied by the company are in conformity with those described in the Annual report for 2023.

NOTE 2 Revenue per brand and markets

The division into product areas is based on the Group's management and internal reporting structures. Ekornes QM Holding Group's business was previously divided into the segments/product area Stressless, IMG and Svane.

Ekornes have 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, from this quarter onward, Ekornes will discontinue segment reporting, though revenue figures for each brand and market will continue to be disclosed.

(Figures in MNOK)	Q4 2024	Q4 2023	Q3 2024	Y2024	Y2023
Revenues per brand					
Stressless®	754,0	829,1	622,5	2 832,0	3 141,6
IMG	194,4	224,9	173,5	740,5	824,5
Svane®	69,9	70,0	56,3	246,5	252,9
Total	1 018,2	1 124,0	852,3	3 819,0	4 219,0
Operating revenues by market					
Norway	176,0	145,8	114,5	536,7	490,0
Other Nordic	43,7	37,9	34,8	161,3	165,8
Central Europe	176,6	184,3	107,6	640,4	726,5
Southern Europe	63,5	73,2	41,5	227,8	279,1
United Kingdom/Ireland	82,3	113,5	80,1	322,2	321,9
USA/Canada/Mexico	300,9	335,4	311,3	1 317,6	1 499,9
Japan	33,1	36,9	30,8	111,0	129,5
Australia	70,7	74,2	81,2	297,0	308,7
China	47,9	83,2	23,7	99,8	180,0
Other Markets	23,5	39,7	26,8	105,1	117,6
Total	1 018,2	1 124,0	852,3	3 819,0	4 219,0

NOTE 3 Currency

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 75 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.

Forward contracts

In 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). In the fourth quarter, these contracts resulted in a NOK2,8 million in realised loss and unrealised loss of million. 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.

Total net other gains/(losses) comprises:

(Figures in MNOK)	Q4 2024	Q4 2023	Y 2024	Y 2023
Realised gains/(losses) on new forward contracts	-2,8	-9,7	-20,7	-57,3
Change in value of realised and unrealised contracts	-13,6	30,8	-43,6	23,4
Net other gains/(losses)	-16,4	21,0	-64,2	-33,9

The following forward contracts was realized in Y 2024:

Currency	Volume in Currency (Million)	Average exchange rate (in NOK)
AUD	22,1	6,98
DKK	52,2	1,54
EUR	40,4	11,46
GBP	11,0	12,70
USD	28,4	10,54

NOTE 4 No. of employees

	31.12.2024	30.9.2024	31.12.2023
Employees in Norway	972	979	1 011
Employees abroad	1 489	1 506	1 773
Total	2 461	2 485	2 784

NOTE 5 Goodwill, customer relations and brand names

In connection with the purchase price allocation following the acquisition of Ekornes AS in September 2018, excess values were identified related to brand names, customer relationships, real estate and fixed assets. 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 the Stressless® and 20 years for the IMG. For brands, the estimated lifetime is estimated at 50 years for the Stressless® and 20 years for the IMG. Depreciation expense is included in ordinary depreciation in the income statement. Goodwill is not depreciated in the consolidated financial statements but is tested annually for impairment.

The customer related assets are allocated to the main markets for each based on their relative share of revenue. For Stressless®, the main markets are USA, Germany and France, while for IMG the main markets are USA, Australia and Norway. The deferred tax liabilities have been calculated based on the applicable legal tax rate for each country. In addition, the customer relations and related deferred tax have been allocated to the main markets and denominated in their functional currencies. Changes in currency rates will cause translation differences, related to the book value of the customer relations and the corresponding DTL, which will be recognized through other comprehensive income ("OCI").

(Figures in MNOK)	Brand name	Goodwill	Customer relationships	Total
Acquisition value 1.1.2024	1 656,4	1 561,1	1 302,3	4 519,8
Accumulated depreciation 1.1.2024	216,9	0,0	331,9	548,8
The period's depreciation	40,7	0,0	69,9	110,5
Accumulated depreciation 31.12.2024	257,6	0,0	401,8	659,4
Accumulated currency translation differences 1.1.2024	0,0	0,0	205,1	205,1
Currency translation differences in 2024	0,0	0,0	90,9	90,9
Accumulated currency translation 31.12.2024	0,0	0,0	296,0	296,0
Book value 31.12.2024	1 398,8	1 561,1	1 196,5	4 156,4
Split per brand				
Stressless®	1 227,0	676,6	780,5	2 684,1
IMG	171,9	884,5	416,0	1 472,3
Book value 31.12.2024	1 398,8	1 561,1	1 196,5	4 156,4

(Figures in MNOK)	Brand name	Goodwill	Customer relationships	Total
Acquisition value 1.1.2023	1 656,4	1 561,1	1 302,3	4 519,8
Accumulated depreciation 1.1.2023	176,3	0,0	263,1	439,3
The period's depreciation	40,7	0,0	68,8	109,5
Accumulated depreciation 31.12.2023	216,9	0,0	331,9	548,8
Accumulated currency translation 1.1.2023	0,0	0,0	155,0	155,0
The period's currency translation differences	0,0	0,0	50,1	50,1
Accumulated currency translation 31.12.2023	0,0	0,0	205,1	205,1
Book value 31.12.2023	1 439,5	1 561,1	1 175,5	4 176,1
Split per brand				
Stressless®	1 255,1	676,6	757,6	2 689,2
IMG	184,4	884,5	417,9	1 486,9
Book value 31.12.2023	1 439,5	1 561,1	1 175,5	4 176,1

NOTE 6 Interest-bearing loans and credit facilities

In February 2023, Ekornes successfully refinanced outstanding debt with a NOK 1 200 million bond loan and term loan of NOK 1 600 million with DNB and Sparebank Møre. The new financing structure strengthens the financial position and supports the strategy for long-term profitable growth.

Long-term bank 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 Møre to refinance its existing debt. The old loans were repaid to DNB and Sparebank Møre on 30 March 2023.

The loan is secured with quarterly installments at NOK 32 million four times per year with the first instalment in June 2024, second instalment in September 2024 and the third instalment in December 2024. Interest expenses are paid quarterly. Final maturity in March 2026. NOK 128 million are classified as short-term borrowing 31. December 2024.

Since the refinancing and as at 31 December 2024, Ekornes was compliant with all covenant requirements in the bank agreement. Ekornes AS also has NOK 175 million in undrawn overdraft facility in DNB and Sparebanken Møre at 31 December 2024.

Senior Secured Bond at 31 December 2024

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 EKO02 (ISIN: NO0012855537). 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 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.

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 MNOK 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.

Voluntary early redemption - Call Option

Ekornes Qm Holding AS may redeem all or parts of the Outstanding Bonds (the "Call Option") on any Business Day from and including:

Time	Call price
Before 10 March 2025	108,46 %
Between 10 March 2025 and 10 Sept 2025	105,64 %
Between 10 Sept 2025 and 10 March 2026	102,82 %
After 10 March 2026 but before maturity	101,41 %
Maturity	100,00 %

in each case, plus accrued and unpaid interest on the redeemed Bonds.

NOTE 7 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 30.9.2024. NOK 60 million in gain from the sale of the assets in Vietnam was included in "Other operating expenses" in Q4 2024.

Ekornes has received 95% of the sales proceed of MUSD 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% will be received when the Authorities has approved the change of land use.

NOTE 8 Shares and sole shareholder

As of 31 December 2024, Ekornes QM Holding AS'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 of 31 December 2024.

As of 31 December 2024, the company's sole shareholder was:

Shareholder	Country	No. of shares held	Percentage
Qumei Runto S.à.r.l.	Luxembourg	30 000	100%

As of 31 December 2024, the board has been granted the following authorizations:

The board has been granted no authorizations.





EKORNES®

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