Expanding horizons

Annual Report 2024

Expanding horizons

Annual Report 2024

Contents

Flokk In Short

Net sales NOK
4 280M
(+12% vs LY)

7
global production sites ensuring fast time to market

1 878
employees committed to "Inspire great work"

Sales in
80+
countries, on 3 continents

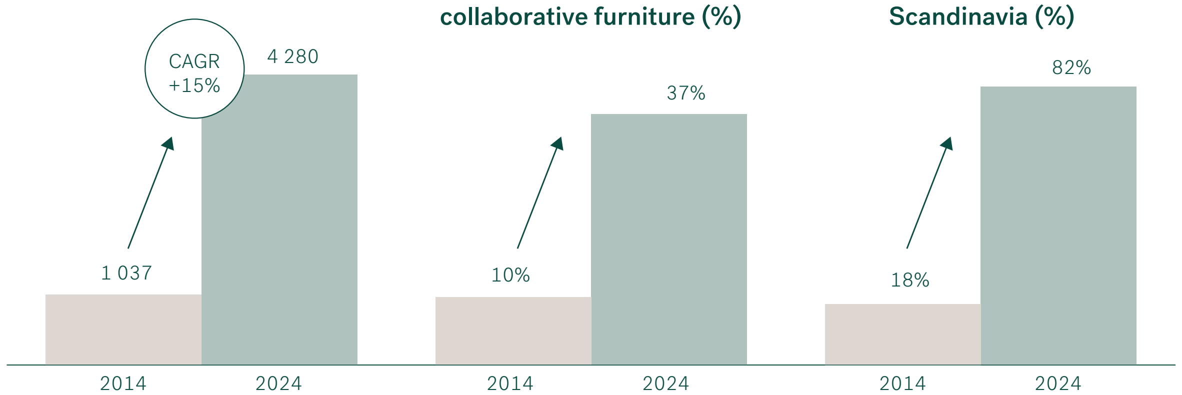
Adjusted EBITA
NOK 638m

9
unique brands in our product portfolio

Strong inhouse value chain;
from the design and manufacturing to the sales and marketing of our aesthetic products

Our development

Total revenue (NOKm) | Revenue from collaborative furniture (%) | Revenue from outside of Scandinavia (%)



Growth & market expansion
Over the past decade, we have achieved a 15% CAGR revenue growth.

Strategic growth
Collaborative furniture has become a central part of our portfolio, reflecting changing workplace needs and customer demand for flexible, team-oriented environments.

Expanding horizon
From regional roots to a global presence – our revenue from outside Scandinavia has surged from 18% to 82%.

CEO's introduction: Solid performance in mixed market

In 2024, we increased our sales and maintained healthy margins despite a challenging market landscape. While several European office furniture markets faced soft demand, this was largely counterbalanced by a positive US market.

Indeed, Flokk's US expansion has been a crucial strategic move over recent years. It began with the acquisition of 9to5 Seating, followed by Stylex last year, and finally, Via Seating, which joined the group in February 2025.

This means that the US market now constitutes approximately 40 percent of our total sales, enhancing our robustness across business cycles as various geographical markets often develop differently.

As we keep growing the Flokk brand family, in the US and elsewhere, our strategy is based on leveraging the strong brands we have acquired while actively seeking additional revenue-generating opportunities, such as cross-selling based on a broader product offering, using same products across different brands, as well as operational synergies and the sharing of best practices across the group.

In pursuing this growth strategy, we remain committed to our operational approach, which prioritizes flexibility and resilience. This means maintaining a lean and adaptable cost base by outsourcing functions where we do not create significant added value, such as certain back-office operations and non-core administrative services. This approach ensures cost efficiency while preserving scalability, allowing us to focus on innovation and core business activities. Maintaining our cost-effective operating model is an ongoing process, and we will continue to refine and optimize it in the years ahead.

While we have recently generated M&A-driven growth in the US, we also see exciting organic growth opportunities in our established European markets, not least in Germany, our second-largest market. These opportunities are driven by factors such as back-to-office trends, focus on well-being in the workplace, and sustainability, which has long been at the core of Flokk's business.

Consequently, we welcome customers in many of our markets increasingly demanding clear and verifiable answers from suppliers on sustainability topics such

as supply chain transparency, recyclability, and carbon emissions. Many companies in our industry will find it challenging to provide this level of accountability, and we believe Flokk's documented strengths in sustainability provide a clear competitive edge.

As this is my first CEO's introduction to the annual report, I would like to recognize the tremendous contributions of my predecessor, Lars I. Røiri, during his 26-year career at Flokk. I look forward to continuing to work with Lars in his new role as Chair of the Flokk Board as we take Flokk to the next level.

Moving ahead, we are strengthening our focus on strategy execution and follow-up. With a new leadership team in place, we are ensuring the execution power needed to drive profitable growth, operational efficiency, and commercial excellence. By aligning our efforts and leveraging our strong foundation, we will capture market opportunities and further strengthen our position.

I look forward to working with our employees, customers, and partners to take Flokk to the next level.

Henning Karlsrud
Chief Executive Officer

Profim Noor Sledgebase

Our History - Key Milestones

Brand est. / Milestone

1872 Giroflex est. | 1943 HÅG est. | 1956 Stylex est. | 1976 RH est. | 1987 ViaSeating est. | 1990 OFFECCT est. | 1992 Profim est. | 1994 Malmstolen est. | 1997 Connection est. | 2004 9to5 est.

2017
Rebranding and European expansion
Scandinavian Business Seating rebranded to Flokk, reflecting its multi-brand strategy. The acquisitions of OFFECCT (Sweden) and Giroflex (Switzerland) expanded Flokk's design capabilities and market presence in Europe.

2016
Strengthened niche offering in Scandinavia
The acquisition of Malmstolen added a specialist range of ergonomic chairs, consolidating the Group's Scandinavian position.

2015
Entry into the Benelux market
Scandinavian Business Seating acquired BMA Ergonomics, strengthening its position in the Benelux region and adding expertise in ergonomic task chairs.

2014
New ownership to accelerate growth
European Private Equity investor, Triton, acquired Scandinavian Business Seating to accelerate international growth and portfolio.

2007
Platform established
Listed Swedish investment firm, Ratos, acquired HÅG, RH, and RBM, forming Scandinavian Business Seating and creating a leading seating manufacturer in Scandinavia.

2018
Broadened product range and market access
The acquisition of Polish manufacturer Profim extended Flokk's presence into Central Europe and introduced new product groups and price points.

2019
Strategic entry into the US market
The acquisition of 9to5 Seating gave Flokk direct access to the US market, with local production and a platform for further growth.

2022
Expansion in the UK and collaborative furniture
Flokk acquired Connection, adding new product categories within collaborative seating and strengthening its UK market position.

2024
US portfolio and distribution expanded
Flokk acquired Stylex, adding premium collaborative furniture and higher price points to its US offering. This enabled cross-selling of European products and broadened US market access.

2025
US platform further strengthened
With the acquisition of Via Seating, Flokk expanded its US product range and customer base, increasing US-driven revenue to approx. 40% of Group sales.

Important events in 2024

OPERATIONAL

- Effective from October 1st, Lars Røiri, after 23 years as CEO of Flokk, assumed the role as Chair of the Board of Flokk, succeeding Mikael Aro. Simultaneously, Henning Karlssrud, former CFO of Flokk, steps into the position of CEO of Flokk. Rolf Lindbäck was appointed as the new CFO of Flokk, effective from October 7th.
- In 2024, we invested to modernize production facilities in key locations, focusing on reducing environmental impact and improving resource efficiency. These upgrades will ensure Flokk remains at the forefront of sustainable manufacturing while increasing capacity for future growth.
- The merger of BMA and RH was completed, with RH remaining as the consolidated brand. Similarly, RBM and Profim were merged, with Profim remaining as the unified brand. These decisions simplify the portfolio and strengthen brand focus.

M&A AND INTEGRATION

- A key highlight was the acquisition of Stylex, January 2024. This acquisition strengthens our presence in the North American market.
- We continued to drive synergies and efficiencies across our portfolio, further consolidating a fragmented industry and enhancing our ability to bring new brands into the Flokk family.

FLOKK NEW PRODUCT LAUNCHES 2024

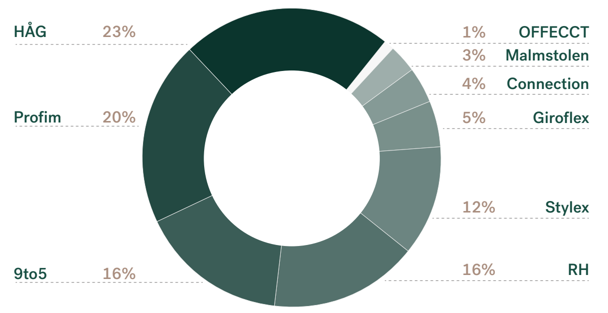
- Profim Snap Lounge chair
- Connection One Module
- Connection Nest system
- Connection Spaces
- OFFECCT Vertigo
- OFFECCT Circulus
- Stylex Anla chair
- Stylex Luna
- Stylex Cala table
- 9to5 Seating Koble Modular Seating Solution

AWARDS TO FLOKK 2024

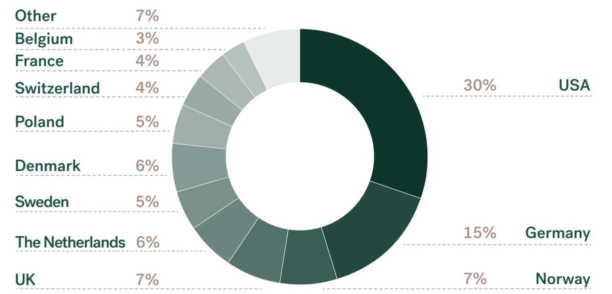
- HÅG Celi – Best of NeoCon 2024 - Innovation Award, Neocon Sustainability Award for stacking seating
- HÅG Tion – Best of NeoCon 2024 – Sustainability Award for conference seating
- Stylex Ambi – Best of NeoCon 2024 – Business Impact
- Stylex Luna – Best of NeoCon 2024 – Best Innovation Award
- Stylex Anla – Interior Design HiP Awards in Workspace Seating

Key figures

Sales per brand

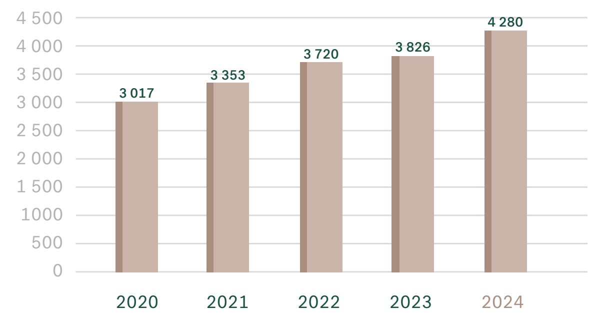


Revenue per country

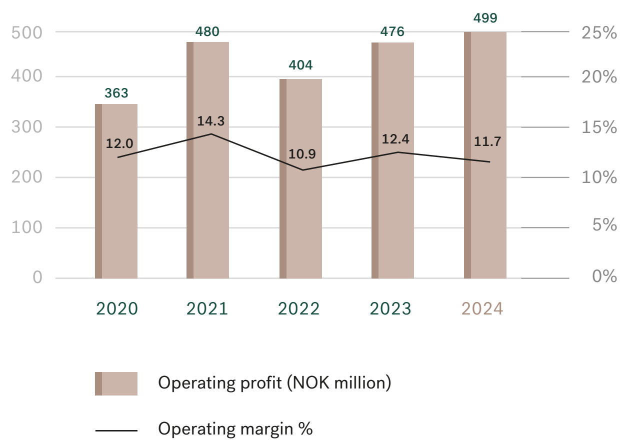


		2024	2023	2022	2021	2020
Total operating income	NOK million	4 280	3 826	3 720	3 353	3 017
Sales revenues	NOK million	4 280	3 826	3 720	3 260	2 929
Operating profit	NOK million	499	476	404	480	363
Operating margin	%	11.7	12.4	10.9	14.3	12.0
Profit before tax	NOK million	(6)	(42)	77	390	57
Profit for the year	NOK million	(29)	(90)	4	306	(2)
Total assets	NOK million	10 743	9 382	6 478	6 090	6 063
Total interest bearing-liabilities	NOK million	4 565	3 942	3 784	3 592	3 909
Cash and cash equivalents	NOK million	1 074	778	599	734	819
No. of employees per 31.12.		1 878	1 708	1 829	1 816	1 840
Full time equivalents per 31.12.		1 839	1 686	1 796	1 787	1 827

Operating income (NOK million)



Operating profit and operating margin

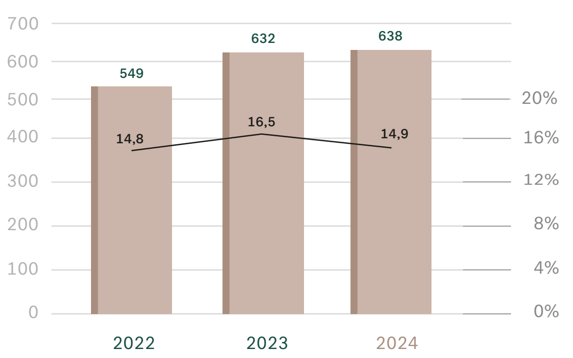


Alternative Performance Measures

		2024	2023	2022	2021
Opex	NOK million	1 214	1 008	986	870
Opex / sales revenues	%	28	26	26	27
Contribution margin / sales revenue	%	46	45	42	44
Adjusted EBITDA	NOK million	837	791	686	796
Adjusted EBITA	NOK million	638	632	549	571
Adjusted EBITA / sales revenues	%	14.9	16.5	14.8	17.5
Adjusted EBIT	NOK million	607	601	525	549
Product development and improvement spend / sales revenues	%	3.3	2.9	2.8	2.9
Capital expenditures	NOK million	139	108	135	113
Capital expenditures / sales revenues	%	3.2	2.8	3.6	3.5
Net interest bearing debt	NOK million	3 491	3 164	3 185	2 858
Return on operating capital employed	%	20	23	29	36
Cash conversion	NOK million	600	607	482	627

For definitions, see from page 92.

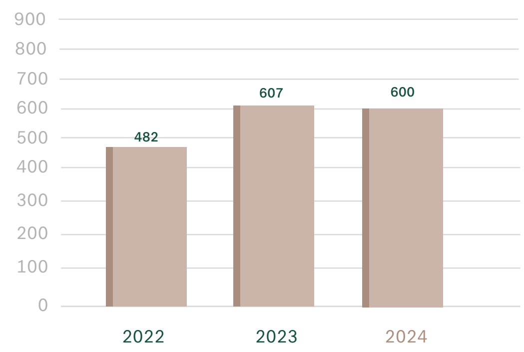
Adjusted EBITA / sales revenues



Adjusted EBITA (NOK million)

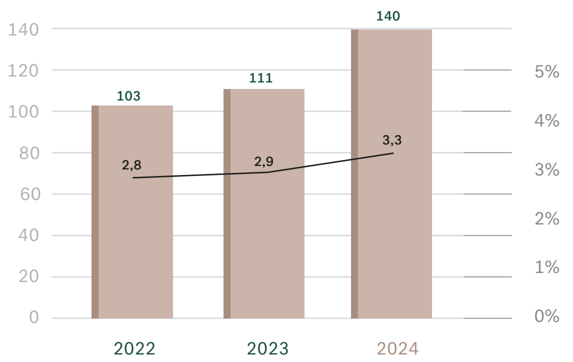
Adjusted EBITA / sales revenues (%)

Cash conversion



Cash conversion (NOK million)

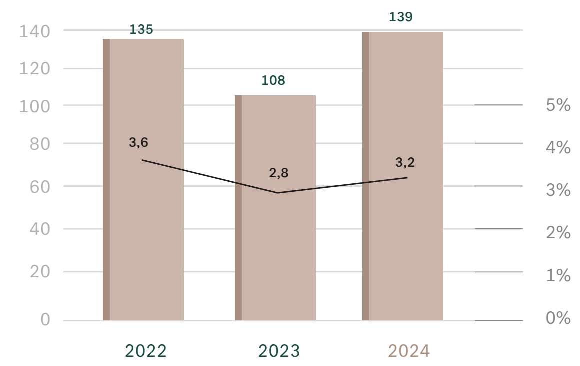
Product development and improvement spend / sales revenues



Product development and improvement spend (NOK million)

Product development and improvement spend / Sales revenues (%)

Capital expenditures / sales revenues



Capital expenditures (NOK million)

Capital expenditures / sales revenues (%)

ESG Metrics

ENVIRONMENT

12 030
Total CO_2e Emissions (Market-based)

80%
Renewable share of total purchased electricity*

1 064t
Recycled plastic in our products*

1 383
tCO_2e saved by using recycled vs virgin plastics

7.6%
Increase in Total CO_2e emissions vs LY (2023 boundary)**

12%
Lower energy consumption per unit since 2015

79%
Waste to material Recycling

76%
GREENGUARD Gold on EPD products

SOCIAL

95%
Completion of Individual Development Talks

41%
Female population

95%
Response rate of Flokk engagement survey

Zero
Fatalities in our operations

32%
Of leadership roles held by females

No human rights violations
Detected through HRDD in our value chain

9.6
Total recordable work-related Injury rate

Local community building efforts

GOVERNANCE

Zero
Confirmed incidents of corruption

100%
Of business partners of Flokk's entities in Europe and APAC screened towards sanction lists

Gold
Ecovadis score of 77 points

91%
Completion of CoC training for employees

Zero
Information security breaches with material impact

76%
Completion of training on data protection and cyber security

No high-risk
Items identified through quarterly risk review

97%
Of the annual purchase value is contracted and with a signed CoC with main suppliers

*scope: Røros, Nässjö, Turek
**see page 110 for explanation

Corporate Governance

IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

Flokk complies with the Norwegian code of practice for corporate governance issued by the Norwegian Corporate Governance Board. As Flokk is not listed on the stock exchange, its corporate governance has been tailored to Flokk's situation, and as such the topics "Information and communications" and "Take-overs" are not described, because they are not relevant for Flokk. Flokk is majority owned by a fund managed by the private equity investment company Triton Investments Advisers. The remaining shares are owned by company executives and board members.

Flokk has defined corporate values which guide the Group's way of working. In combination with the Group's corporate culture, they form the basis on which the board and management believes that Flokk should be managed. Flokk strives to maintain high ethical standards in its business practices. All companies and employees in the Group must comply with the relevant laws and regulations in the country in which they work. The Group practices values-driven management based on its values and has drawn up guidelines for ethics and corporate social responsibility, which are clearly communicated to all employees. All employees must annually attend an e-learning course focusing on attitude and behaviour related to Flokk's values as part of an overall Code of Conduct program.

BUSINESS OBJECTIVES

The objects clause in Flokk Holding AS's articles of association stipulates that: "The company's purpose shall be to own shares in one or more subsidiaries, and to carry out investments and related business activities."

Flokk's most important success factor has been its ability to develop, produce and market workplace furniture. Innovation, industry consolidation and synergy realization through accretive M&As, a cost-efficient purchasing function, flexible production, familiarity with the market, and effective sales work are key success factors. Growth and good profitability will be created through a high degree of innovation, modern design, good ergonomic solutions, and a people- and environment-oriented approach to the products.

The Group's management team currently has eight members. They cover the Group's main processes in the value chain: CEO, CFO (Finance/ IT / ESG / Legal & Rik), HR, Sales and marketing, M&A/business development/strategy, Manufacturing & purchasing and Design. The Group's management team is constantly tailored to suit the Group's strategic and operational development. The CEO has day-to-day responsibility for Flokk's activities and manages the organisation within the framework set by the board.

EQUITY AND DIVIDENDS

The Group's equity share as of 31.12.2024 was 40.6%. No dividends will be paid in the short and medium term, as available liquidity will primarily be used to invest and repay debt. The board does not have a mandate to increase capital.

EQUAL TREATMENT OF SHAREHOLDERS

Flokk has one share class, and each share provides one vote. Flokk has laid down guidelines that require the board to be notified when board members or the CEO have significant interests in a transaction entered into by the company.

GENERAL MEETINGS

Flokk's supreme body is the general meeting. The ordinary general meeting will normally be held every year by the end of March.

NOMINATION COMMITTEE

A nomination committee has not been established for the election of shareholder-elected board members. As a result of the ownership structure, it has been natural for the work related to the composition of the board's shareholder-elected members to be handled by the largest shareholder, Triton.

BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

The current board of Flokk Holding AS has five members, all of whom are shareholder elected. The board's chair is selected by the general meeting. The board is broadly made up of industry relevant technical, marketing and financial expertise. There are no limits on the terms of board members, as the board's composition is regularly reviewed. The CEO is not a member of the board, but regularly attends the board meetings. Flokk Holding AS has no employees and is a holding company. The employee representatives sit on the boards of the operating companies Flokk AS and Flokk AB.

A dedicated group committee has been established to secure good and open dialogue between the management and the employee-elected representatives across the organisation and geographical locations. The committee has permanent members from the sites (two from Røros, two from Nässjö, and one from Oslo), as well as members from the Management team and the HR department. Three meetings are normally held each year. In the Polish subsidiary an internal union has been established consisting of employees representing various parts of the value chain. The aim is to secure an open and transparent dialogue between local management team representatives and employee representatives.

Flokk and its underlying subsidiaries do not have their own corporate assemblies. An agreement has been concluded on extra board representation from the employees of Flokk AS. The board of Flokk AB also has employee representatives.

The boards of Flokk's other subsidiaries consist of the CEO of Flokk and/or the group CFO and selected members of the Group's Management team.

THE WORK OF THE BOARD OF DIRECTORS

The board has overall responsibility for the management and control of the Group. The management group updates the Group's three-year strategy plan every year on behalf of the board. This plan also contains the Group's financial target figures. The board approves general strategies and sets strategic and financial goals, which are maintained in the Group's three-year strategic plan and in the annual budget. Outside board meetings, the board serves as advisers to the management group.

Five board meetings are held according to a fixed meeting and work plan. They are linked to the approval of quarterly figures and regular strategy work. The board has rules of procedure and annually assesses its work. The board appoints the company's CEO. The CEO performs his or her work pursuant to a job description, the Group's budget and strategy plan, and contact with the board.

The board has a dedicated audit committee made up of selected members of the board. This committee prepares business for review before final decisions are made at the board meeting. The committee performs tasks related to financial reporting, the annual accounts, tax compliance, risk assessment, internal control, corporate governance, and has contact with the company's auditor.

Environmental, social, and corporate governance (ESG) is on the agenda at the Group's board meetings. The ESG topics are also reviewed by the audit committee.

The board annually reviews and approves the Group's policies, including code of conduct and policies for sanctions, anti-money laundering, anti-bribery, code of conduct for business partners, energy & environmental, and personnel policies.

RISK MANAGEMENT AND INTERNAL CONTROL

Every month, and as needed, the CEO reports on the Group's position and financial performance to the board in writing. Flokk systematically revises its strategies based on a three-year rolling plan. Every year an extended group of key managers is involved in this work before the strategies are presented to the board. All employees are involved later when relevant and are informed of the content and the consequences for their areas of responsibility. The final, revised strategy provides the basis for the coming yearly goals and priorities in the Group's business plan.
The strategy plan must provide clear guidelines for every function in the organisation.

Flokk has several internal controllers who are organised under a group controller who reports to the CFO.

Flokk has a framework for risk and opportunities management, which determines how to identify, handle, and follow up business risks and opportunities in relation to stakeholders. This work is followed up closely through action plans and regular reporting to group management. The board is also regularly briefed on this work.

REMUNERATION OF THE BOARD OF DIRECTORS

The board's remuneration is reported in note 25 of the company's consolidated annual report. The board's remuneration is fixed by the general meeting every year. The board's remuneration is not linked to performance. The board members hold no options in the company.

REMUNERATION OF EXECUTIVE PERSONNEL

The remuneration of the CEO and other group management is reported in note 25 of the Group's consolidated annual report. The board is responsible for the contractual terms of the CEO's employment and remuneration contract through the chair of the board. The group management's bonus program is related to profitability development, strategy implementation, integration of acquisitions, organisational development, and commercial development targets.
A number of group management members have individual targets related to ESG activities.

There are no applicable terms in the working employee contracts referring to clawbacks, hence, they do not exist between members of Flokk's group management and the company. The retirement scheme is the same for all employees in each legal entity, including group management.

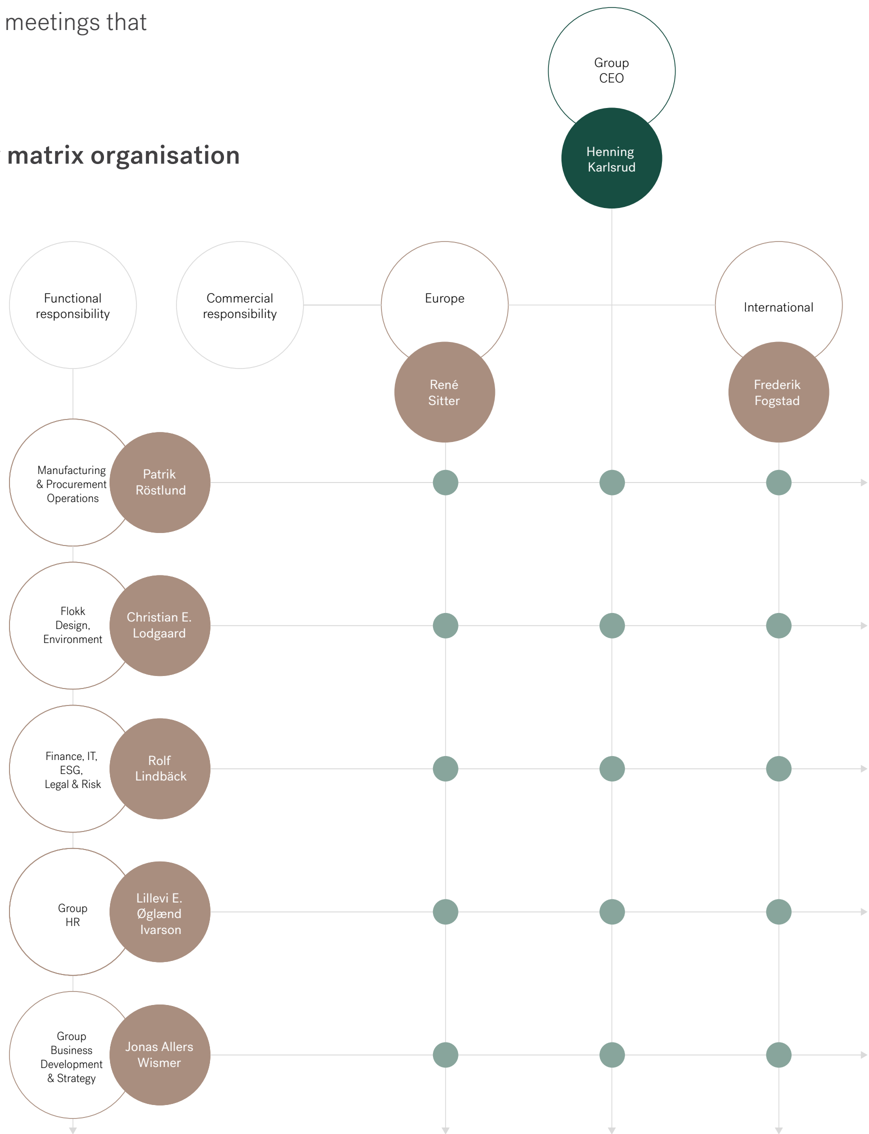
AUDITOR

The financial positions of almost all of the Group's companies are audited by the auditing firm Ernst & Young. The central finance department cooperates with Ernst & Young in Norway to ensure good and coordinated auditing in all of the Group's units. The auditor's fees are reported in note 10 of the company's consolidated annual report. Information is provided at the general meeting about the breakdown of the auditor's remuneration into auditing and other services. The auditor regularly attends audit committee meetings and attends board meetings that review the annual accounts.

Flokk's management system is founded on ISO 9001 (Quality management), ISO 14001 (Environment management), ISO 27001 (Information security) and ISO 45001 (Occupational health and safety management) standards and are revised annually by external certification bodies as KIWA, DQS GmbH, SGS and BSI. The certificates are distributed between production units as follows:

ISO 9001 – 5 of 7 factories (Røros, Nässjö, Turek, Mirfield, Zhongshan)
ISO 14001 – 5 of 7 factories (Røros, Nässjö, Turek, Mirfield, Zhongshan)
ISO 45001 – 2 of 7 factories (Turek, Mirfield)
ISO 27001 – 2 of 7 factories (Røros, Nässjö)

Our matrix organisation



HÅG Capisco Puls

Group Management

Henning Karlsrud (b. 1974)
Cheif Executive Officer
Mr. Karlsrud joined Flokk in 2021 as CFO. Since October 2024, he has served as the Group´s Chief Executive Officer, responsible for guiding the Group's overall performance and its strategic direction.
Work experience: consulting, corporate finance, and strategy from The Boston Consulting Group, Kearney, Handelsbanken Capital Markets, Telenor and CFO at Ice Group.
Academic background: Master of Science in Business Administration, and Finance from the Norwegian School of Economics (NHH) and postgraduate studies at INSEAD and Singularity University.

Rolf Lindbäck (b. 1980)
Chief Financial Officer
Mr. Lindbäck joined Flokk in October 2024 and is responsible for the Group's finance, tax, treasury, legal, audit, IT, ESG, and investor relations.
Work experience: CFO at Speira GmbH, various positions in finance, M&A and strategy at Norsk Hydro, Yara International, L.E.K. Consulting, and SEB in London and Oslo.
Academic background: Master of Science in Communication Systems from the Swiss Federal Institute of Technology in Lausanne, Switzerland, where he graduated in 2005.

Lillevi E. Øglænd Ivarson (b. 1964)
Senior Vice President, Group HR
Mrs. Ivarson joined Flokk in 2007, undertaking responsibility for the Human Resources function, internal communication, recruitment strategies, and learning initiatives.
Work experience: Norsk Hydro and Yara International.
Academic background: Linköping University in Sweden and Audencia Business School (formerly Haute École de Commerce) in France.

Patrik Röstlund (b. 1970)
Senior Vice President, Manufacturing & Purchasing Operations
Mr. Röstlund joined the Group in 2010, where his responsibilities encompass oversight of Flokk's operations, including manufacturing, procurement, supply chain management, logistics, customer service, and quality assurance.
Work experience: Opel, Saab Automobile, and General Motors
Academic background: Bachelor of Science in Business Administration from Uddevalla University

Christian Eide Lodgaard (b. 1970)
Senior Vice President, Flokk Design
Mr. Lodgaard joined Flokk in 2007. He is responsible for product development, environmental and climate initiatives, and oversees of the Group's product and brand strategy.
Work experience: Hydro Aluminium Automotive
Academic background: Master of Science in Mechanical Design Engineering

Frederik Fogstad (b. 1965)
Senior Vice President, International
Mr. Fogstad joined Flokk in 2013, and he is responsible for overseeing sales to all global markets outside of Europe. Since April 2023, Mr. Fogstad has assumed the position as CEO of 9to5, our operation in the United States.
Work experience: Varier Furniture, Intersport, Kellogg's, Middelfart, and Coca-Cola
Academic background: Bachelor of Science in Management and Finance from the University of Wyoming and MBA from IESE Business School in Barcelona.

René Sitter (b. 1975)
Senior Vice President, Europe
Mr. Sitter joined Flokk in 2014. He is responsible for the commercial operations of Flokk's brands across the European region.
Work experience: Arthur D. Little and ThyssenKrupp.
Academic background: Leipzig Graduate School of Management.

Jonas Allers Wismer (b. 1982)
Senior Vice President, M&A Group Business Development and Strategy
Mr. Wismer joined Flokk in 2017. He is responsible for the Group's execution of mergers and acquisitions, as well as Group business development and strategy.
Work experience: Schibsted Media Group, Arctic Securities, Norden Corporate Finance, and Deloitte Consulting.
Academic background: Master of Science in Applied Economics and Finance from Copenhagen Business School.


RH Logic 220

Flokk – Company & Purpose

At Flokk, we believe that great design creates inspiring work environments where people thrive. As Europe's leading manufacturer of workplace furniture, we are dedicated to crafting innovative, ergonomic, and sustainable solutions that transform spaces into vibrant hubs of creativity, collaboration, and connection.

Our portfolio features a diverse range of trusted brands, recognized worldwide for their designs that balance comfort, functionality, and aesthetic appeal. Rooted in Scandinavian heritage, we blend timeless craftsmanship with modern innovation to deliver exceptional quality and style.

With a growing global presence, Flokk empowers businesses to create workspaces tailored to their unique needs and ambitions. Our high-quality seating and integrated furniture solutions redefine workplaces, offering the flexibility to inspire productivity and foster innovation.

Sustainability is at the heart of everything we do. Our holistic strategy spans the entire value chain, focusing on responsible sourcing, innovative design and material selection, efficient production, and end-of-life solutions. Through this integrated approach, we aim to create lasting value for our customers and contribute to a more sustainable future.

At Flokk, we also celebrate the strength of our workplace culture. By embracing diverse perspectives and fostering inclusion, we create an environment where innovation thrives. Together with our global team, we continue to empower people and organizations to succeed in the ever-evolving world of work.

Production sites

Røros, Norway
Nässjö, Sweden
Turek, Poland
Mirfield, UK
Hawthorne, CA, USA
Delanco, NJ, USA
Zhongshan, China

Sales offices in

Norway
Sweden
Denmark
UK
Germany
Netherlands
Belgium
France
Switzerland
Poland
Czech Republic
USA
China
Singapore
Australia

Headquarter

Drammensveien 145
PO Box 45 Skøyen
NO-0202 Oslo, Norway
Tel: +47 22 59 59 00
flokk.com

Flokk's diverse brand portfolio: Delivering complete workspace solutions

Creating truly productive and inspiring workspaces goes beyond providing individual pieces of functional furniture, require a comprehensive and customised approach to the entire workspace. Flokk's strength lies in its distinctive portfolio of brands, each with its own unique identity, rich heritage, and versatile product range. Together, they enable us to meet the evolving demands of modern workplaces with tailored, holistic solutions.

This diversity enables Flokk to address everything from personalised ergonomic seating for focused tasks to adaptable furniture for collaborative spaces, while also supporting businesses in designing cohesive and functional environments. With the flexibility to deliver not just seating, but also a growing range of tables, modular furniture, and acoustic solutions, each of our brands brings something unique to Flokk.

So, what makes each brand stand out?

HÅG – Celebrating movements

Manufactured in Røros, Norway, HÅG has led the way in ergonomic seating solutions and environmentally conscious design for more than 60 years. Known for user well-being, the innovative design of HÅG chairs promotes natural, active sitting.

Central to the philosophy is balanced movement, embodied in HÅG inBalance® technology, which supports natural body movements, fostering health, comfort, and productivity in sedentary environments. The unique and documented health benefits and their intuitive nature, make HÅG chairs a perfect fit for individual seating, from light conference chairs to task chairs for full days of office work.

PROFIM – Essential for workspaces

Profim specializes in producing task chairs and soft seating for workplaces, with a focus on quality, authenticity, and precision design—all at a competitive price. The brand's philosophy centres on the essential elements of ergonomics, technology, and aesthetics, delivering true seating comfort.

Established in Poland in 1991, Profim manufactures its furniture in the city of Turek, located in central Poland. Renowned for its expertise, Profim's skilled team has refined its craft and knowledge over decades.

9TO5 SEATING – Designed to be Accessible

9to5 Seating specializes in the design and production of ergonomic office seating tailored for an evolving world. Its portfolio features a diverse range of task, executive, and guest chairs, along with soft seating and stools.

Launched in 2004 and headquartered in California, 9to5 Seating combines expertise in industrial design, engineering, manufacturing automation, vertical integration, and strategic sourcing to deliver solutions that are functional, stylish, and cost-effective.

STYLEX – Transforming Spaces with Adaptive Seating

Stylex is dedicated to creating thoughtful, customizable seating solutions for corporate, hospitality, institutional, and government spaces. As a leader in adaptive design, Stylex offers a comprehensive range of seating options, including lounge, guest, executive, conference, multi-use, and collaborative styles, tailored to meet the demands of evolving environments.

Founded in 1956 in Delanco, New Jersey, Stylex has a proud legacy of crafting enduring furniture with a focus on innovation, material expertise, and design excellence. Now a part of the Flokk family, Stylex has strengthened its commitment to creating meaningful, enduring products with minimal environmental impact.

RH – Designed for human performance

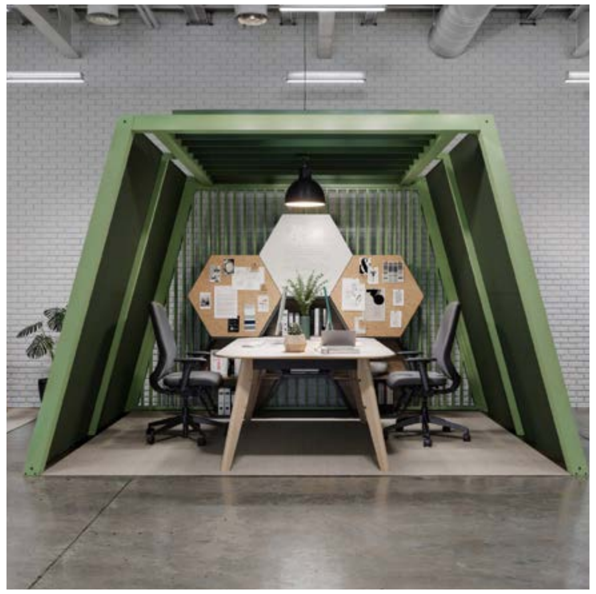
RH chairs are designed for personal workspaces, with a particular emphasis on designated seating for individual users, including 24/7 environments. All RH chairs are developed with a focus on functionality. As a result, RH chairs are highly sophisticated, offering users greater comfort, support, and movement, featuring easy-to-understand controls with clear pictograms, as well as intuitive handles and grips. An RH chair offers an elevated level of individual seating comfort, dynamic ergonomics, user-friendliness and flexibility to enhance daily performance.

Since its establishment in Bodafors, Sweden, in 1977, RH has been an integral part of the Swedish design tradition, recognised by ergonomists, physiotherapists, and other professionals for its unique ergonomic philosophy.

GIROFLEX – Designed to work

Giroflex is one of the original office seating brands, specialising in the design of high-quality task seating, complemented by a range of conference and visitor chairs that exhibit harmonious design features.

Founded in Koblenz, Switzerland, in 1872, Giroflex is still today a market leader for synchro motion seating, not only developing one of the world's first designs of its kind, but also leading the way with continuous innovation and evolution in the industry. All Giroflex office chairs are designed with a synchro motion mechanism that powers the chair to follow natural body movements, which are personally adjustable for comfort and support.



CONNECTION – Making space that works

Connection is recognised as a specialist in micro architecture furniture, creating defined places through soft separation, partitions, or landscaping of a space.

Launched in Huddersfield, UK in 1997, Connection designs and manufactures distinctive products which define space and create a sense of place by offering solutions for visual and acoustic privacy, championing a nomadic product approach, offering agility, modularity, and flexibility to a category that is otherwise limited by the permanent nature of architecture.

MALMSTOLEN – Change for Good

Our singular aim is to create world-class, healthy seating. We achieve this by developing office chairs based on extensive ergonomic research, crafting high-quality designs that reduce the risk of neck and back pain. Our seating solutions also enhance productivity and improve posture.

Founded in Sweden in 1994, Malmstolen's unique selling point (USP) lies in the innovative combination of DUX technology and a full-contact back support design, providing comprehensive support for the user.

We focus on both prevention and recovery, offering tailored seating solutions to help individuals avoid discomfort or address existing pain and strain-related issues. Our chairs are designed to promote long-term health and comfort.

OFFECCT – Furniture with a mission

Good design inspires and encourages creativity. This is sometimes felt rather than seen, such such as through a comfortable position in a furniture, or in a perfect acoustic environment. Sometimes it is the other way around, as when discovering unexpected features in furniture, or seeing beautiful shapes in an object. OFFECCT offers a product range that includes soft seating, tables, acoustic panels, and accessories.

Since the founding of OFFECCT in 1990, we have collaborated with renowned architects and designers to make award-winning furniture that has this mission. We guide our clients to make sustainable decisions that lead to unique environments suited to their needs. This is made possible through our bespoke solutions for colours and fabrics in our collection, extensive knowledge of product development, and committed service.

Selected Interior Project Case Studies, 2024

During 2024, Flokk delivered on many inspiring interior projects around the world. Here we present a small snapshot of those projects that particularly align with the strengths of our portfolio and the way we design furniture.

COALITION FOR EPIDEMIC PREPAREDNESS INNOVATIONS – (CEPI)

Location: London, UK
Sector: Global Vaccine Research Organisation
Featured brands: HÅG, Profim, Connection

Flokk, in partnership with Think Furniture, delivered a seating solution for CEPI's new office, creating a modern, ergonomic, and collaborative workspace.

HÅG SoFi chairs supported focused work in open-plan areas, while HÅG Tion chairs and Profim Ellie Pro seating enhanced breakout and meeting rooms. Connection Tryst sofas fostered informal discussions, while Profim Noor chairs with Connection Plenti tables provided functional setups for larger gatherings.

Sustainability and employee well-being were central, with Flokk's long-lasting, environmentally conscious products meeting CEPI's values. The result was a versatile, comfortable office supporting diverse work styles while promoting collaboration and productivity.


HÅG Tion


HÅG SoFi mesh, Connection Tryst


Profim ElliePro

ETH ZURICH

Location: Zurich, Switzerland
Sector: Education & Research
Featured brands: HÅG, Profim, Giroflex

Interior architects Integral transformed ETH Zurich's learning spaces to foster collaboration, creativity, and adaptability for PBLabs and the Media & Methods Lab. Flokk provided 180 seating solutions across six designs from three brands, strategically placed in social, collaborative, and focused areas.

HÅG Tion chairs enhanced meeting rooms, while Profim Ariz conference chairs and Profim Revo pouffes offered flexibility in project zones. giroflex 40 task chairs supported ergonomic needs in the main office, and communal spaces featured Profim Com stools and HÅG Celi chairs for versatile seating options.

The modular design, combined with the flexibility of Flokk furniture enables effortless space reconfiguration, creating adaptable learning environments that seamlessly blend comfort, functionality, and style.


Profim Ariz


HÅG Celi


HÅG Tion, giroflex 40, Profim Revo pouffes

E.O. WILSON SCIENCE RESEARCH CENTER

Location: Alaska, USA
Sector: Education & Research
Featured brand: 9to5 Seating

The 32,000 sq. ft. E.O. Wilson Science Research Center integrates advanced research facilities, technology, and collaborative spaces. 9to5 Seating furniture played a key role in shaping the center's legacy, providing seating solutions that support diverse learning styles, promote collaboration and complement the space's innovative design.

With ergonomic support and sustainable manufacturing practices, 9to5 Seating's products align with the center's mission of fostering forward-thinking science and technology. The range of seating options met both aesthetic and functional needs, creating an inspiring environment for students and researchers alike.

9to5 Seating Vox

9to5 Seating Shuttle

9to5 Seating Lilly

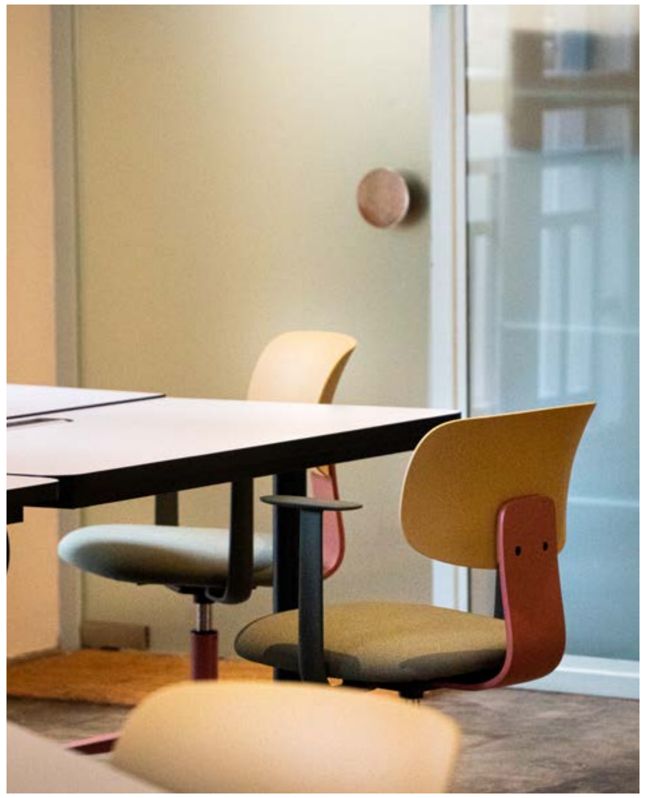
THE WORKING CAPITOL

Location: Singapore
Sector: Co-working
Featured brands: HÅG, OFFECCT, Profim

Flokk partnered with The Working Capitol to transform a 33,000 sq. ft. historic conservation property into a live showroom and ergonomic workspace. This 10th-anniversary refresh introduced 134 seating solutions, blending functionality, sustainability, and style.

Dynamic workspaces feature Profim Noor chairs for flexible setups, HÅG Tion chairs for focused tasks, and Profim Revo seating for casual collaboration. Bold statement pieces, such as the OFFECCT Font Sofa in Honey Yellow elevate the design, creating a welcoming and inspiring environment.

The project has been praised for its innovative blend of style, functionality, and ergonomic excellence, demonstrating how co-working spaces can inspire people to perform at their best.



HÅG Tion

Profim Noor


giroflex 313, giroflex 40

Annual Accounts

Board of Directors' Report 2024

Flokk is a leading manufacturer of office seating products in Europe with a significant presence in US, and is the owner of the product brands HÅG, RH, Profim, Giroflex, 9to5 Seating, Stylex, Via Seating, Malmstolen, Connection and OFFECCT. Flokk has been a leader in the development of sustainable seating furniture for decades, focusing on creating products with minimal environmental impact.

Flokk's head office is in Oslo, Norway, with production sites in Røros (Norway), Nässjö (Sweden), Turek (Poland), Mirfield (UK), Zhongshan (China), Delanco (USA), Hawthorne (USA) and Sparks (USA). In addition, Flokk keep sales offices in Norway, Sweden, Denmark, Germany, Belgium, the Netherlands, UK, France, Switzerland, Poland, USA, Singapore, China, and Australia. Flokk products are sold in more than 80 countries worldwide. About 2 000 employees work together to realize the vision of Flokk: Inspire great work.

GOING CONCERN

Flokk Holding AS and its subsidiaries (the Group) have good levels of profitability and equity. In accordance with Section 3-3 of the Norwegian Accounting Act, it is hereby confirmed that the prerequisites for the going concern assumption exist and accordingly the accounts have been prepared based on the going concern principle.

STRUCTURAL CHANGES

Flokk Holding AS is a continuation of Flokk Holding III AS, and as such the consolidated financial statements are presented with comparative period and for the full year. The balances/transactions of Flokk Holding III AS and Flokk Holding II AS has been included for 2023.

On February 1, 2024, Flokk acquired Stylex Inc., a US based manufacturer of office furniture located in Delanco, New Jersey. Founded in 1956, Stylex has a proud legacy of crafting enduring soft seating furniture with a focus on innovation, material expertise, and design excellence. This enabled Flokk to further expand broaden its product offering in the large US office seating market.

On February 8, 2025, Flokk acquired Via, Inc., a US based manufacturer of office furniture located in Sparks, Nevada. Via is an innovative seating specialist within the executive and task chair segment. This transaction further solidifies Flokk's position in the US market, which now constitutes around 40% of total sales for the Group.

M&A remains central to the Group's strategy, and the integration of Stylex and Via is strengthening Flokk's US operations. With a leadership team overseeing the brands 9to5 Seating, Stylex, Via Seating and HÅG, Flokk is well positioned to leverage synergies across these brands and to continue the US expansion.

In 2024, a restructuring of the legal structure of the Group began to simplify the Norwegian holding structure and reduce the number of Norwegian holding companies, as well as streamlining the structure in the US subgroup of companies. The restructuring will be completed during first half of 2025.

MARKETS

In 2024, Flokk achieved sales revenue of NOK 4 279.5 million, representing a 12% increase from 2023.

The strength of Flokk's diversified portfolio of brands, price points, and geographical footprint proved essential in navigating market volatility. Flokk's low fixed-cost model allows to scale operations efficiently, preserving profitability in shifting market conditions.

USA is the Group's largest market and revenues increased by 71% in 2024, predominantly related to the acquisition of Stylex. Germany, the second largest market in the Group, had a sales increase of 6% in 2024, while Norway, the third largest market, saw a sales decline of 3%.

HÅG remains the largest brand in the Group, and sales increased 1% compared to 2023. The Profim brand remains the second largest brand in the Group and grew 13% in sales compared to 2023. 9to5 Seating, the Group's third-largest brand, maintained the same sales level as in 2023. In 2024, the Profim and RBM portfolios have been integrated under one common brand – Profim. The same goes for the RH and BMA portfolios which have been integrated under one common brand – RH.

OFFECCT Circulus

THE GROUP'S RESULTS

INCOME STATEMENT

In 2024, the Group had total operating income of NOK 4 279.5 million compared to NOK 3 826.2 million last year, an increase of 11.8%. Adjusting for full year ownership of Stylex, total operating income was down 2.0%. The operating profit for the period was NOK 498.9 million compared to NOK 475.7 million in 2023. The operating margin in 2024 was 11.7%. Net financial expenses amounted to NOK 504.5 million compared to NOK 517.5 million in 2023. Net financial expenses are influenced by higher interest expenses, and currency deviation on loans in foreign currency due to weaker Norwegian krone at the end of 2024 than previous year. Profit before tax amounted to NOK -5.6 million, compared to NOK -41.7 million in 2023. Tax cost was NOK 23.8 million, representing an effective tax rate of (428%). Tax is affected by not recognized tax asset for non-deductible interest cost. Profit for the year amounted to NOK -29.4 million compared to NOK -89.6 million in 2023.

FINANCIAL POSITION

The Group's total assets at the end of the year were NOK 10 743.4 million, an increase of NOK 1.4 billion from the end of 2023. The equity ratio was 40.6%, compared to 43.1% end of 2023. The Group's current liabilities at the end of the year was 15.1% of its total liabilities, compared to 20.6% the year before. The total debt ratio was 59.4% vs 56.9% in 2023.

At the end of 2024, net interest-bearing liabilities amounted to NOK 3 490.9 million, an increase of 10.3% compared to the end of the previous year. Bank covenants are calculated at the end of every quarter, and the Group met the requirements at the end of 2024. In September 2024, a refinancing was completed with a net increase in bank loan of EUR 33.0 million, equal to NOK 388.4 million.

At the end of 2024, the Group had a total credit line of NOK 4 931.8 million, consisting of long-term loans of NOK 4 564.9 million and an unused overdraft limit of NOK 367.0 million. Available funds in the form of unused credit facilities and cash equivalents amounted to NOK 1 440.9 million.

Total investments in 2024 amounted to NOK 139.1 million covering purchase of property, plant, and equipment of NOK 101.0 million and capitalised development costs of NOK 38.1 million. The Group's investments were mainly in new products, including tools and machinery for these. Investments were made in product improvements, and in tools and equipment at the Group's production sites in Norway, Sweden, Poland, UK, USA, and China. Additionally, there were investments in e-commerce initiatives (including a quotation tool) and in the migration to Flokk's common ERP platform M3 in 9to5 Seating, USA.

Total cash flow for the Group derived from operating activities amounted to NOK 302.5 million.

FINANCIAL RISK
About 90% of the Group's sales are invoiced in currencies other than Norwegian krone, and the financial risk is therefore exposed to exchange rate fluctuations, especially with respect to EUR, USD, SEK, DKK, CHF, GBP, and PLN. Inflationary pressures on raw material costs and operational expenses remain a key focus, and Flokk is actively monitoring and mitigating these risks to maintain financial stability and performance. The Group's statement of financial position is exposed to exchange rate fluctuations in EUR and USD, as loans in EUR and USD exceed receivables in these currencies. This exposure is not hedged.


Profim Snap

Credit risk associated with counterparties being unable to meet their financial obligations is regarded as acceptable. Sales are to dealers and importers with whom the Group has been working with over time. Realized losses from receivables amounted to NOK 3.1 million in 2024. Gross trade receivables end of 2024 amounted to NOK 498.3 million.

Flokk regards the Group's liquidity as satisfactory. No decisions have been made to implement any measures that would change the Group's liquidity risk. The Group has centralised its financing function, which has responsibility for financing, currency risk, interest rate risk, credit risk and liquidity management

RESEARCH AND DEVELOPMENT
Flokk made significant R&D efforts on new product development through 2024 focusing on user experience, environmental footprint and aesthetics.

A few highlights include:
- Profim Pace: the first task chair in the Profim brand with fully owned intellectual property and tooling.
- Profim Snap: a lounge chair that is engineered with no use of glue, easily changeable covers, high share of recycled materials.
- OFFECCT Circulus: a modular sofa system that builds on a durable steel and recycled aluminium frame with an upholstery and cover that allows fitting and re-fitting without tools. Effectively, an old frame with a new cover is a new sofa.

R&D activity is high in relation to new products that will launch in 2025-2027. These include improvements on environmental aspects and circularity, further exploitation of industrial capabilities, and with a continued focus on compact value chains and on owned intellectual property. The company participated in five national and international research projects with public funding, ranging from neuroscience, through business model innovation, to technologies for predicting muscular tone and tension.

Flokk's portfolio of R&D activities with clear sense of purpose continues to provide content for extensive SoMe posts, panel discussions, lectures, and student programs. Collaboration with education institutions (Masters-level) have been active in Norway, UK, France & Switzerland through 2024. This secures strengthened company recognition as well as commercial benefit from its efforts.

MANUFACTURING AND PROCUREMENT OPERATIONS (MPO)
After the three year long project to re-establish the new factory after the 2019 fire in Turek, Poland, Flokk has a state-of-the-art factory with the latest and most efficient equipment. With all new material flows and installed equipment, Flokk saw an opportunity to run an efficiency program to optimize it further. The program lasted the full year of 2024 and achieved the expected efficiency result in due time. At the end of 2024, the two US based facilities were integrated in the MPO organization and follow the same principles and structure as the rest of the organization.

In 2025, Flokk will continue to streamline and optimize its total value chain, with the highest focus on the US facilities to take out the synergy potential from the latest acquisitions. By leveraging Flokk's global operations processes, the ambition is to lower variable costs and improve working capital. Furthermore, MPO will continue to play an important role in scaling Flokk's footprint.

WORKING ENVIRONMENT
Flokk's legal parent company, Flokk Holding AS, has no employees. The company hires all administrative services from its subsidiaries.

Flokk's vision is to "Inspire great work", supported by the three core values: human-centred, sustainable, and innovative. The Flokk values are kept alive through various employee exercises such as digital training on the platform Learning@Flokk. This digital learning program is compulsory for all new employees. Additionally, the Individual Development Talk process encourage active engagement in the Group's working environment supporting the value foundations. During 2024, Flokk further introduced compulsory Code of Conduct training for all new employees coming onboard through the acquisition of Stylex Inc. All employees signed a document confirming their understanding.

The collaboration between Flokk and the trade unions (eight unions represented including Norway, Sweden, Poland, and the US) is based on mutual trust, open and transparent dialogue, and close and frequent collaboration. Flokk's Corporate Council continues to be an important meeting place twice per year between elected employee representatives and members of Flokk's Group

MANAGEMENT TEAM
Due to a challenging market dynamic starting already back in late 2022, a new organisational fixed cost adjustment process was initiated during the second part of 2024. Flokk ran a steered manning reduction process affecting office functions throughout the value chain in all the European organisations. The processes were handled professionally in close dialogue with unions and employee representatives alongside the affected employees and line management resources.

The company has a directors' and officers' liability insurance for the board members and the general manager, for their potential liability towards the company and third parties. The coverage is EUR 15.0 million.

EQUALITY AND DISCRIMINATION
Flokk strongly believes and practises equal opportunities for employment and development, regardless of gender, age, ethnicity, cultural background, and religion to mention a few diversity factors. Gender equality is, among others, demonstrated by ensuring equal pay for equal positions prior to individual work performance is assessed. When recruiting resources for the organisation, Flokk aim for a working environment and team compositions reflecting a diversity of experiences and backgrounds. Flokk continues to work actively to prevent discrimination of any sort in the workplace and continuously underline the importance of the Group's' Code of Conduct regulating attitude and behaviour factors in the workplace. During 2024, Flokk continued to develop the DEI roadmap put in place in 2022 by adding additional activities to the plan in cooperation with employees representing various parts of the organisation.

At year-end 2024, the Group had 1 878 employees, of whom 772 were women and 1 106 men. This gives a women's employment ratio of 41% and a men's employment ratio of 59%. The female percentage has slightly increased compared to 2023. There are two women on the company's board of directors, which results in a female share of 40%. There is one woman in the Group's Management Team.

After 2024, the Group reported a Lost Time Frequency Rate (LTIFR) of 3.8 (number of incidents involving absence* 1 million/number of completed hours). The Recordable Case Frequency Rate (RCFR) was 5.8 (number of injuries without absence*1 million/number of hours worked).

By the end of June 2025, an account of the due diligence assessments according to the Transparency Act will be published on www.flokk.com.

EXTERNAL ENVIRONMENT

The Group continuously strives to position itself internationally in the top tier within the area of sustainability. The Group has succeeded in being a leader in the sector for development of sustainable products, through a structured focus on climate, resources, and health. Flokk's sustainability strategy in the years ahead is for the company to distinguish itself from others on the market through ambitious long-term targeted activities. The Group imposes strict environmental requirements for new product solutions, use of chemicals and choice of sustainable materials throughout the value chain, both internally and from its joint venture partners.

In 2024, the Group was granted its first Type I EU Ecolabels on a first batch of HÅG and Profim products with other brands to come in 2025, in line with the Group's new strategic choice of Environmental Certification Range: EU Ecolabel as main Type I Ecolabel for selected products, with EPD and GREENGUARD Gold as default for every product. The Group implemented updated supplier environmental requirements aligned with its new certification scope, achieving 41% signed supplier commitments by the end of 2024.

The Group upholds high environmental standards, with ISO 14001:2015 certification covering five of its seven production sites at the end of 2024. Additionally, the U.S. West Coast facility is certified under the ANSI/BIFMA e3 Furniture Sustainability Standard, and the U.K. site holds FISP certification through the Furniture Industry Sustainability Programme. Annually, the Group reviews operational aspects affecting the environment and energy consumption, assessing risks and opportunities at the certified factories and head-quarter. These assessments define significant aspects that guide annual targets, aligned with the Group's long-term environmental targets and global strategies.

Climate – the Group remains committed to reducing carbon emissions per unit by 50% by 2030, in line with the EU's 55% greenhouse gas emissions reduction target. In 2024, renewable electricity usage declined to 80% (2023: 91%), while reported CO2e emissions per unit increased by 107%, primarily due to expanded data coverage, including acquisitions and Scope 3 updates. However, within the 2023 boundary, emissions per unit decreased by 3.2%. Since 2015, acquisitions relying on gas-powered heating and processes have steadily contributed to emissions. The Group ensures compliance with the EU Energy Efficiency Directive (EED) by conducting Energy Audits in accordance with EN 16247.

Resources - with a revised target to achieve an average of 40% recycled materials in the products representing 80% of turnover by 2030, the Group supports UN Sustainable Development Goal 12: "Ensure sustainable consumption and production". In 2024, the number of product families containing 50-60% recycled materials (excluding packaging) increased from 11 to 17, with two products reaching 75% and 86%, demonstrating the effectiveness of the strategy. Flokk used 1 064 tonnes of recycled plastics in its products (2023: 1 027 tonnes). Additionally, 78.8% of generated waste was material recycled (2023: 72.6%), exceeding the 75% target due to improved recycling rates and reduced waste generation across integrated sites.

Health - the Group remains dedicated to reducing chemical use and eliminating unwanted substances in products and production. In 2024, Flokk recorded a slight increase at Røros, with 11 additional substances present. Notably, 6 of these were in the mechanical workshop, where frequent chemical use is expected. At Nässjö, efforts are still related to phasing out glue in existing products. The Group adheres to EU REACH regulations to set strict environmental standards for itself, its partners, and suppliers. In 2024, the Group implemented updated supplier requirements aligned with EU Ecolabel standards, reinforcing its commitment to safer and more sustainable materials.

Flokk documents and communicates the environmental performance of its products through carefully selected international ecolabels and certificates. The Environmental Product Declaration (EPD) on 81 families of products documents the products' environmental performance throughout its lifecycle from cradle-to-gate, by quantifying energy consumption and associated greenhouse gas emissions in the value chain. 86 of the Group's families of products carry Type I Ecolabels (EU Ecolabel: 9, Möbelfakta: 65, Swan: 1, Blue Angel: 11), which defines strict requirements for the use of chemicals and sustainable materials. 51 families of products can boast the GREENGUARD Gold indoor climate certificate - a guarantee of contribution to a healthy indoor environment by not emitting hazardous gases.

SUSTAINABILITY REPORTING

The Group's yearly Corporate Sustainability Report is incorporated into the Annual Report, following the globally acknowledged format of the Global Reporting Initiative (GRI), which will be succeeded by the CSRD Directive / ESRS Standards for the financial year 2025. GRI Standards outline the Group's strategic and efficient efforts to enhance its economic, environmental, and social performance, detailing the outcomes attained and the organisation's management of corporate social responsibility through engagement with internal and external stakeholders.

CHANGES IN BOARD OF DIRECTORS AND MANAGEMENT

Effective from October 1, 2024, Lars I. Røiri, after 23 years as CEO of Flokk, has assumed the role as Chair of the Board of Flokk, succeeding Mikael Aro who left the board. Henning Karlsrud, former CFO of Flokk, stepped into the position of CEO of Flokk. Rolf Lindbäck was appointed the new Group CFO of Flokk.

FLOKK HOLDING AS

Flokk Holding AS is the Group's parent company. The company's purpose shall be to own shares in one or more subsidiaries, and to carry out investments and related business activities. The company was incorporated into Flokk in March 2024 as part of an ongoing restructuring process in the Flokk Group.

Flokk Holding AS had no operating revenues in 2024. Its operating expenses amounting to NOK 0.4 million consisted of fees for other consultancy services. Net finance amounted to NOK 191.7 million, mainly interest expenses on bank loans. Profit before tax was NOK -192.0 million. Profit for the year amounted to NOK -149.8 million. At year end, Flokk Holding AS had total assets of NOK 10 479.4 million.

Connection Kuppel, Profim Revo, OFFECCT Soundsticks

ALLOCATION OF PROFIT OF THE YEAR

The board proposes that the annual profit of the year of NOK -149.8 million in Flokk Holding AS be allocated as follows:

Allocated to share premium	NOK -149.8 million

FUTURE PROSPECTS

Despite the challenges in the macroeconomic environment, Flokk is well-positioned to deliver sustainable growth and value creation. The Group's strategic initiatives have enhanced Flokk's market position and operational capabilities. Flokk acknowledges the risk related to forward looking statement, however it remains confident that the balanced strategy of organic growth and targeted M&A will drive long-term value for the Group's stakeholders. Flokk has sharpened its focus on strategy execution to deliver on growth ambitions, both top and bottom line. With a diversified portfolio of brands, ongoing focus on innovation, and efficient operation, Flokk is well-equipped to navigate the challenges ahead and seize opportunities for growth.

Oslo, 27 March 2025

Lars I. Røiri
Chair of the Board

Thomas Hofvenstam
Board Member

Pernille Bonser
Board Member

Joachim Espen
Board Member

Kristine Landmark
Board Member

Henning Karlsrud
CEO

Profim Normo

Consolidated Income Statement

1 January - 31 December

NOK (thousands)	Notes	2024	2023
Sales revenues	6	4 279 505	3 826 189
Total operating income		**4 279 505**	**3 826 189**
Cost of materials		1 513 478	1 428 063
Inventory movements, in-house production	15	(31 164)	42 129
Personnel expenses	10	1 189 435	953 500
Depreciation and amortization	7, 12, 22	237 102	232 632
Other operating expenses	10,13	871 720	694 151
Operating expenses		**3 780 572**	**3 350 476**
Operating profit		**498 933**	**475 713**
Financial income	17	1 071 387	1 734 938
Financial expenses	17	(1 575 886)	(2 252 389)
Net financial income (expense)		**(504 499)**	**(517 450)**
Profit before tax		**(5 566)**	**(41 737)**
Taxes	14	23 798	47 895
Profit for the year		**(29 364)**	**(89 632)**
Profit for the year attributable to:			
Equity holders of the parent		(29 364)	(89 632)
Information concerning:			
Earnings per share	20	(29)	(90)
Diluted earnings per share	20	(29)	(90)

Consolidated Statement Of Comprehensive Income

1 January - 31 December

NOK (thousands)	Notes	2024	2023
Profit for the year		**(29 364)**	**(89 632)**
Exchange differences on translation of foreign operations		16 583	(72 857)
Items that may be reclassified subsequently to income statement		**16 583**	**(72 857)**
Remeasurement of defined benefit pension plans, net of taxes	11	(109)	(3 497)
Items that will not be reclassified to income statement		**(109)**	**(3 497)**
Other comprehensive income, net of taxes		**16 474**	**(76 354)**
Total comprehensive income		**(12 890)**	**(165 986)**
Total comprehensive income (loss) attributable to:			
Equity holders of the parent	19	(12 890)	(165 986)

Consolidated Statement Of Financial Position

31 December

NOK (thousands)	Notes	2024	2023
Assets			
Deferred tax assets	4, 14	339 943	242 134
Goodwill	4, 7	5 836 024	5 352 755
Other intangible assets	4, 7	1 263 928	1 230 964
Right-of-use assets	22	427 932	268 760
Property, plant and equipment	12	713 002	614 889
Other long term receivables	10	8 129	7 535
Total non-current assets		**8 588 959**	**7 717 037**
Inventories	15	477 067	390 252
Trade receivables	16	489 372	451 653
Other short-term receivables	16	114 066	45 476
Cash and cash equivalents	9	1 073 909	777 631
Total current assets		**2 154 415**	**1 665 013**
Total assets		**10 743 374**	**9 382 050**
Equity and Liabilities			
Share capital	19	60	33
Share premium		4 375 827	4 205 774
Total paid in capital		**4 375 887**	**4 205 807**
Retained earnings		(12 890)	(165 986)
Total other equity		**(12 890)**	**(165 986)**
Total equity		**4 362 997**	**4 039 821**
Pension obligations	4, 11	16 238	12 067
Deferred tax liabilities	14	531 516	457 722
Warranty provisions	23	3 071	2 308
Long-term interest-bearing loans	8, 9	4 541 351	3 561 491
Lease liabilities	22	324 812	207 101
Other long-term liabilities		(22)	33
Total non-current liabilities		**5 416 967**	**4 240 723**
Short-term interest-bearing loans	8, 9	51	339 636
Lease liabilities	22	126 197	77 631
Trade payables		306 591	295 831
Taxes payables	14	53 660	58 393
Accrued liabilities		94 929	82 802
Warranty provisions	23	14 343	8 396
Other short-term liabilities	24	367 638	238 818
Total current liabilities		**963 411**	**1 101 507**
Total liabilities		**6 380 377**	**5 342 230**
Total equity and liabilities		**10 743 374**	**9 382 050**

Oslo, 27 March 2025

Lars I. Røiri
Chair of the Board

Thomas Hofvenstam
Board Member

Pernille Bonser
Board Member

Joachim Espen
Board Member

Kristine Landmark
Board Member

Henning Karlsrud
CEO

Consolidated Statement Of Cash Flows

1 January - 31 December

NOK (thousands)	Notes	2024	2023
Operating activities			
Profit before tax *)	7,12,22	(5 566)	(41 737)
Depreciation and amortization		237 102	232 632
Unrealised exchange rate differences		27 748	128 136
Accrued interest loans		(11 244)	9 530
Capitalised borrowing costs		7 313	(15 522)
Other		(9 671)	796
Taxes paid	14	(57 790)	(98 470)
Cash flow from operating activities before change in working capital		**187 892**	**215 364**
Cash flow from change in working capital:			
Change in inventories		3 652	154 124
Change in current receivables		25 451	150 401
Change in payables		(25 536)	(83 631)
Change in current liabilities		111 082	(33 950)
Cash flow from operating activities		**302 540**	**402 308**
Investing activities			
Acquisition of business, net of cash acquired	3	(370 792)	(58 977)
Purchase of intangible assets		(38 113)	(13 294)
Purchase of property, plant and equipment	12	(100 955)	(93 111)
Sale of tangible assets		1 455	921
Cash flow from investing activities		**(508 405)**	**(164 461)**
Financing activities			
Capital increase		170 000	
Drawdown of short term and long term debt		759 075	16 719
Down payment of interest-bearing loans	9	(411 178)	(61 143)
Payment of principal portion of lease liabilities (IFRS 16)		(90 796)	(71 385)
Cash flow from financing activities		**427 101**	**(115 810)**
Cash flow for the year		**221 236**	**122 038**
Cash and cash equivalents at the beginning of the period		777 631	599 235
Exchange rate differences in cash and cash equivalents		75 042	56 439
Cash and cash equivalents at the end of the period		**1 073 909**	**777 631**
Cash and cash equivalents booked as bank deposit		1 073 909	777 631
*) Includes			
Interest income received		54 317	33 505
Interest expenses paid		421 250	367 721
Interest portion of lease liabilities (IFRS 16)		9 708	8 758

Consolidated Statement Of Changes In Equity

For the years ended 31 December 2023 and 2024

NOK (thousands)	Share capital	Share premium	Foreign currency translation reserve	Retained earnings	Total other equity	Total equity
Incorporation 01.11.2023	30					30
Equity 31.12.23	**30**					**30**
Equity 01.01.24	**30**					**30**
Capital increase	30	4 375 827				4 375 857
Profit for the year				(29 364)	(29 364)	(29 364)
Other Comprehensive income			16 583	(109)	16 474	16 474
Equity 31.12.2024	**60**	**0**	**16 583**	**(29 473)**	**(12 890)**	**4 362 997**

Notes – Group

NOTE 1 – GENERAL INFORMATION

Flokk Holding AS and its subsidiaries (collectively the Group) develops, produces, and distributes seating solutions for the office market through independent retail chains, importers, and dealers. The parent company, Flokk Holding AS, is registered in Norway and has its head office in Oslo.

At year-end 2024, the Group had production facilities in Norway (Røros), Sweden (Nässjö), Poland (Turek), United States (Los Angeles and Delanco), China (Zhongshan) and UK (Mirfield). The Group primarily sells its products in Europe and in North America. An overview of the Group's companies is provided in note 18. The Group's ultimate parent company is Triton IV Continuation Fund SCSp.

The consolidated financial statements of the Group were authorised for issue in accordance with a resolution of the Board of Directors on 27 March 2025.

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

BASIS OF PREPARATION

The Group's consolidated financial statements have been prepared in accordance with IFRS ® Accounting Standards as adopted by the EU, and additional Norwegian disclosure requirements listed in the Norwegian Accounting Act as of 31 December 2024.

The consolidated financial statements have been prepared on a historical cost basis with the exception of certain financial instruments, which are measured at fair value. See note 8 for a specification of financial instruments. All figures are stated in NOK thousands, unless otherwise is specifically stated.

BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of Flokk Holding AS and its subsidiaries (the Group). The accounting policies as set out below have been consistently applied to all reporting periods presented. All intercompany transactions and balances have been eliminated. All companies have the same financial year.

In March 2024 Flokk Holding AS (Formerly Flokk Finco AS) acquired Flokk Holding III AS and its subsidiaries. Flokk

Holding III AS is the sole owner of Flokk Holding AS, through its ownership in Flokk Holding II AS. The acquisition took place under common control, and the consideration was in the form of equity instruments issued by Flokk Holding AS. Consequently,the acquisition did not meet the definition of a business combination and has been accounted for as a continuation of the consolidated financial statements of the Flokk Group. Some comparable financial information has been changed accordingly.

The Group controls an entity when the Group has the power to govern the subsidiary, has exposure or rights to variable returns from the subsidiary and can affect the returns in the subsidiary. If the Group has control, but owns less than 100% of the subsidiaries, the companies are still consolidated while non-controlling interests' share of profit or loss after tax and their share of equity are presented on separate lines.

The consolidated financial statements are presented in Norwegian kroner (NOK), which is also the functional currency of the parent company. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

The Group has foreign companies with functional currencies other than NOK. At the reporting date, the assets and liabilities of these companies are translated into NOK using the exchange rate at the reporting date. Items in the consolidated income statement and statement of comprehensive income are translated at the monthly average exchange rates. If currency rates are fluctuating significantly, the transaction date exchange rates are applied for significant transactions. Exchange differences on translation of foreign operations are recognised in other comprehensive income. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level of input that is significant to the fair value measurement as a whole:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES IMPLEMENTED WITH EFFECT FROM 1 JANUARY 2024

No changes in IFRS for the 2024 financial statement are relevant for this financial year

CLASSIFICATION

Assets related to normal operating cycles for goods and services that are held for the purpose of trading or are expected to be realised within 12 months after the reporting period, are classified as current assets. Cash and cash equivalents are also classified as current unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.
All other assets are classified as non-current.
Correspondingly, liabilities related to normal operating cycles for goods and services that are held for the purpose of trading or are expected to be realised within 12 months after the reporting period are classified as current liabilities. Liabilities are also classified as current if there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

OPERATING SEGMENTS

The Group consist of one segment, develop, produce, and distribute office furniture. The group portfolio of brands is indifferent in nature of risk and returns from the markets. Management monitors and makes decisions based on geographically sales performance and allocate recourses based on the same. Segment information is provided in note 6.

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method, see note 3. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Non-controlling interests arise in cases where the Group acquires less than 100% of the shares in the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The consideration is recognised at fair value and the difference between the consideration and the carrying amount of the non-controlling interests is recognised at the equity attributable to the parent.

In business combinations where the Group's cost exceeds the net fair value of identifiable assets, liabilities, and contingent liabilities, the difference is reported as goodwill. If the difference is negative, it is recognised directly in the consolidated income statement.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU), that are expected to benefit from the synergies of the combination, irrespective of whether other assets of liabilities of the Group are assigned to those units or groups of units. A CGU is the smallest identifiable group of assets that generate incoming cash flows, and which is essentially independent of incoming cash flows from other assets or groups of assets. The Group has assigned goodwill to 4 CGUs that each have an independent value chain (See note 7). Each of these units represents part of the Group's activities that can be separated and operate as a separate business separate from the Group's other businesses.

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired, by comparing the carrying amount of the CGU, including goodwill, with the recoverable amount of the CGU. The Group calculates the recoverable amount of the CGU by determining the higher of the fair value less cost to sell and its value in use. The key assumption for the value in use calculation is the forecasted cash flows during the forecast period. If the recoverable amount of the CGU is less than the carrying value, the impairment loss is allocated first to reduce the carrying amount of goodwill and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in CGU. An impairment loss for goodwill is recognised immediately in the consolidated income statement and is not reversed in a subsequent period.

The Group's goodwill is linked to the acquisitions done in the period 2014-2024. A specification of goodwill is shown in note 7.

RESEARCH AND DEVELOPMENT COSTS (INTERNAL DEVELOPMENT)

Expenses related to research activities are recognized in the consolidated income statement when incurred.
Expenses related to development activities are capitalized as an intangible asset when the Group can demonstrate:
- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Expenses that are capitalized include material costs, direct personnel expenses and a portion of indirect costs that are directly attributable to the development.
Capitalized development costs are recognized in the consolidated statement of financial position at cost less any accumulated depreciations and accumulated impairment losses. The asset is tested for impairment annually before the development is complete.
Depreciation of the asset begins when development is complete, and the asset is available for use. It is depreciated linearly over the period of expected future benefit.

FINANCIAL ASSETS AND LIABILITIES

Financial assets

Financial assets are classified into three categories in accordance with IFRS 9 Financial instruments:
- Financial liabilities at fair value through profit or loss
- Financial liabilities measured at amortized cost

Financial assets at fair value through profit or loss include equity instruments and derivatives with a positive value and is initially recognized at fair value, and the transaction cost is recognized in the consolidated income statement when incurred. Gains or losses relating to financial assets measured at fair value through profit or loss are recognized in the consolidated income statement. Financial assets at amortized cost include cash and cash equivalents, trade receivables and other receivables. The Group measures financial assets at amortized cost if the following two conditions are met: the financial asset is held for the purpose of receiving contractual cash flows, and the contractual terms of the financial assets give rise to cash flows consisting solely of payments of principal and interest on the principal

Financial liabilities

Financial liabilities are classified into three categories in accordance with IFRS 9 Financial instruments:

- Financial liabilities at fair value through profit or loss
- Financial liabilities measured at amortized cost

Financial liabilities at fair value through profit and loss mainly comprise of derivatives, given that the fair value is negative, and are initially recognized at fair value on the date the derivative contract is entered. The financial instrument is later remeasured at fair value through profit and loss, and gains or losses are recognized in the consolidated income statement. Liabilities measured at amortized cost are interest-bearing loans and borrowings. If the effect of discounting is immaterial, the liabilities are measured at their nominal amount.

TRADE RECEIVABLES AND PROVISIONS

Trade receivables are measured at amortized cost. On initial recognition, trade receivables are measured at the transaction price. Provisions are made using a simplified method for expected credit losses that is determined based on individual customer assessments and expected lifetime losses for the receivables.

INVENTORIES

Inventories, including semi-fabricated products, is recognised at the lowest of cost price and net realisable value. Net realisable value refers to the net amount that is expected to be realized from the sale of inventory in the ordinary course of business. Costs are established using the FIFO method. The processed inventories include variable costs and fixed costs that can be allocated to goods based on normal capacity. Obsolete inventories are written down in its entirety. Inventories are assessed for obsolescence. Obsolescence arises when the inventories contain faulty components or components for products which are no longer for sale, and thus do not represent any value to the Group. Provisions for obsolescence are reversed in those instances when the components are nonetheless able to be used in production.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise of cash at banks and on hand and short-term highly liquid deposits to meet short-term commitments, with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

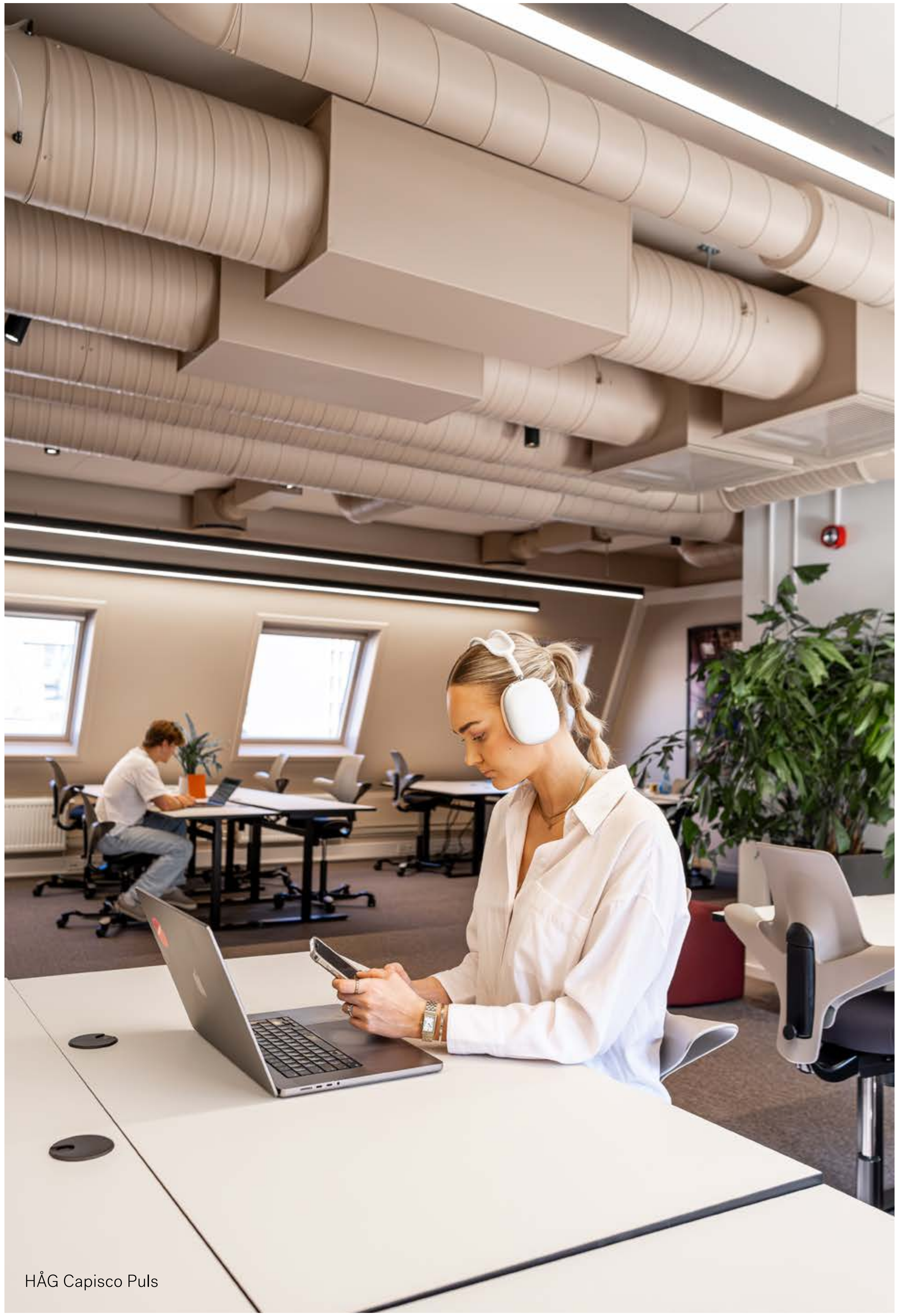
Flokk has established a group account system (cash pool system) of which Flokk Holding AS is the group account holder. The bank can settle each withdrawal and the available balance against each other such that the net balance represents the outstanding balance between the bank and Flokk Holding AS. The Group recognises the net balance of the accounts included in the group account system.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

INTEREST-BEARING LOANS

Interest-bearing loans are recognised at the fair value of the loan less directly attributable transaction costs. After initial recognition, interest-bearing loans are measured at amortised cost. Gains and losses are recognised in net financial items when the liabilities are derecognised as well as through the amortisation process. The upfront fees are part of the borrowing cost and are recognised as part of the interest. Borrowing costs are capitalized and distributed through the consolidated income statement in line with the loan's repayment period.



HÅG Capisco Puls

PROVISIONS FOR OBLIGATIONS

Provisions are recognised when the Group has a present obligation as a result of past events, it is probable that the Group must fulfil the obligation, and the obligation has been reliably estimated.

EQUITY

Share capital

Ordinary shares are classified as equity. Expenses directly associated with the issuing of new shares or options, less deductions for tax, are recognised as a reduction in the received remuneration in equity.

EXCHANGE RATE DIFFERENCES

Foreign currency transactions are translated at the exchange rate on the transaction date. Monetary items (debt or receivable) in foreign currency are translated into functional currency using the exchange rate on the statement of financial position date. Non-monetary items measured at historical rates expressed in foreign currency are translated into functional currency using the exchange rate at the time of the transaction. Non- monetary items that are measured at fair value expressed in foreign currency are translated at the exchange rate determined at the time of measurement.

Exchange rate fluctuations are recognized in the consolidated income statement under financial income and expenses on an ongoing basis, except for exchange rate changes on foreign currency loans designated as effective hedging of a net investment in a foreign entity, or monetary items that are considered part of the net investment. These changes in exchange rates are recognized as part of other comprehensive income.

TAXES

Income tax expense in the financial statements includes tax payable and the changes in deferred tax for the period. Assets and liabilities from deferred tax are computed for all temporary differences between the carrying amount of an asset or liability in the consolidated financial statements and their respective tax bases and tax loss carried forward. For the calculation of deferred tax assets and liabilities, the nominal tax rates expected to be applied when the asset is realised, or the liability is paid will be used. The nominal tax rates and tax laws used are those that are enacted or substantively enacted at the statement of financial position date in the countries where the Group operates and generates taxable income.

Deferred tax assets relating to tax deficits and other tax- reducing temporary differences are recognised to the extent that it is probable that they can be applied against future taxable income.

Deferred tax liabilities related to withholding tax and other tax on dividends are recognised in connection with retained profits in associates and foreign subsidiaries when a dividend is expected to be paid in the foreseeable future.

Deferred tax liabilities for temporary differences are recognised when it is probable that the temporary difference will reverse in the foreseeable future. Deferred tax liabilities and deferred tax assets are not recognised for the initial recognition of goodwill.

The deferred tax and deferred tax assets are recognized independently of when the differences will be reversed. The deferred tax and deferred tax assets are recognized at nominal value Tax payable and deferred tax are recognised in other comprehensive income to the extent that these relate to matters that are recognised in other comprehensive income.

LEASES

Recognition of leases and exemptions

At the lease commencement date, the Group recognises a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets (less than NOK 50 thousand).

For these leases, the Group recognises the lease payments as other operating expenses in the consolidated income statement when they are incurred.

Lease liabilities

The lease liability is recognised at the commencement date of the lease. The Group measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The Group determines the lease term as the non-cancellable period of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to exercise the option, or any periods covered by an option to terminate the lease, if it is reasonably certain not to exercise the option.

The lease payments included in the measurement comprise of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Amount expected to be payable by the Group under residual value guarantees
- The exercise price of a purchase option, if the Group is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate. The Group does not include variable lease payments in the lease liability. Instead, the Group recognises these variable lease expenses in the consolidated income statement. The Group presents its lease liabilities as separate line items in the statement of financial position.

Right-of-use assets

The Group measures the right-of-use assets at cost, less any accumulated depreciations and impairment losses, adjusted for any remeasurement of lease liabilities the cost of the right-of-use asset comprise:

- The amount of the initial measurement of the lease liability recognised.
- Any lease payments made at or before the commencement date, less any incentives received
- Any initial direct costs incurred by the Group.

The Group applies the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use assets, except that the right-of-use assets are depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset. The Group applies IAS 36 Impairment of Assets to determine whether the right-of- use assets are impaired and to account for any impairment loss identified.

WARRANTY PROVISIONS

The Group provides warranties for general repairs of defects that existed at the time of sale. Provisions related to these warranties are recognised when the product is sold. Initial recognition is based on historical data for service work and warranty repairs. The provisions expected to be incurred within one year are classified as current liabilities, while those expected to be incurred in more than one year are classified as non-current liabilities in the consolidated statement of financial position. The estimate of the warranty provision is revised annually. Warranty costs associated with repairs are recognised through consolidated income statement as costs of materials, while instalment costs are recognised through consolidated income statement as other operating costs.

PENSIONS

The Group provides pension plans for all employees. The costs associated with the pension agreements appear as personnel expenses in the consolidated income statement. The Group's employees are members of collective defined contribution pension schemes. Payments linked to the contribution plans are recognised as a cost in the period to which the contributions relate.

Employees in Switzerland, and some employees in Norway with partial disability have a defined benefit scheme. The costs associated with these schemes are based on a linear carrying forward of pension earnings against probable accumulated liabilities at the time of accrual. A linear accrual model distributes the future accumulated liabilities linearly over the accrual period and regards the employees' accrued pensions' rights in the period as a pensions cost. Any new, or changes in existing benefits-based pension scheme results in changes to the pension liabilities. The introduction of new schemes or changes to existing schemes that appear with retrospective effect may impact the future pension liability. Any such changes are recognised through statement of comprehensive income immediately.

The effect of accrued pension benefits is divided over the remaining average accrual period. In the case of contribution plans, payments have been made to the insurance company. Once the contribution has been paid there are not further liabilities. Payments linked to the contribution plans are recognized as a cost in the period to which the contributions relate.

The AFP contractual pension scheme is a multi-employer defined benefit but is recognised as a defined contribution plan. Companies that participate in the AFP scheme are jointly responsible for two-thirds of the payable pension. Flokk recognises this as a cost on a current basis. The pension earning period coincides with the period of employment.

Remeasurement of defined benefit plans relate to changes in the basis data, estimates and changes in assumptions, and is recognized in other comprehensive income in the period in which it occurs. Plan changes are recognised in the income statement as a single event unless the change is conditional on the employees remaining in the company. In the event of the latter, the change is amortised over the remaining pension earning period.

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group enters into agreements with customers that includes terms for discount, volume bonus and delivery terms. The frame agreement part of these contracts is typically valid for 1 or 2 years, of which each specific product delivery has individual contract terms either covered by the main agreement or by separate agreement. Discount level is based on obtained sales through a bonus period, which is normally defined as a calendar year. For sales to customers without any written contracts, the terms are agreed in an order confirmation. Discount is recognized per sales order; volume bonus is estimated and accrued quarterly based on actual sales. On 31 December, the Group recognizes the total volume bonus as discount in the consolidated income statement and as short-term liability in consolidated statement of financial position. Delivery terms varies from customer to customer. Revenue is recognized to the extent that is it probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duties. Revenues is not recognized before all conditions associated with the sale have been met.

SALE OF GOODS

The Group sells furniture through independent retail chains, dealers, and importers. Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally at agreed place of delivery. The customers have no return rights if the delivery is according to the agreed specification and quality. Revenues are recognized based on the agreed price less any discounts.

The normal credit term is 30 days upon delivery.

The Group considers whether there are other conditions in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. Such conditions could be variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the customer (if any). Refer also to warranty provisions above.

GOVERNMENT GRANTS

Government grants are recognised when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the grant reduces the carrying amount of the asset and is recognized in the consolidated income statement over the expected useful life of the asset as a reduction in the depreciation.

RELATED PARTIES

Parties are defined as related parties if one party has the ability, directly or indirectly, to control the other party or to exercise significant influence over the other party in making financial and operational decisions. Parties are also related if they are subject to common control or common significant influence.

Consolidated companies have transactions with related parties. This is mainly purchase and sale of the Group's products, as well as administrative services. All transactions between related parties are based on the principle of "arm's length" (estimated market value).

EARNINGS PER SHARE

The Group presents earnings per share and diluted earnings per share. Earnings per share are calculated by dividing the profit for the year after non-controlling interests by the average number of outstanding shares during the period. The diluted earnings per share is the profit attributable to the equity holders of the parent divided by the average number of outstanding shares in the period, adjusted for any diluting effects.

NEW AND AMENDED STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of the authorization of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments

The IASB has completed the post implementation review of the classification and measurement changes in IFRS 9. The review clarifies financial liability derecognition, ESG-linked financial asset assessment, and introduces new disclosure requirements.

The amendments clarify derecognition of financial liabilities on the settlement date, and introduces an option for early derecognition via electronic payment systems. Guidance on assessing contractual cash flow characteristics of ESG-linked financial assets and evaluating contingent features is also clarified. Further explanations for non-recourse loans and contractually linked instruments are provided, along with additional disclosure requirements in IFRS 7 for financial instruments with contingent features and equity instruments classified fair value through OCI.

The amendments will take effect for annual periods starting on or after 1 January 2026. Earlier application is permitted.

IFRS 18 Presentation and Disclosure in Financial Statements

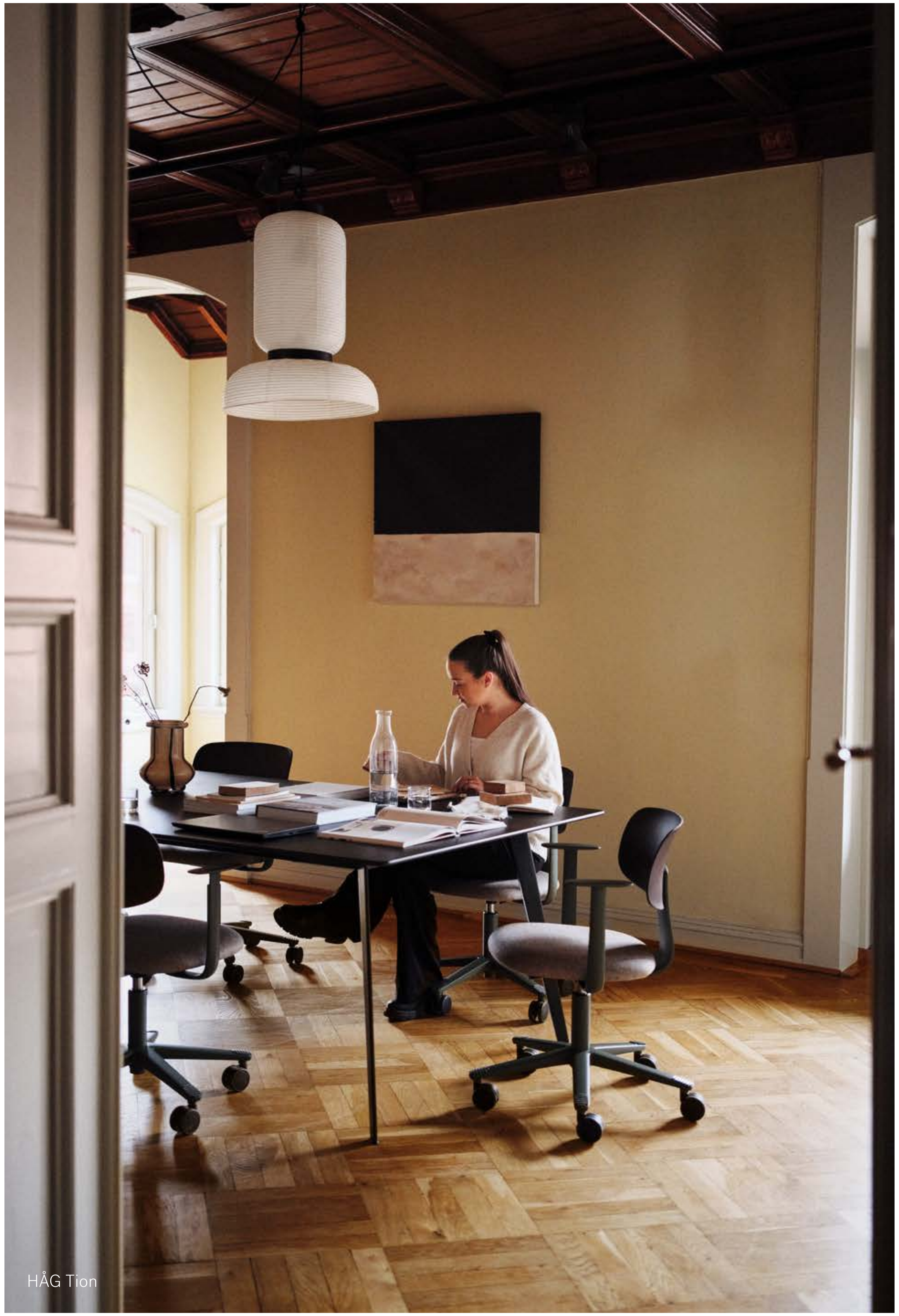
In April 2024, ISAB issued IFRS 18 Presentation and disclosure in Financial Statements which replaces IAS 1 Presentation of Financial Statements.

IFRS 18 builds upon the foundation laid by IAS 1, keeping many sections with minimal revisions. However, it introduces new requirements on presentation within the statement of profit or loss, which includes the introduction of specified required totals and subtotals, and new categories of profit or loss. Additionally, it requires disclosure of management-defined performance measures and new principles for determining the location of information with aggregation and disaggregation to reference similar and dissimilar characteristics in the financial statements, to provide better information about a company's financial performance.

IFRS 18 is effective for reporting periods beginning on or after 1 January 2027. Early adoption is permitted but must be disclosed.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

From Flokk Orgatec stand in Germany


HÅG Tion

NOTE 3 – BUSINESS COMBINATIONS

ACQUISITION IN 2024

On 1 February 2024, Flokk USA Holding Inc., a company controlled by Flokk Holding AS, acquired 100% of the shares in Stylex Inc., a U.S.-based manufacturer of collaborative furniture. Stylex Inc. is headquartered in Delanco, New Jersey, where both its head office and manufacturing operations are located. The vast majority of Stylex's sales are generated in the U.S. market.

Through the acquisition of Stylex Inc., the Group has significantly strengthened its presence in the U.S., expanding its manufacturing footprint with capacity on both the East and West Coasts, and adding a broad portfolio of collaborative furniture to its offering.

The agreed equity purchase price for the acquisition was NOK 419.4 million, which includes an earn-out component. The earn-out is determined based on operating profits for FY2023 and FY2024, assessed separately for each year. The earn-out linked to FY2023 operating profit was paid during 2024. Based on the reported operating profit for FY2024, an additional earn-out obligation of NOK 53.7 million has been recognized and accrued in the statement of financial position as of 31 December 2024.

The calculated excess value to be allocated amounts to NOK 295.1 million, derived from the total agreed equity purchase price of NOK 419.4 million, less the pre-acquisition book value of equity of NOK 124.3 million.

Following the completion of the transaction, total assets recognized amount to NOK 419.4 million.

Excess purchase price	(NOK millions)
Equity purchase price	419.4
Minus: Book value of equity pre-acquisition	124.3
Excess value to be allocated	**295.1**

Identification of cash generating units (CGU)

Goodwill, intangible/tangible assets, and liabilities should be allocated to each of the cash generating units as of the transaction date. Stylex constitutes one CGU where tangible and intangible assets, liabilities and goodwill have been allocated.

Identification of tangible and intangible assets

Tangible assets are physical assets such as cash, accounts receivable, inventory, property, plant and equipment. Intangible assets are defined as "non-physical assets such as franchise, brand, patents, copyrights, goodwill, equities, contracts (as distinguished from physical assets), that grant rights and privileges and have value for the owner".

To be recognised as an identifiable intangible asset, an intangible asset must either:

- be separable, that is, be capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arise from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations

We have identified the following assets that will be valued separately and recognised as intangible assets:

- Order backlog
- Off market contract
- Distribution network

Further, the following intangible assets have been identified, that will be valued separately and considered as part of goodwill:

- Assembled workforce

For all other assets and liabilities, book value is assumed to represent the fair value as of the valuation date.
The excess of the cost of an acquired entity over the net of the amounts assigned to assets acquired and liabilities assumed is referred to as goodwill.

The fair value of identifiable assets and liability in Stylex Inc. at the date of acquisition were:

NOK (thousands)	Fair Value
Intangible assets	28 820
Property, plant and equipment (note 12)	54 591
Right-of-use assets	49 727
Inventory	58 569
Trade receivables	25 853
Other receivables	4 119
Cash	48 643
Total assets	**270 322**
Deferred tax liabilities	11 304
Lease liability	49 727
Trade payable	20 740
Short-term-debt	42 729
Total liabilities	**124 500**
Total identifiable net assets at fair value	145 822
Cash Payment	365 719
Earn out accrual	53 717
Goodwill	**273 613**

Cash flows from Stylex are in United States Dollars (USD). Goodwill on 31 December is converted to the current closing rate. A total of NOK 15 848 thousand was expensed in acquisition cost in 2024 and is included in other operating expenses.

Analysis of cash flow on acquisition (in NOK thousands):	
Cash holding in Stylex	48 643
Cash payment	(365 719)
Net cash flow	**(317 076)**

Stylex contributed NOK 531 030 thousand to the Group's revenues and NOK 65 046 thousand to the Group's operating profit for the period 01.02.2024 - 31.12.2024. If Stylex was acquired as of 1 January 2024, this company would be included in the Group's financial statement with a total turnover of NOK 568 590 thousand and an operating profit of NOK 66 004 thousand.

ACQUISITIONS IN 2023

On 2 April 2023 Flokk acquired the 4,55% non-controlling interest in 9to5 Seating LLC and Flokk Furniture (Zhongshan) Co., Ltd (Former Zhongshan Habitat Furniture Co., Ltd). A cash consideration of NOK 59 977 thousand was paid to the non-controlling shareholder. The carrying value of the net assets of the acquired minority (excluding goodwill on the original acquisition) was NOK 46 610 thousand. Following is a schedule of additional interest acquired.

NOK (thousands)	
Cash consideration paid	58 977
Carrying value of the additional interest	(46 610)
Difference recognised in retained earnings	**(12 367)**

On 3 May 2023 Flokk Holding III, a company controlled by Flokk Holding AS, acquired 100% of the controlling interest in Flokk Holding II AS and certain receivables for an agreed consideration of EUR 356,7 million, equal to NOK 4 244,2 million as of closing. Certain receivables are defined in the SPA as two intercompany receivables owed by Flokk Group to the sellers with the amount of NOK 236,1 million. The receivables were transferred upon closing from the Sellers to the Acquirer as part of the transaction. The agreed equity purchase price is therefore NOK 4 008,1 million. The excess value to be allocated is calculated to NOK 6 108,6 million. This is based on the equity purchase price of NOK 4008,1 million adjusted for booked value on equity pre-acquisition of NOK 1 450,1 million and book value of intangible to be reallocated of NOK 3 550,6 million. The new total assets balance is NOK 8 831,2 million.

Excess purchase price (NOK millions)	
Equity purchase price	4 008.1
Minus: Book value of equity pre-acquisition	(1 450.1)
Plus: Book value of intangible to be reallocated	3 550.6
Excess value to be allocated	**6 108.6**

Identification of cash generating units

Goodwill, intangible/tangible assets, and liabilities should be allocated to each of the cash generating units as of the transaction date. According to IAS 36 a cash generating unit can be defined as: "The smallest identifiable group of assets that generates cash inflows that are largely independent of the cash flows from other groups of assets."

The identified CGUs are based on revenue generation and the following three CGUs have been identified:

- "9to5", mainly operating in North America
- "Malmstolen", operational base in Sweden
- "Flokk", comprise multiple brands and operates in Europe

To allocate the equity purchase price to each CGU, the following assumptions have been applied: Enterprise value is allocated between the CGUs based on the relative share of CFO forecasted EBITA for the period of 2023-2026. Adjustment for net debt and normalised NWC level as of Closing is made to reach equity value for each CGU.

Identification of tangible and intangible assets

Tangible assets are physical assets such as cash, accounts receivable, inventory, property, plant and equipment. Intangible assets are defined as "non-physical assets such as franchise, brand, patents, copyrights, goodwill, equities, contracts (as distinguished from physical assets), that grant rights and privileges and have value for the owner".

To be recognised as an identifiable intangible asset, an intangible asset must either:

- be separable, that is, be capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arise from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

The group, we have identified the following assets that will be valued separately and recognised as intangible assets:

- Brand

Further, the following intangible assets have been identified, that will be valued separately and considered as part of goodwill:

- Customer relationships
- Assembled workforce
- Sales representatives of 9to5

For all other assets and liabilities, book value is assumed to represent the fair value as of the valuation date.
The excess of the cost of an acquired entity over the net of the amounts assigned to assets acquired and liabilities assumed is referred to as goodwill.

NOK (thousands)	Fair Value
Intangible assets	1 270 573
Property, plant and equipment (note 12)	632 401
Right-of-use assets	283 782
Deferred tax assets	356 450
Non-current financial assets	10 554
Inventory	480 236
Trade receivables	447 908
Other receivables	50 888
Cash	595 249
Total assets	**4 128 041**
Pension obligation	7 986
Deferred tax liabilities	443 740
Long-term-debt	4 061 128
Other long term liabilities	2 673
Lease liability	295 152
Trade payable	221 783
Warranty provision	13 570
Short-term-debt	63 211
Othe short term liabilities	438 284
Total liabilities	**5 547 527**
Total identifiable net assets at fair value	(1 419 485)
Distribution in kind	4 008 100
Goodwill	**5 427 585**

Cash flows from Flokk Group are in Norwegian krone (Flokk), Swedish krone (Malmstolen) and in US Dollars (9to5 and Stylex). Goodwill on 31 December is converted to the current closing rate. A total of NOK 956 thousand was expensed in acquisition cost in 2023 and is included in other operating expenses.

NOK (thousands)	
Cash holding in Flokk	595 249
Cash payment	
Net cash flow	**595 249**

If Flokk Holding III as was acquired on January 1, 2023, the group would be included in the Group's financial statement with a total turnover of NOK 3 826 189 thousand and an operating profit of NOK 475 089 thousand for fiscal year 2023.

NOTE 4 – ESTIMATES, ASSUMPTIONS AND SIGNIFICANT JUDGEMENTS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

These estimates have been made largely based on management's subjective judgements and assumptions about the future. Future events can result in changes to these estimates.

The Group's significant accounting estimates relate to the following items:

BUSINESS COMBINATION AND ACQUISITION OF NON-CONTROLLING INTERESTS

In business combinations, the assets taken over are at fair value at the time of purchase. The various assets are valued based on acknowledged valuation methods, and goodwill is the residual in this type of purchase price allocation. Use of estimates and assumptions, which are highly instrumental, can lead to wrong assessment of split of the value between the various assets, but the sum of the total value surplus will always be consistent with the purchase price paid. Further details are disclosed in note 3.

GOODWILL

The carrying amount of goodwill in the Group is tested annually for impairment, or more often if indicators of impairment exist. Factors that indicate impairment which trigger impairment testing include the following: significant fall in market values, significant underperformance relative to historical or projected future operating results, significant changes in the strategy for the overall business, significant negative industry or economic trends, and significant loss of market share.

In accordance with IAS 36 Impairment of assets, the recoverable amounts of assets and companies is the higher of value in use and fair value less cost of disposal. Value in use, particularly when discounted cash flow methods are used, must in part be based on management's evaluations, including determining appropriate cash-generating units, determining the discount rate, estimated of future performance, revenue generating capacity of the assets, margins, and assumptions of the future market conditions. Recessionary effects and increased macroeconomic risks may impact the estimates of growth, future performance and discount rates used in estimating recoverable amounts of assets. This is particularly relevant in Scandinavia and Central Europe. Discount rates are impacted by several macroeconomic factors including borrowing rates, inflation assumptions and currency development.

The Group has been cautious in its projections of future cash flows to reduce the uncertainty in these estimates. Sensitivity analyses have been performed on projected earnings and the discount rate which show that there is a substantial margin (headroom) compared to carrying amounts. Management's judgements are based on historical data and its market knowledge. The business is substantially affected by the economic cycle in its main markets.
The carrying value of goodwill is NOK 5,836 million (NOK 5,353 million). Further details and assumptions used are disclosed in note 7.

DEFERRED TAX ASSETS

Deferred tax assets are recognized to the extent that it is probable that the tax assets will be realised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the expected timing, the level of future taxable profits as well as tax planning strategies and the existence of taxable temporary differences. Different market conditions and the long-term nature and complexity of existing contracts, differences between actual performance and the assumptions that have been made, or future changes in these assumptions, it may be necessary to adjust tax revenues and expenses which have already been recorded. Adjustment of tax revenues and/or expenses will impact the estimated future cash flow arising from deferred tax loss carried forward. Further details are disclosed in note 14.
The carrying value of deferred tax assets is NOK 340 million (NOK 242 million).

NOTE 5 – MANAGEMENT OF CAPITAL AND FINANCIAL RISK

The Group's capital consists of equity. The Group's goal of sound financial capacity is met with this financing structure. See note 8.

OBJECTIVES AND STRATEGY

The overall objective of the Group's capital management is to be an attractive borrower through sound liquidity planning so that the Group at all times will be offered cost-effective funding at favorable conditions when comparing with similar borrowers and securities. The Group shall keep, and is keeping, good relations with at least two alternative main financing banks.

The capital management shall meet the Group's collective need of funding. Every funding decision shall be made with consideration to the Group's current need of financing, and the targets described below for capital management:
- Low funding risk
- High flexibility with reference to interest rate management and securities
- Limited administration

The Group considers that it has satisfactory access to capital. The Group's interest-bearing liabilities consists of floating-rate loans, and with the current increase in floating rates, the Group is exposed to increased funding costs. See also reference to interest rate risk in note 8.

Currency exposure associated with the Group's operations can be hedged by the expected net cash flows in the currency associated with operational factors being hedged using forward contracts. The hedge agreements are made only for a limited period of time and only to the extent that these expected cash flows are certain.

+ Connection Harp

NOTE 6 – SEGMENT INFORMATION

For management purposes, the Group is organized into regions. Flokk is a manufacturer of office furniture with a full or semi-integrated value chain for all brands. When acquiring businesses, the extent to which the acquired business is to be integrated with the existing business, is determined. Fully integrated business has one common value chain, semi-integrated business has a lower degree of integration but follow the same management structure for monitoring sales performance and decision making.

The Group is a niche supplier that develops, manufactures, and sells seating for working environments. A large proportion of these products consist of multifunctional work chairs with casters. The customer structure in the regions consists of a very large number of dealers in all the main markets.

Outside the main markets, importers buy directly and sell on to dealers and end-customers. The size of the customers varies significantly, with no customer representing 10% or more of the Group's turnover.

Management reporting is based on the Group's regions as shown below.

NORTHERN EUROPE
Norway, Sweden, Denmark, Belgium, The Netherlands and Luxemburg.

CENTRAL EUROPE
Germany, UK&Ireland, France, Switzerland, Poland, Austria, Baltic, Romania, Czech Republic and Slovakia.

INTERNATIONAL
Rest of World including North America and South- East Asia.

OTHER
Contract Manufacturing

Per 31.12.2024	Northern Europe	Central Europe	International	Other	Unallocated	Consolidated
Sales revenues	1 226 503	1 661 571	1 391 297	133		4 279 505
Total operating income	**1 226 503**	**1 661 571**	**1 391 297**	**133**		**4 279 505**
Operating costs					3 780 572	3 780 572
Operating profit						**498 933**

Per 31.12.2023	Northern Europe	Central Europe	International	Other	Unallocated	Consolidated
Sales revenues	1 297 799	1 683 601	846 031	(1 242)		3 826 189
Total operating income	**1 297 799**	**1 683 601**	**846 031**	**(1 242)**		**3 826 189**
Operating costs					3 350 476	3 350 476
Operating profit						**475 713**

OTHER INFORMATION
Transactions between the regions are priced on market terms.

The Group's financing (including finance cost, finance income and other income) and income tax are managed on group basis are not allocated to operating segments.

SALES REVENUES
The delivery obligation is generally considered to be fulfilled when the products are delivered at customers location or at place of instalment. Customers have no rights to return the products after they have been delivered. Standard credit time is 30 days after delivery. Income is recognized at the time of delivery only for the part of the consideration that the Group is ultimately entitled to. All fixed and variable discount is recognized upon delivery and retrospective volume bonus are included in the consolidated income statement and consolidated statement of financial position on 31 December.

RECONCILIATION TO PROFIT FOR THE YEAR

NOK (thousands)	2024	2023
Sum of regions and unallocated	**498 933**	**475 713**
Financial income	1 071 387	1 734 938
Financial expenses	(1 575 886)	(2 252 389)
Income tax expense	(23 798)	(47 895)
Profit for the year	**(29 364)**	**(89 632)**

GEOGRAPHIC INFORMATION

NOK (thousands)	2024	2023
Revenues from external customers		
USA	1 286 529	753 104
Germany	628 669	594 562
Norway	304 822	313 276
United Kingdom	284 528	325 555
The Netherlands	267 101	278 776
Denmark	252 926	219 139
Poland	231 894	234 668
Sweden	221 674	276 680
France	173 950	176 748
Switzerland	173 623	180 284
Belgium	134 586	162 626
Other countries	319 203	310 771
Total sales revenues	**4 279 505**	**3 826 189**

NOK (thousands)	2024	2023
Distribution of revenue per brand		
HÅG	971 852	960 840
Profim	882 380	780 923
9to5 Seating	682 837	685 032
RH	567 167	553 553
Stylex	531 030	
Giroflex	217 356	231 631
BMA	130 634	154 570
Connection	125 333	162 715
Malmstolen	121 843	126 639
OFFECCT	48 067	56 864
RBM	872	114 663
Total revenue from the brands	4 279 372	3 827 431
Other revenue	133	(1 242)
Total	**4 279 505**	**3 826 189**
Fixed assets		
Poland	420 699	394 370
USA	252 409	22 211
Norway	186 333	191 670
UK	90 609	91 647
Sweden	85 181	89 697
Germany	24 975	22 259
Switzerland	24 276	22 885
China	13 949	16 122
Denmark	11 338	4 310
France	10 337	12 162
Belgium	7 132	8 123
The Netherlands	5 884	3 938
Czech Republic	3 642	1 384
Australia	3 298	1 046
Singapore	872	1 825
Total	**1 140 935**	**883 649**

Included in fixed assets under geographic information are property, plant and equipment and right-of-use asset.

HÅG Capisco, HÅG Tion, HÅG Capisco Puls

NOTE 7 – INTANGIBLE ASSETS

Intangible assets are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalized and the related expenditure is reflected in the consolidated income statement in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life of the asset and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation is applied using a linear method over the estimated economic useful life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense is recognised in the consolidated income statement.

Goodwill has indefinite useful lives and are not amortised. Goodwill is tested for impairment annually at the cash-generating unit level, please see note 3 for "Business combinations and goodwill".

NOK (thousands)	Goodwill	Internal development	Other intangible assets	Total
Fiscal Year 2023				
Carrying amount 01.01.2023	3 365 784	89 330	239 715	3 694 830
Investments		14 532	352	14 885
Additions through acquisitions1)	1 972 904		898 500	2 871 404
Translation differences	14 067	29 065	25 729	68 861
Reclassifications		(906)	16 653	15 746
Depreciation/amortization		(30 850)	(51 156)	(82 006)
Carrying amount 31.12.2023	**5 352 755**	**101 171**	**1 129 793**	**6 583 719**
Per 31.12.2023				
Initial cost	5 352 755	319 180	1 234 277	
Accumulated depreciation /write-downs		(218 009)	(104 484)	
Fiscal Year 2024				
Carrying amount 01.01.2024	5 352 755	101 171	1 129 793	6 583 719
Investments		25 114	12 999	38 113
Additions through acquisitions1)	283 030		29 560	312 591
Translation differences	200 239	3 863	14 776	218 878
Reclassifications		(2 720)	1 111	(1 609)
Depreciation/amortization		(13 947)	(37 792)	(51 739)
Carrying amount 31.12.2024	**5 836 024**	**113 480**	**1 150 448**	**7 099 953**
Per 31.12.2024				
Initial cost	5 836 024	319 180	1 234 277	
Accumulated depreciation /write-downs		(205 700)	(83 829)	
Useful life	Indefinite	6-15 years	4 years - indefinite	

[1] See note 3 for information on intangible assets in acquired companies.

OTHER INTANGIBLE ASSETS

Other intangible assets contain customer files, trademarks, brands, technology and distribution access acquired through acquisitions. Amortization takes place linearly over respectively 10, 10, 4 and 5 years.
Brands are not amortised but tested annually for impairment.

DEVELOPMENT AND PUBLIC GRANTS

The Group performs its own research and development within the field of seating solutions. External parties within a number of fields are often used as part of this work. The Group has several external designers who are engaged in product development. In most cases the designers are compensated for their work in the form of royalties on sales of the individual product. The Group also have some designers who receive a one-time payment for their services. In both cases, the cost is presented as other operating expenses in the income statement. A not inconsiderable proportion of the total R&D costs are royalties from sales that are recognised as costs in the individual year. Development costs incurred in the period, and which satisfy the criteria for asset recognition are recognised in the statement of financial position. An impairment test is performed every year. The test uses the same preconditions for growth and return on investment and WACC as for goodwill. Costs for ongoing Development activities as per 31 December are expected to have future earnings that exceed the value recognised in the statement of financial position and expected future costs. As per 31 December 2024, the Group had 40 R&D projects ongoing of which 15 will be launched during 2025.

The Group receives government grants for research and development.

NOK (thousands)	2024	2023
Skattefunn (tax deduction of R&D)		6 343
Training grant	582	462
Grant from EU		75
Sum	**582**	**6 880**
Research and development recognised in the consolidated income statement	101 016	73 100

GOODWILL

Goodwill distributed per enterprise purchase and CGU NOK (thousands)	Acquired in	Goodwill
Flokk Holding II AS	2023	926 327
Scandinavian Business Seating Holding AB	2014	524 928
Scandinavian Business Seating Holding AS	2014	1 111 592
BMA Ergonomics BV	2015	38 773
Giroflex AG	2017	16 738
OFFECCT AB	2017	57 315
Flokk Sp. Z.o.o.	2018	620 937
Connection Seating Ltd.	2022	53 489
Flokk		**3 350 100**
Malmstolen	**2017**	**417 058**
9to5	**2019**	**1 776 142**
Stylex	**2024**	**292 725**
Total goodwill		**5 836 024**

The group has accumulated goodwill of NOK 5 836 024 thousand. Goodwill is the residual value consisting of the difference between the purchase price and the capitalized value of an acquired company. Goodwill is allocated in connection with multiple acquisitions from 2014 to 2024. See note 3 for allocation of Goodwill.

The Group has identified 4 cash generating units (CGUs). Flokk consisting of the brands HÅG, RH, Giroflex OFFECCT, Profim and Connection. All parts of the value chain for these brands are fully integrated. Management is not able to report separate cash flows from fully integrated brands as they are combined in the total of the Flokk cash flow performance.
The Group monitors the development, production, and distribution of these brands as one unit. Costs are not allocated to the different brands. In addition, the group has its own cash flows from the brands Malmstolen, 9to5 and Stylex.

Goodwill is tested for impairment annually and if impairment indicators are identified. Goodwill is tested by comparing the present value of the discounted value of future cash flows and the carrying amount. A constant growth rate has been applied throughout the time period of the cash flow projections.

ASSUMPTIONS

When determining the value in use for the CGUs, the following assumptions are the most sensitive:

Revenues

Revenue development is based on the budget for 2025, and management's revenue forecast for the growth in the period 2026 - 2027, backed by the company's strategic plan for the latter years. Revenue estimates both in budgets and forecast which have a material effect on figures in the consolidated income statement and statement of cash flows, have considered that the group is coming out from a period of recession and is expecting an increase in revenues for 2025. For the period 2026 to 2027 the management expect a growth above normal. Growth for the terminal period is 2%. The growth is a combination of volume and price growth, relatively equally distributed. Budgets and strategic plans are approved by the Board of Directors on annual basis. The management has during 2024 continued to execute several cost saving initiatives throughout the group, also a significantly reduction in number of employees. These cost saving initiatives is expected to increase operating profit significantly in the next 2-3 years. The long-term growth has been fixed at two per cent, reflecting the long-term rate of inflation plus a very conservative growth rate.

Gross margins

The Group expects sound gross margins in the years ahead. There are continuous improvement projects in procurement and logistics, as well as production optimization and margin optimization projects of current products. The Group has, over the past years, shown that these projects have had an effect, and it is expected that this will also apply in the future. Raw material and freight cost is more stable than during the post pandemic period in 2021 and 2022 but still affected by the situation in Ukraine. Custom duties imposed by the new administration in the US will also have impact on the Group. The Group Management will continue to initiate measurements to compensate for most of these effects through a combination of improvement projects and price increases.

Weighted average cost of capital (WACC)

A low risk-free interest rate influences the WACC. The cash flow is discounted with WACC before tax. A tax rate that applies to the countries from which the cash flows arise is used when calculating the WACC before tax.

The Group has applied the following assumptions for estimating WACC:

- The long term risk-free interest rate is equivalent to the interest rate on 10 year government bonds as this corresponds with the time horizon on the relevant cash flows.
- The risk premium is 4% based on market research undertaken by the Norwegian Society of Financial Analysts and the recommendation from its members.
- Beta is 1.2 due to the cyclical nature of the industry
- Corporate Spread is 4.0%, where 1.25% reflects the current uncertainty in the borrowing market plus the NIBOR/STIBOR spread against a long-term risk-free interest rate.

The recoverable amounts for the cash-generating units have been determined based on the following discount rates, pre-tax:

Norway	8.87%
United States	10.34%
Sweden	7.10%

IMPAIRMENT TESTS OF GOODWILL

As a result of the impairment test performed in 2024, no impairment has been recognised. It is the managements opinion that the assumptions used in the tests are the best estimate for long term market development combined with the development of the Group.

SENSITIVITY

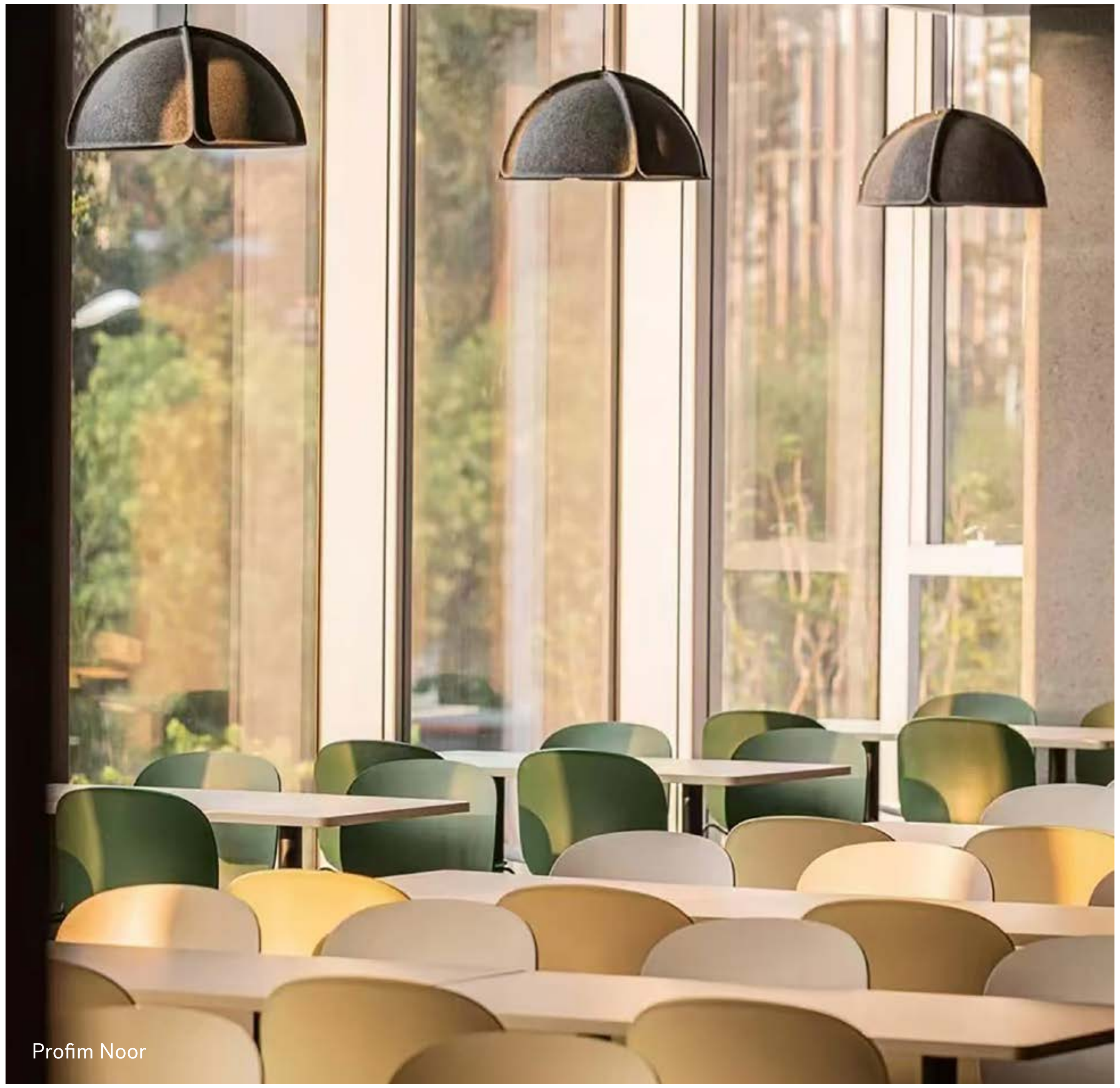
Sensitivity calculations were conducted for the CGUs with different parameters, weighted average cost of capital (WACC) added 2%, long-term growth equal to zero and the cash flows are also extrapolated using operating profit, adjusted for amortization and extraordinary cost at 2024 level. For each test, the other variables are unchanged. Calculated headroom reflects the difference between value in use and net assets including goodwill.

The tests show that the conclusions, with reasonable changes to the assumptions, do not change in relation to the fact that the group can justify its recognised goodwill. 9to5 CGU is sensitive for growth. With no growth, the carrying value of Goodwill will be less than the value in use.

Cash flow projections are based on extrapolating figures for 2026-2027 from estimates in the company's and the group's senior management strategy plan for 2025.

CLIMATE RISK CONSIDERATIONS:
In preparing the cash flow forecasts and value-in-use calculations, potential risks and opportunities related to climate change have been evaluated as part of the assessment of long-term assumptions. Although climate risks have not been identified as having a material adverse impact on future cash flows in the short to medium term, management acknowledges that increasing regulatory requirements, shifts in customer preferences, and transitional risks associated with climate policy developments could affect future profitability.

In line with the Group's ongoing ESG and sustainability initiatives, management continuously monitors emerging climate-related risks, including potential impacts on operating costs, supply chains, and market demand. While these factors are not expected to significantly impact the Group's value in use under the current assumptions, they represent longer-term uncertainties that are subject to ongoing review and may be factored into future impairment testing if deemed necessary.


Profim Noor

NOTE 8 – FINANCIAL INSTRUMENTS AND RISKS

MARKET RISK
The Flokk Group has centralised its financing function which has responsibility for financing, foreign currency risk, interest rate risk, credit risk and liquidity management. The Group has established guidelines for interest rates, currency and credit set out in policies.

Price risk
The Flokk Group works proactively with the risk of major changes in raw material prices. The group-wide Sourcing and Procurement process is actively structured to have dual sourcing, globally indexed priced raw material and to work closely with its suppliers as business partners in a joint effort for common value creation.

Effects of increase/reduction in selling prices and rebates:
If the group's net selling prices were 1% higher or lower in 2024 and other variables remained constant, it would have resulted in a higher or lower operating profit of NOK 42 795 thousand (NOK 38 262 thousand). If rebates on gross sales were 1% lower or higher in 2024 and other variables remained constant, it would have resulted in an increase or reduction in the operating profit of NOK 81 907 thousand (NOK 74 884 thousand). This is based on the managements estimates for reasonably possibly for change.

Foreign currency risk
NOK 3 975 million (NOK 3 530 million) of the Group's sales revenues are denominated in foreign currency. The Group has an even flow of revenues, and its sales are not generally based on a few large individual orders generating a large share of the sales. The Group invoices the customer in the customer's own currency. This means that a large share of the company's financial risk is attached to changes in exchange rates, especially in EUR, USD, PLN, DKK, GBP and CHF. The Group has foreign currency risk connected to future cash flow in foreign currency. To limit the effect of fluctuating exchange rates, the company uses foreign currency derivatives. Normally, between 50-70% of expected net foreign currency exposure is secured through use of derivatives, but no derivates have been entered into as per end of 2024. The forward contracts are with a large, well-known recognised finance institution in Norway and any credit risk is therefore considered minimal. These contracts are treated as ordinary derivatives where the unrealised gains and losses are recognised in the in the consolidated income statement as currency gains/losses and are recorded at fair value. The Group has investments in subsidiaries in foreign currency where the net investments are exposed for currency risks by conversion. The Group has trade receivables, trade payables and external loans in foreign currency that are exposed for currency risk by conversion to the functional currency NOK. Some fluctuations in exchange rate are treated as ordinary course of business, but a change in foreign currency rates vs. NOK above 5% will be monitored closely by the management.

Interest rate risk
The Group's interest rate risk is primarily connected to long-term liabilities. As the net interest-bearing liabilities per 31 December 2024 was 32.5% (33.7% in 2023) of the consolidated statement of financial position, the profit for the year is considerably exposed to the interest level. The liabilities primarily consists of floating-rate loans. In 2024, the Group's floating-rate loans have been in EUR and USD. With net interest-bearing liabilities of NOK 3 490 947 thousand (3 163 998 thousand), the level of interest rates significantly affects the financial expenses.

Effects of increase/reduction in interest:
If the interest was 1% weaker/stronger as per 31 December 2024 and all other variables were unchanged, this would have resulted in higher/lower profit before taxes of NOK 44 408 thousand (NOK 40 606 thousand). This is based on the management estimate for reasonably possibly for change in interest.

CREDIT RISK
The credit risk represented by contracting parties not being able to meet their obligations is regarded as low. The majority of the Group's sales are in Northern/Central Europe and North America, with the company selling to dealers and importers with whom it has a long-standing business relationship. The Group has guidelines to ensure that outstanding accounts conform to fixed credit limits. The Group has no major credit risk linked to one particular contracting party or several contracting parties who can be regarded as a group by virtue of similarities in the credit risk. The Group has guidelines to ensure that sales are only made to customers who have not previously had significant

problems with payment and outstanding accounts do not exceed fixed credit limits.

MAXIMAL EXPOSURE FOR CREDIT RISK AS PER 31.12. OF FINANCIAL INSTRUMENT:

NOK (thousands)	2024	2023
Gross trade receivables (note 16)	498 272	460 725
Other receivables	114 066	47 634
Cash and cash equivalents	1 073 909	777 324
Total	**1 686 247**	**1 285 683**

LIQUIDITY RISK

The Group's activities are not capital intensive and the past years, the annual investment represents 3-6% of the Group's sales. The Group regards its liquidity as good. Attention is given to the Group's liquidity throughout the year, in terms of both working capital elements and operational activities. The working capital elements have been in focus for several years and the Group has strategies, key figures and action plans that are continuously followed up on during the year. The Group carefully considers the effects on liquidity of operational activities, projects, and investments before these are initiated, in order to retain predictability in liquidity development. The Group's focus on operational effectiveness in all parts of the value chain and close follow-up on working capital ensure that there is satisfactory liquidity for further investment in product development and market development and for servicing debt. No decision has been made to implement any measures that will change the liquidity risk.

THE GROUP'S LIABILITIES AND MATURITY PROFILE

NOK (thousands)	31.12.2024	Total maturity	2025	2026	2027	2028	2029 and later
Interest-bearing liabilities							
Bank loans	4 563 729	4 563 729			4 563 729		
Interest on bank loans		816 649	363 508	363 508	89 633		
Lease liabilities*)	451 010	451 010	128 350	96 642	71 621	60 292	94 105
Sum of interest-bearing liabilities	**5 014 739**	**5 831 388**	**491 858**	**460 150**	**4 724 983**	**60 292**	**94 105**
Non-interest-bearing liabilities							
Trade payables	306 591	306 591	306 591				
Other short term liabilities and provisions	482 038	482 038	482 038				
Other long term liabilities	(22)	(22)	(22)				
Sum of non interest-bearing liabilities	**788 607**	**788 607**	**788 607**				
Total	**5 803 346**	**6 619 995**	**1 280 465**	**460 150**	**4 724 983**	**60 292**	**94 105**

NOK (thousands)	31.12.2023	Total maturity	2024	2025	2026	2027	2028 and later
Interest-bearing liabilities							
Bank loans	3 941 629	3 941 629	354 225	137 696	157 367	3 292 341	
Interest on bank loans		947 565	344 246	274 030	264 453	64 836	
Lease liabilities*)	284 732	284 732	77 631	61 032	39 402	23 759	82 908
Sum of interest-bearing liabilities	**4 226 361**	**5 173 926**	**776 102**	**472 758**	**461 222**	**3 380 936**	**82 908**
Non-interest-bearing liabilities							
Trade payables	451 653	451 653	451 653				
Other short term liabilities and provisions	335 257	335 257	335 257				
Other long term liabilities	33	33	17	17			
Sum of non interest-bearing liabilities	**786 943**	**786 943**	**786 927**	**17**			
Total	**5 013 304**	**5 960 869**	**1 563 029**	**472 775**	**461 222**	**3 380 936**	**82 908**

*) See note 22 for further reconciliation of lease liabilities.

USE OF FAIR VALUE

The value of cash and overdraft facility recognised in statement of financial position is approximated to fair value based on such instruments having a short repayment period. Similarly, the book value of trade receivables and trade payables is approximated to the fair value as they are included on normal conditions.

The Group does not practice hedge accounting. Financial derivatives are recognized at fair value.

FAIR VALUE HIERARCHY

NOK (thousands)	Category	Fair value	Book value	Fair value	Fair value level *
2024					
Non-current assets					
Shares in other companies	B	115	115	115	3
Total		**115**	**115**	**115**	
Current assets					
Trade receivables	A		489 372	489 372	
Cash and cash equivalents			1 073 909	1 073 909	
Total			**1 563 281**	**1 563 281**	
Long-term liabilities					
Long-term interest-bearing loans	A		4 564 805	4 564 805	
Total			**4 564 805**	**4 564 805**	
Short-term liabilities					
Short-term interest-bearing loans	A		51	51	
Trade payable	A		306 591	306 591	
Total			**306 642**	**306 642**	
2023					
Non-current assets					
Shares in other companies	B	111	111	111	3
Total		**111**	**111**	**111**	
Current assets					
Trade receivables	A		451 653	451 653	
Cash and cash equivalents			777 324	777 324	
Total			**1 228 977**	**1 228 977**	
Long-term liabilities					
Long-term interest-bearing loans	A		3 587 346	3 587 346	
Total			**3 587 346**	**3 587 346**	
Short-term liabilities					
Short-term interest-bearing loans	A		354 283	354 283	
Trade payable	A		295 831	295 831	
Total			**650 114**	**650 114**	

Category:
A: Assets/liabilities at amortised cost
B: Assets/liabilities at fair value through profit and loss

*) The following hierarchy is used for determining and disclosing the fair value of financial instruments by valuation technique:
Level 1: Quoted prices in active markets for identical assets or liabilities.
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

NOTE 9 – LOANS, MORTGAGES AND GUARANTEES

NOK (thousands)	2024	2023
Long-term interest bearing loans		
Bank loans	4 564 805	3 587 346
Borrowing costs	(23 454)	(25 854)
Total	**4 541 351**	**3 561 492**
Short-term interest bearing loans		
Bank loans	51	354 283
Borrowing costs	(12 160)	(14 647)
Total	**(12 109)**	**339 636**
Maturity dates down payment, interests and borrowing costs		
Within 1 year	363 508	698 471
From 2 to 5 years	5 016 870	4 190 723
Interest rate and currency rates as per 31.12. is used for calculating future amortisation and interests.		
Carrying amount of loans per currency:		
EUR	3 429 539	2 922 530
USD	1 134 190	1 017 240
Total long-term	**4 563 729**	**3 939 770**
GBP	1 076	1 751
CZK	51	108
Total	**4 564 856**	**3 941 629**
Changes interest-bearing liabilities		
Per 01.01.	3 941 629	3 784 371
Down payments	(411 178)	(64 143)
Drawdown of short term and long term debt	759 075	16 719
Exchange differences on translation of loans in foreign currency	275 330	204 682
Per 31.12.	**4 564 856**	**3 941 629**

Per 31 December 2024, the loan is drawn in EUR and USD. In September 2024, an amended and restated loan agreement entered into force giving net increase in loan of EUR 33 022 thousand, equal to NOK 388 493 thousand. Maturity date on all bank loans is end of March 2027. The two loan tranches that were due for repayment on 30th September 2024, were replaced by a new lender and maturity date extended. The borrowing costs are capitalised and expensed over the lifetime of the loan.

The assets pledged as security are all shares in some subsidiaries, and in addition, some properties are pledged.

The loan interests are floating and have in 2024 been tied for three months at a time. The average interest rates in 2024 before margin was for the EUR-loan 3.63% and USD-loan 5.41%. The interest rates correspond to the sum of the relevant IBOR and a margin determined based on the key ratio NIBD/EBITDA. Other financial covenants include EBITDA/Total Net Finance Charges and an investment limit. The margin is set every quarter according to an incremental scale in relation to key performance indicators (covenants) achieved.

At the end of 2024, the Group had a total credit facility of NOK 4 931 856 thousand (NOK 4 308 629 thousand), consisting of bank debt of NOK 4 564 856 thousand (NOK 3 941 629 thousand) and an unused bank overdraft limit of NOK 367 000 thousand (NOK 367 000 thousand).

The bank overdraft facility is NOK 400 000 thousand. Of this, NOK 33 000 thousand has been converted into a guaranteed framework. Available funds in the form of unused credit facilities of NOK 367 000 thousand and cash at bank per 31 December 2024 of NOK 1 073 909 thousand, amounted to NOK 1 440 909 thousand (NOK 1 144 324 thousand), which constitutes about 33.7% of the sales revenues. The Group is currently experiencing sound profitability. The external borrowing carried out in the Group is based on the Group continuing to be profitable and solid. One goal is therefore to maintain the Group's profitability, and measures are continuously implemented to adapt cost levels to the changing income picture.

Besides the Group's strategy for future growth and profitability, the management specifically follows up the specific requirements stipulated in the agreement with the Group's main banks. Those parts of the business that particularly influence the development of these requirements (covenants) are subject to special follow up. In case of a decline in demand for Flokk's products, the Group has processes and contingency plans for rapid changes the activity levels, investments, and general expenses to secure covenant levels. Forecasts are reviewed frequently. The bank covenants are the ratios NIBD/EBITDA, EBITDA/Total Net Finance Charges, and an investment limit. Bank covenants are calculated at the end of every quarter but monitored monthly. The company fulfilled the covenants in the loan agreement as of 31 December 2024.

NOTE 10 – PERSONNEL EXPENSES AND AUDITOR'S FEES

NOK (thousands)	2024	2023
Personnel expenses		
Salaries	957 240	776 567
Social security contributions	110 232	95 448
Pension expenses, see note 11	105 195	60 489
Other benefits	16 768	20 996
Total personnel expenses	**1 189 435**	**953 500**
Average number of full-time equivalent employees	1 809	1 701
Loan to employees		
No loans have been provided to employees in the Group as of 31 December 2024		
Audit fee - NOK (thousands) **Parent company**		
Statutory audit		920
Other attest services	62	
Tax consultancy services		
Other non-audit services	1 158	55
Group		
Statutory audit	7 234	6 713
Other attest services	413	54
Tax consultancy services	354	1 282
Other non-audit services	1 158	
Total fees to EY	**9 159**	**8 049**
Statutory audit fees to other auditors	1 761	2 179

NOTE 11 – PENSIONS

The Group provides pension plans for all employees. The pension schemes of the Norwegian companies in the Group follow the requirements in the Act on Mandatory company pensions.

On 01.12.2012, the pension agreements of all Norwegian employees were changed from a defined benefit plan to a defined contribution plan. As of 01.12.2012, employees with partial disability still have a defined-benefit scheme, the main elements of which are 60% of final pay and a 30-year earning period. The scheme also covers survivors and full disability pension. As of 31.12.2024, the defined benefit plan covered no active and 15 retired members. The Group has not provided any guarantees to employees should National Insurance benefits change. The defined benefit plan has been funded by the accumulation of funds with an insurance company. The fund invests in shares, bonds, the capital market, real estate, and hedge funds. Future return is estimated based on historical return on these investments. The future return is uncertain and is dependent of interest level, development on the stock exchange and administration of the risks. The pension liability has been calculated using a straight-line pension-earning basis. Unrealised gains and losses resulting from changes in actuarial assumptions are distributed over the estimated remaining average pension-earning period.

AFP is a benefit-based multi-employer plan in which the financing share attached to the premium is included as a defined contribution scheme. The own share linked to the scheme is booked as a cost on a current basis. The pension earning period coincides with the period of employment. The discount rate tracks the interest rate for government bonds.

The Group's employees in Switzerland have a pension scheme that falls under the provisions for defined benefit pension in accordance with IAS 19. The scheme includes all employees of Flokk AG. Pension funds are managed by a private pension fund which is independent of the companies. Following the closure of the Switzerland production site in Koblenz in December 2021, the assets and liabilities were transferred to a public pension insurance company. As of 31.12.2024, this scheme had 16 active and none retired members.

For the Group's companies in other countries, defined contribution pension plans for all employees are established. Provisions have been made for the group's share of under-coverage of the old occupational pension scheme.

ASSUMPTIONS USED TO DETERMINE DEFINED BENEFIT OBLIGATIONS AS OF 31 DECEMBER

	2024		2023	
NOK (thousands)	**CH**	**NO**	**CH**	**NO**
Discount rate	1.00%	3.90%	1.50%	3.10%
Future salary increase	2.00%	4.00%	2.00%	3.50%
Future increase in G-multiplier	1.00%	3.75%	1.50%	3.25%
Future pension increases	0.00%	2.40%	0.00%	1.80%
Return on plan assets	1.25%	3.90%	1.25%	3.10%

Parameters such as salary growth, increase in the basic amount (G) and inflation are determined in accordance with recommendations in the different countries. The mortality estimate is based on tables for the different countries that are as up to date as possible. In Norway, the K2013 life table is used. In Switzerland, the BVG2020 GT is used. The actuarial gains and losses are recognised in other comprehensive income and are essentially related to changes in economic assumptions. Return on pension funds are expected to be on same level in 2025 as in 2024. Future returns are uncertain and dependent on interest rates, stock market fluctuations and risk management. Contributions to the pension scheme for 2025 are calculated to NOK 2 007 thousand.

COMPONENTS OF NET PENSION COST

NOK (thousands)	2024		2023	
	Covered	**Not covered**	**Covered**	**Not covered**
Pension costs defined-contribution plan	103 124		58 957	
Pension costs defined benefit plan	2 071		1 532	
Net pension costs	**105 195**		**60 489**	
Changes in gross pension obligation				
Pension obligations 1 January	51 367		43 152	
Interest expenses on pension obligations	950		1 215	
Net change in social security expenses	(23)		1 727	
Contribution by plan participants	1 313		1 392	
Benefits paid during the year	(4 011)		(4 415)	
Administration costs	1 606			
Other	1 479		4 682	
Actuarial gains/losses	3 793		3 613	
(Gains) and losses on settlement				
Pension obligations 31 December	**56 474**		**51 367**	
Changes in gross pension fund assets				
Pension plan assets (fair value) 1 January	39 056		35 888	
Return on pension plan asset	723		993	
Premium payments	3 333		3 556	
Benefits paid during the year	(4 011)		(4 415)	
Other	1 369		3 995	
Actuarial gains/losses	(234)		(717)	
Pension plan assets (fair value) 31 December	**40 236**		**39 300**	
Net pension plan assets/(-obligations)	**(16 238)**		**(12 067)**	

WEIGHTED AVERAGE ASSET ALLOCATIONS AS OF 31 DECEMBER, BY ASSET CATEGORY

NOK (thousands)	2024
Cash	9%
Equity instruments	18%
Debt instruments	22%
Real estate	41%
Other	10%
Total	**100%**

NOTE 12 – PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment are measured at acquisition cost, net of accumulated depreciation and/or any accumulated write-downs. The acquisition cost includes costs directly linked to the acquisition of the asset. Subsequent costs are allocated to the assets carrying value in the statement of financial position when it is likely that future financial benefits will flow to the Group and the expense can be measured reliably. Expenses incurred after the asset is in use e.g., repair and maintenance costs, are recognised in the consolidated income statement in the period the expense is incurred.

When assets are sold or disposed of, the difference between the consideration and the asset's carrying amount is recognized in the consolidated income statement. Depreciation is calculated using the linear method over the following period:

- Land, buildings, and other property 10-25 years
- Machinery and equipment 6-8 years
- Furniture and fittings 3-10 years

The residual values, useful lives, and methods of depreciation of property of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

NOK (thousands)	Land, buildings and other property	Machinery and equipment	Furniture and fittings [1]	Assets under construction	Total
Fiscal year 2023					
Carrying amount 01.01.23	256 678	82 844	130 768	114 062	584 352
Investments	6 304	604	20 040	66 162	93 111
Disposals	(1 095)	(308)	(5 355)		(6 758)
Transferred assets under construction		23 081	18 003	(56 371)	(15 288)
Reclassifications		400		(21 379)	(20 979)
Recognised as an expense	(22)	242	(3 449)	(4 780)	(8 010)
Depreciation	(15 735)	(18 839)	(36 584)		(71 159)
Translation differences	34 866	9 393	10 285	5 076	59 621
Carrying amount 31.12.23	**280 996**	**97 417**	**133 707**	**102 770**	**614 889**
Per 31.12.2023					
Initial cost	461 385	368 660	714 440	102 770	1 647 255
Accumulated depreciation /write-downs	(180 389)	(271 244)	(580 734)		(1 032 366)
Carrying amount 31.12.23	**280 996**	**97 416**	**133 706**	**102 770**	**614 889**
Fiscal year 2024					
Carrying amount 01.01.24	280 996	97 417	133 707	102 770	614 889
Investments	2 909	3 775	21 495	72 776	100 955
Acquisitions through business combinations	24 280	15 978	15 736		55 993
Disposals	328	(273)	(2 913)		(2 858)
Transferred assets under construction		9 246	20 884	(32 104)	(1 973)
Reclassifications	579	1 547	(318)	(640)	1 168
Recognised as an expense	(22)		(6 522)	(1 905)	(8 449)
Depreciation	(19 538)	(25 410)	(42 661)		(87 609)
Translation differences	21 057	6 186	9 154	4 489	40 886
Carrying amount 31.12.24	**310 587**	**108 466**	**148 563**	**145 386**	**713 002**
Per 31.12.2024					
Initial cost	563 378	441 922	809 568	145 386	1 960 253
Accumulated depreciation /write-downs	(252 790)	(333 456)	(661 004)		(1 247 251)
Carrying amount 31.12.24	**310 587**	**108 466**	**148 563**	**145 386**	**713 002**
Useful life	10-25 years	6-8 years	3-10 years		

The Group has property, plants and equipment in use that are fully depreciated.
[1] In furniture and fittings, tools and fixtures for the production of the Group's products are included.

NOTE 13 – OTHER OPERATING EXPENSES

NOK (thousands)	2024	2023
Premises expenses	91 146	82 021
Marketing expenses	71 758	50 409
Travelling expenses	28 694	21 245
Fees	90 576	62 562
Sales comission	161 104	102 998
External freight expenses	239 441	213 677
Royalty	56 672	44 737
Car expenses	14 487	15 569
IT-expenses	77 254	67 997
Other operating expenses	40 588	32 936
Total other operating expenses	**871 720**	**694 151**

NOTE 14 – TAXES

The major components of income tax expense are:

NOK (thousands)	2024	2023
Taxes payable on this years result, Norway	1 610	4 815
Taxes payable on this years result, abroad	64 185	58 155
Changes in deferred tax and deferred tax benefit, Norway	(47 831)	(28 511)
Changes in deferred tax and deferred tax benefit, abroad and Group	9 897	11 798
Taxes previous years	(4 064)	1 638
Income tax expense reported in the income statement	**23 798**	**47 895**

Reconciliation of the Group's tax rate.
In the following table, reported taxes are reconciled with the tax expense based on the Norwegian tax rate of 22%.
The main components are:

Profit before tax	(5 566)	(41 737)
Norwegian tax rate (22%)	(1 225)	(9 182)
Change of assessment previous years [2]	(9 961)	6 734
Permanent differences	10 126	5 193
Effect of change in tax rate [1]	(367)	1 481
Deferred tax not recognised	21 075	44 064
Other: differences in tax rates, currency etc.	4 148	(395)
Income tax expense	**23 798**	**47 895**
Effective tax rate	**(428%)**	**95%**

[1] The tax rate in United Kingdom changes from 19% to 25% in 2023. Revaluation of deferred tax is included in change in deferred tax and deferred tax benefit, abroad and Group.
[2] The amount consists of changes in Income tax expenses, deferred tax and expired tax loss carry forward.

Tax rates outside Norway that deviate from 22%: The largest effects are related to 9to5 Seating LLC. (US 29.8%) and Flokk GmbH (Germany 30%) which have higher nominal tax rates than the nominal tax rate in Norway, while Flokk AG (Switzerland 19%) and Flokk Sp. Z.o.o. (Poland 19%) have lower nominal tax rates.

TAX EFFECT OF TEMPORARY DIFFERENCES AND TAX LOSS CARRIED FORWARD AS OF 31 DECEMBER

NOK (thousands)	2024		2023	
Deferred tax on temporary differences:	Temporary Difference	Deferred tax recognised in the income statement	Temporary Difference	Deferred tax recognised in the income statement
Property, plant and equipment	(692 024)	32 503	(560 315)	(8 772)
Intangible assets	(1 382 418)	32 548	(1 266 290)	22 111
Current assets	(9 636)	(155)	6 543	(274)
Liabilities and other differences	879 044	(58 020)	653 179	(25 596)
Tax loss carried forward	873 598	(57 346)	676 536	(47 601)
Pension obligations not covered	14 680	(707)	10 405	(645)
Not recognised in the statement of financial position	(474 245)	13 243	(449 350)	44 064
Total	**(791 001)**	**(37 933)**	**(929 292)**	**(16 712)**

Deferred tax are presented at gross value in the statement of financial position.

Deferred tax asset	339 943	242 134
Deferred tax	(531 516)	(457 722)
Net deferred tax	**(191 573)**	**(215 588)**

Deferred tax assets are mainly linked to temporary differences in non-current assets, intangible assets and tax losses carried forward. No recognized tax losses carried forward is due in 2025. Deferred tax assets on tax losses carried forward are only capitalized to the extent that it is probable that there will be sufficient future taxable profit for the tax asset to be used. If it is unlikely that future profits will be sufficient to absorb the tax-reducing temporary differences, deferred tax assets are not recognized. For the Group, all tax-reducing temporary differences have been recognized. The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

In 2023 an amount of NOK 43 390 thousand in deferred tax for non-deductible interest was not capitalized, hence included in income tax expenses in the consolidated income statement.

In 2024 an amount of NOK 17 187 thousand in deferred tax for non-deductible interest was not capitalized, hence included in income tax expenses in the consolidated income statement.

NOK (thousands)	2024	2023
Reconciliation of deferred tax		
Opening net balance as of 01.01.	(215 588)	(24 922)
Deferred tax acquired in business combinations	(11 629)	(213 780)
Tax expense during the period recognised in consolidated income statement	37 934	16 713
Tax expense during the period recognised in OCI	755	591
Other: differences in tax rates, currency etc.	(3 045)	5 810
Closing net balance 31.12.	**(191 573)**	**(215 588)**
Reconciliation of taxes payable for the year ended 31.12.		
Current income tax charge	65 795	62 970
Taxes payable acquired in business combinations	48 004	57 362
Tax payment, not settled	(60 327)	(61 797)
Prepaid income tax	188	(143)
Other changes	53 660	58 393
Closing balance 31.12.	**58 393**	**93 126**

NOTE 15 – INVENTORIES

The Group's total inventories include the following:

NOK (thousands)	2024	2023
Raw materials	354 203	298 552
Work in progress	35 943	30 364
Finished products	86 921	61 337
Total inventories	**477 067**	**390 252**
Inventory movements, in house production	31 164	(42 129)
Provision for obsolete inventories	6 878	7 790

An assessment of realisable value was carried out after deducting selling costs. This resulted in a total write down in inventories as at 31 December 2024 of NOK 6 230 thousand (NOK 5 821 thousand).

NOTE 16 – TRADE RECEIVABLES AND OTHER RECEIVABLES

NOK (thousands)	2024	2023
Carrying amount	498 272	460 725
Provisions for bad debt	8 899	9 072
Total trade receivables	**489 372**	**451 653**
Prepaid expenses	73 343	(1 725)
Deposits	4 261	3 664
Other receivables	36 462	43 537
Total other receivables per 31.12	**114 066**	**45 476**
Total receivables per 31.12	**603 439**	**497 130**
Change in provision for bad debt:		
Provision per 01.01.	9 072	8 201
Change in provision during the year	(172)	871
Provision per 31.12.	**8 899**	**9 072**
Realized losses	3 076	920

BREAKDOWN OF TRADE RECEIVABLES BY DUE DATE:

NOK (thousands)	2024	2023
Trade receivables not due	397 266	356 402
Overdue receivables 1-30 days	67 290	70 023
Overdue receivables 31-60 days	18 515	10 986
Overdue receivables over 60 days	6 302	14 242

Provisions are made for expected losses on receivables based on relevant information available at the time of reporting, including historical, current and future information in accordance with a simplified expected loss model. The provision is to be based on objective criteria. Further, the Group utilizes external and internal credit ratings, as well as a comprehensive assessment of each individual customer.

NOTE 17 – FINANCIAL ITEMS

NOK (thousands)	2024	2023
Financial income		
Interest income	54 317	33 505
Foreign exchange gain derivatives	48 154	69 451
Other foreign exchange gain [1)]	968 745	1 631 985
Other financial income	171	(2)
Total	**1 071 387**	**1 734 938**
Financial expenses		
Interest expenses	409 094	377 251
Interest expense on lease liabilities	9 708	8 758
Foreign exchange loss derivatives	37 815	61 357
Other foreign exchange loss [1)]	1 070 158	1 770 726
Other financial expenses	49 112	34 296
Total	**1 575 886**	**2 252 389**
Net financial income/(expenses)	**(504 499)**	**(517 450)**

1) Includes currency deviation on loan in foreign currency, see note 9.

NOTE 18 – LIST OF GROUP COMPANIES

The following companies have been consolidated:

Company	Country of origin	Ownership%	Voting rights
Flokk Holding AS	Norway		
Flokk Holding III AS	Norway	100%	100%
Flokk Holding II AS	Norway	100%	100%
Flokk Holding AS	Norway	100%	100%
Flokk AS	Norway	100%	100%
Flokk USA Holding AS	Norway	100%	100%
Sundveien AS	Norway	100%	100%
Malmstolen AS	Norway	100%	100%
Trispin Acquico AB	Sweden	100%	100%
Flokk AB	Sweden	100%	100%
Fastighets AB Stolhuset	Sweden	100%	100%
Malmstolen AB	Sweden	100%	100%
Flokk A/S	Denmark	100%	100%
Flokk Holding ApS	Denmark	100%	100%
Flokk GmbH	Germany	100%	100%
Flokk Holding GmbH	Germany	100%	100%
Flokk B.V.	the Netherlands	100%	100%
Flokk Holding Limited	UK	100%	100%
Flokk Limited	UK	100%	100%
Flokk Sarl	France	100%	100%
Flokk AG	Switzerland	100%	100%
Flokk NV	Belgium	100%	100%
Flokk Sp. Z o.o.	Poland	100%	100%
Flokk Česko s.r.o.	Czech Republic	100%	100%
Flokk Austria GmbH	Austria	100%	100%
Flokk Asia Pte Ltd	Singapore	100%	100%
Flokk Asia Pte Ltd, Hong Kong Branch	Hong Kong	100%	100%
Habitat Ltd	Hong Kong	100%	100%
Flokk Trading (Shanghai) Co., Ltd	China	100%	100%
Flokk Furniture (Zhongshan) Co., Ltd	China	100%	100%
Flokk Australia Pty Ltd	Australia	100%	100%
Flokk USA, Inc.	USA	100%	100%
Flokk USA Holding II Inc.	USA	100%	100%
Flokk USA Holding LLC	USA	100%	100%
9to5 Seating LLC	USA	100%	100%
Flokk USA Holding Inc.	USA	100%	100%
Stylex Inc.	USA	100%	100%
Flokk Furniture Inc.	Canada	100%	100%
ManufacturingCo MX510, S. DE R.L. de C.V.	Mexico	100%	100%

NOTE 19 – SHARE CAPITAL

As of 31 December 2024, Flokk Holding AS had a share capital of NOK 60 thousand divided into 1 000 shares with nominal value of NOK 60 each.

All ordinary Flokk shares have equal voting rights. There are no restrictions connected to trading the shares in Flokk Holding AS.

Overview of shareholder and number of shares outstanding in Flokk Holding AS as per 31 December 2024:

Shareholder	Share capital	No. of shares
Flokk Holding IV AS	NOK 60 000	1 000
No. of outstanding shares per 31.12.24		1 000

Flokk Holding IV AS owns 100% of the shares in Flokk Holding AS.

Triton Fund is shareholder in Flokk Holding IV AS through their ownership in the company Spinnaker Bidco 2 S.à.r.l.

Management and Board of Directors are shareholders in Spinnaker Bidco 2 S.à.r.l. through their ownership in the companies Spinnaker Norway MipCo AS, Spinnaker Norway Mipco 2 AS and Spinnaker MipCo 3 S.à.r.l.

Overview of shareholders in Flokk Holding IV AS as per 31 December 2024:

Shareholder	No. of shares
Spinnaker Bidco 2 S.à.r.l.	1 000

NOTE 20 – EARNINGS PER SHARE

NOK (thousands)	2024	2023
Earnings per share	(29)	(90)
Diluted earnings per share	(29)	(90)
Profit for the year attributable to equity holders of the parent	(29 364)	(89 632)
Weighted average of number of shares outstanding	1 000	1 000
Weighted average of number of shares outstanding (diluted)	1 000	1 000

NOTE 21 – RELATED PARTIES

Note 19 provides information about the Group's structure, including details of the subsidiaries and the holding company.

Transactions with subsidiaries have been eliminated on consolidation and do not represent related party transactions. See note 7 in the financial statements of Flokk Holding AS for further details.

The parent company, Flokk Holding IV AS, owns shares in Flokk Holding AS which have been pledged as security for financing relating to Flokk Holding AS.

For compensation to key management personnel, please refer to note 25.

NOTE 22 – LEASES

The Group's lease agreements mainly relate to the lease of buildings, machinery and equipment and vehicles.

RIGHT-OF-USE ASSETS

The Group leases several assets such as offices and other facilities, machinery and equipment and vehicles. The Group's right-of-use assets are categorised and presented in the table below:

NOK (thousands)				
Right-of-use assets	**Buildings**	**Machinery and equipment**	**Vehicles**	**Total**
Carrying amount of right-of-use assets 31 December 2023	**237 132**	**1 753**	**29 874**	**268 760**
Additions	58 934	88	20 992	80 015
Depreciation for the year	(80 143)	(1 215)	(16 517)	(97 875)
Adjustments	154 174	40	1 030	155 244
Translation differences	20 554	9	1 225	21 788
Carrying amount of right-of-use assets 31 December 2024	**390 651**	**675**	**36 605**	**427 932**
Lower of lease term or useful life	0-72 years	0-5 years	0-5 years	
Depreciation method	Linear	Linear	Linear	

Lease term of useful life of buildings are normally in the range of 5-10 year. The Group's production facility in Poland has a long term leasing agreement with a remaining life of 72 years.

Lease liabilities	**2024**	**2023**
Maturity analysis contractual undiscounted cash flows		
Less than 1 year	128 350	74 392
1-2 years	96 642	53 427
2-3 years	71 621	43 140
3-4 years	60 292	29 153
4-5 years	55 030	24 497
More than 5 years	89 215	105 554
Total undiscounted lease liabilities at 31.12.	**501 150**	**330 163**
Discounting effect	(50 140)	(45 432)
Lease liabilities at 31.12	**451 010**	**284 731**
Summary of the lease liabilities		
Total lease liabilities at 01.01.	284 732	292 388
New lease liabilities recognised in the year	235 214	50 562
Cash payments for the principal portion of the lease liability	(100 504)	(80 144)
Interest expense on lease liabilities	9 708	8 758
Currency translation differences	21 860	13 167
Total lease liabilities at 31.12.	**451 010**	**284 732**
Current lease liabilities	126 197	77 631
Non-current lease liabilities	324 812	207 101
Total cash outflows for leases	**100 504**	**80 144**

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.

Summary of other lease expenses recognised in the consolidated income statement		
Payments of variable,short term and low value leases	22	21
Total lease expenses included in other operating expenses	**22**	**21**

PRACTICAL EXPEDIENTS APPLIED

The Group also leases personal computers, IT equipment and machinery with contract terms of 1 to 3 years. The Group has elected to apply the practical expedient of low value assets for some of these leases and does not recognise lease liabilities or right-of-use assets. The leases are instead expensed when they incur. The Group has also applied the practical expedient to not recognise lease liabilities and right-of-use assets for short-term leases, presented in the table above.

VARIABLE LEASE PAYMENTS

In addition to the lease liabilities above, the Group is committed to pay variable lease payments for some of their leases. The variable lease payments are expensed as incurred and not included in lease liability.

EXTENSION OPTIONS

The Group's lease of buildings has lease terms that vary from 0 years to 72 years, and 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.

PURCHASE OPTIONS

The Group leases machinery and equipment and vehicles with lease terms of 3 to 5 years. None of these contracts includes a right to purchase the assets at the end of the contract term.

NOTE 23 – WARRANTY PROVISIONS

NOK (thousands)	**2024**	**2023**
Balance 01.01.	10 704	12 758
Provisions arising during the year	13 731	1 843
Provisions used	(7 609)	(5 021)
Translation difference	588	1 124
Balance 31.12.	**17 414**	**10 704**

The Group has a provision of NOK 17 414 thousand for warranty claims per 31 December 2024 for chairs sold in the past five years. The warranty costs are estimated to be paid out over the next five years. Approximately 40% of the amount is expected to be paid out within one year.

The Group has a warranty period of 10 years on spare-parts for HÅG, RH and BMA products, and a warranty period of six years on RBM spare-parts. The Group has a three-year warranty period on products sold which are intended for 24/7 use.

The Group has a warranty period of five years on certain Profim products, specifically the Standard series and certain Classic products. For the remaining products in the Classic series, the Group has a warranty period of three years.

The 9to5 products have a lifetime warranty, with the exception of the @NCE Series, the Logic Plus Large Occupant series, and products with HD (Heavy Duty) options where the Group has a warranty period of five to 10 years.

NOTE 24 – OTHER SHORT-TERM LIABILITIES

NOK (thousands)	**2024**	**2023**
Accrued salary expenses	109 830	87 444
Other accrued expenses	257 808	151 374
Total other short-term liabilities	**367 638**	**238 818**

NOTE 25 – REMUNERATION TO EXECUTIVE MANAGEMENT AND THE BOARD OF DIRECTORS

NOK (thousands)	CEO[2]	Other members of Group Management[1]	Board
2024			
Board of Directors fee			1 913
Salaries	7 868	22 485	
Bonuses	2 250	6 443	
Other benefits	409	1 464	
Pension expenses	255	1 771	

1) Lillevi Ivarson, Christian Lodgaard, Frederik Fogstad, Patrik Röstlund, Trond Langeland, Rene Sitter, Jonas Allers Wismer, Henning Karlsrud (until 30 september 2024), Rolf Lindbäck (from October 7, 2024)
2) Lars I. Røiri (until 30 September 2024), Henning Karlsrud (from 1 October 2024).

NOK (thousands)	CEO	Other members of Group Management[1]	Board
2023			
Board of Directors fee			1 858
Salaries	6 631	21 646	
Bonuses	629	2 164	
Other benefits	250	1 458	
Pension expenses	222	1 644	

1) Lillevi Ivarson, Christian Lodgaard, Frederik Fogstad, Patrik Röstlund, Trond Langeland, Rene Sitter, Jonas Allers Wismer, Henning Karlsrud.

The CEO has an agreement for full pay for up to 12 months in the event of termination of employment by the company. The former CEO will receive full pay for 24 months, the Group has accrued an amount of NOK 13 750 thousand in the consolidated income statement as of 31.12.24. There is no agreement for any remuneration in the event of the chair of the board leaving the position.

In accordance with the current bonus scheme for the executive management, the Group has accrued an amount of NOK 1 866 thousand in the consolidated income statement as of 31.12.24. The bonus will be due for payment in 2025. There are no option programs or agreements of share-based payment in the company.

Shares owned by management and board members in Flokk through the company Spinnaker Norway MipCo AS per 31.12.24:	Ordinary shares	Preference shares
Board		
Røiri Invest AS (Lars Ivar Røiri)	80 000	2 000
Group Management		
Tunset AS (Lillevi Ivarson)	80 000	2 000
Patrik Röstlund	40 000	1 000
René Sitter	40 000	1 000
Christian Lodgaard	24 000	600
Frederik Fogstad	8 000	200

Shares owned by management and board members through the company Spinnaker Norway MipCo 2 AS per 31.12.24:	Ordinary shares	Preference shares
Board		
Røiri Invest AS (Lars Ivar Røiri)	28 085	539
Pernille Stafford	17 000	300
Kristine Landmark	7 095	558
Group Management		
Frederik Fogstad	108 375	1 912
Zoute Invest GmbH (Rene Sitter)	83 139	1 791
Aiguille AS (Henning Karlsrud)	80 203	1 728
Patrik Röstlund	70 213	1 347
Trolan AS (Trond Langeland)	65 871	3 227
Christian Lodgaard	42 500	750
Jonas Allers Wismer	21 250	375

Shares owned by management and board members in Flokk through the company Spinnaker MipCo 3 SARL per 31.12.24:	Ordinary shares
Group Management	
Røiri Invest AS (Lars Ivar Røiri)	21 785
Group Management	
Willa AS (Rolf Lindbäck)	31 240
Aiguille AS (Henning Karlsrud)	25 690
Patrik Röstlund	20 550
Zoute Invest GmbH (Rene Sitter)	20 550
Erlandsvei Stasjon AS (Christian Lodgaard)	15 410
Badubas AS (Frederik Fogstad)	10 280
Tunset AS (Lillevi Ivarson)	7 710
Mikoli AS (Jonas Allers Wismer)	7 710

NOTE 26 – EVENTS AFTER THE REPORTING DATE

No events have occurred after the balance sheet date, with or without accounting consequences, which are of such significance they could affect the presented accounts.

On 11 February, the Group entered into an agreement to acquire 100% of the shares and voting rights in Via Inc. (Via), a U.S.-based manufacturer of office furniture. Via specializes in the production of collaboration furniture and is headquartered in Sparks, Nevada.

The acquisition of Via represents a significant step in Flokk's strategy to strengthen its presence in the U.S. market. Following this transaction, the U.S. market is expected to account for approximately 40% of the Group's total revenue by 2025.

The agreed purchase price represents an enterprise value of NOK 203 million. The preliminary calculated value of transferred net assets was NOK 106 million.

Net cash impact of the transaction was payment of NOK 192 million. Excess value of NOK 95 million was allocated to Goodwill awaiting final PPA outlining fair market value per category of assets and liability. Management business case support preliminary allocation to goodwill. Transaction cost amounted to NOK 10 million and will be recognised in the consolidated income statement for 2025.

The Group does not have any assets nor employees in Russia, Belarus, and Ukraine. The Group is monitoring the ongoing war in Ukraine. The Group does not have any suppliers in any of the countries, but the Group is monitoring the raw material prices, as the involved countries are significant producers of raw material, of which especially wood and steel are relevant to Flokk Group. The situation in Ukraine will as such, not have any effects on the Group's 2025 accounts.

The Group has business activities in the United States and is affected by the ongoing trade tensions and tariff situation between the United States and other trading partners. While these developments may have an impact on the Group's cost structure going forward, the majority of the effects are expected to be mitigated through price adjustments in the market.

Flokk Holding AS – Income Statement

1 November 2023 - 31 December 2024

NOK (thousands)	Notes	2024
Personnel expenses	2	
Other operating expenses	2, 3	374
Total operating expenses		**374**
Operating profit		**(374)**
Financial income	4	755 532
Financial expense	4	947 190
Net financial income/(expense)		**(191 658)**
Profit before tax		**(192 032)**
Taxes	5	(42 247)
Profit for the year		**(149 785)**
Information concerning:		
Allocated to share premium		(149 785)
Total distribution		(149 785)

Flokk Holding AS – Balance Sheet

31 December

NOK (thousands)	Notes	2024
Assets		
Deferred tax benefit	5	42 247
Shares in subsidiaries	6	6 570 686
Loan to subsidiaries	7	2 365 663
Total non-current assets		**8 978 597**
Group receivables	7	77 818
Cashpool receivables	7	632 362
Other receivables		14 735
Total receivables		**724 915**
Cash and cash equivalents		775 896
Total current assets		**1 500 811**
Total assets		**10 479 407**
Equity and Liabilities		
Share capital	8	60
Share premium	8	4 226 036
Total paid-in equity		**4 226 096**
Retained earnings	8	
Total equity		**4 226 096**
Long-term interest-bearing loans	9	4 563 729
Total long-term liabilities		**4 563 729**
Trade payable	10	3 522
Value added taxes		1 771
Cashpool liabilities	7,10	1 036 281
Group payable	7,10	604 053
Other short-term liabilities	10	43 955
Total current liabilities		**1 689 582**
Total liabilities		**6 253 311**
Total equity and liabilities		**10 479 407**

Oslo, 27 March 2025

Lars Ivar Røiri
Chair of the Board

Thomas Hofvenstam
Board Member

Pernille Bonser
Board Member

Joachim Espen
Board Member

Kristine Landmark
Board Member

Henning Karlsrud
CEO

Flokk Holding AS – Cash Flow Statement

1 November 2023 - 31 December 2024

NOK (thousands)	2024
Profit before tax	(192 032)
Unrealised exchange rate differences	41 596
Change in cashpool receivables	(632 362)
Change in cashpool liabilities	1 036 281
Change in receivables	(92 553)
Change in payables	10 927
Change in other provisions	45 521
Paid taxes	
Cash flow from operating activities	**217 377**
Capital increase	170 000
Short or long term borrowing	759 075
Down payment of interest-bearing loans	(370 582)
Cash flow from financing activities	**558 493**
Cash flow for the year	775 896
Cash and cash equivalents at 01.11.2023	0
Cash and cash equivalents and cashpool deposit at 31.12	**775 896**
Specification:	
Bank deposits at 31.12	371 977
Cash pool deposits at 31.12	403 919

Notes – Flokk Holding AS

NOTE 1 – ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the provisions of the Accounting Act and good accounting practice in Norway.
The company was incorporated on the 01.11.2023. As part of a restructuring process of the Flokk Group, the company was acquired by Flokk Holding IV AS on the 12.03.2024.

USE OF ESTIMATES
The management has used estimates and assumptions that have affected the income statement and the valuation of assets and liabilities, as well as assets and liabilities that are uncertain on the balance sheet date, in the preparation of the annual accounts pursuant to good accounting practice.

CURRENCY
Transactions in foreign currencies are translated at the exchange rate at the time of the transaction. Monetary items in foreign currencies are translated to NOK at the exchange rate on the balance sheet date. Non-monetary items measured at the historic exchange rate expressed in foreign currency are translated to NOK using the exchange rate at the time of the transaction. Non-monetary items that are measured at fair value expressed in foreign currency are translated at the exchange rate set on the balance sheet date. Foreign currency changes are recognised through profit and loss during the accounting period.

TAX
Tax consists of payable tax and changes in deferred tax. Deferred tax/tax assets are calculated for all differences between the accounting and tax related values of assets and liabilities. Deferred tax is calculated using 22% of the basis of the temporary differences that exist between accounting and tax related values, as well as the tax related deficit that can be carried forward at the end of the accounting year. Net deferred tax assets are recognised to the extent it is probable they can be used in the future.

Payable tax and deferred tax are recognised directly against equity to the extent that the tax items relate to equity transactions.

CLASSIFICATION AND STATING OF BALANCE SHEET ITEMS
Current assets and current liabilities encompass items that fall due for payment within one year of the acquisition date, and items linked to the product cycle. Other items are classified as non-current assets/non-current liabilities.

Current assets are stated at the lower of cost and fair value. Current liabilities are recognised at their nominal amount on the date they were established.

Non-current assets are stated at acquisition cost less depreciation and write-downs. Non-current liabilities are recognised in the balance sheet at their nominal amount on the date they were established.

SUBSIDIARIES/ASSOCIATED COMPANIES
Subsidiaries and associated companies are valued in accordance with the cost method in the financial statements. Investments are stated at the cost of the shares unless they have had to be written down. They are written down to fair value when the fall in value is due to causes that it cannot be assumed will be transient and this is regarded as necessary pursuant to good accounting practice. Impairment charges are reversed when the basis for impairment no longer exists.

Dividends, group contributions and other contributions are recognised in the same year they are allocated in the subsidiary. If dividends/group contributions exceed the post-acquisition detained share of earnings, the excess amount represents repaid invested capital and distributions are deducted from the value of the investment recognised in the balance sheet of the parent company.

RECEIVABLES
Trade and other receivables are stated in the balance sheet at their nominal value less provisions for expected bad debts. Bad debt provisions are made on the basis of individual assessments of the individual receivables. In addition to this an unspecified provision is made to cover expected bad debts from other trade receivables.

CASH FLOW STATEMENT
The cash flow statement was prepared using the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term, liquid placements.

The Group has a group account system where Flokk Holding AS is the group account holder. The bank can settle each move and balance against each other so that the net position represents the balance between the bank and Flokk Holding AS.

The entire amount in the group account system is presented as cash and cash equivalents. The subaccount holders' deposits/deductions are presented as cash pool receivables and cash pool liabilities. In the cash flow, this is separated out on a separate line.

CONSOLIDATION
Flokk Holding AS is 100% owned by Flokk Holding IV AS. The group's ultimate parent company is Triton IV Continuation Fund SCSp, an investment company registered in Luxembourg. Flokk Holding presents the consolidated financial statements for the group. The consolidated financial statements can be obtained upon request to Flokk Holding, Drammensveien 145, 0277 Oslo.

NOTE 2 – PERSONNEL AND OTHER OPERATING EXPENSES

NOK (thousands)	2024
Fees auditor	66
Other operating expenses	309
Total operating expenses	**374**

NOTE 3 – AUDIT FEES AND DIRECTORS' FEE

There are no employees in Flokk Holding AS. The company is not obliged to have compulsory collective pension plans according to the Norwegian law of compulsory collective pension.

Auditor

NOK (thousands)	2024
Audit fee (Incl. VAT)	65 625
Audit related consultancy services	
Tax consultancy fee	

Directors' fee

NOK (thousands)	2024
Directors' fee paid out	

NOTE 4 – FINANCIAL INCOME/EXPENSE

NOK (thousands)	2024
Financial income	
Interest income	139 555
Foreign exchange gain	615 977
Group contribution	
Other financial income	
Total	**755 532**
Financial expense	
Interest expense	274 430
Foreign exchange loss	648 534
Other financial expenses	24 225
Total	**947 190**

NOTE 5 – TAXES

NOK (thousands)	2024
Change deferred tax	
Change previous years	
Income tax expense	
Profit before tax	(192 032)
Permanent differences	
Received dividend	
Change previous years	
Tax loss carried forward	206 768
Change temporary differences	(14 735)
Interest deduction carried forward	
Basis for taxes payable	(0)
22% taxes payable	
Profit before tax	(192 032)
22% taxes	(42 247)
Taxes due to:	
Permanent differences	
Received dividend	
Change previous years	
Change in tax rate	
Change in interest deductibility	
Income tax expense reported in the income statement	**(42 247)**
Specification of the basis of deferred taxes	
Temporary differences included in the provision for deferred taxes:	
Borrowing costs	(14 735)
Tax loss carried forward	206 768
Total temporary differences	**192 032**
Net deferred tax	**42 247**
Deferred tax and deferred tax benefit are booked as net value in the balance sheet statement.	
Deferred tax benefit	
Deferred tax	42 247
Total	**42 247**
Group contribution received	

Flokk Holding AS is a holding company that receives Group contribution.
Deferred tax benefit is capitalized and will be utilized against future Group contributions.

NOTE 6 – SHARES IN SUBSIDIARIES

Company	Business location	Time of acquisition	Ownership	Company's share	Booked value	Equity	Profit for the year
Flokk Holding III AS	Oslo	2024	100%	100%	6 570 686	4 205 441	(366)
Total					**6 570 686**		

Equity and profit for the year are from the last approved annual accounts. The profit is after tax and group contribution.

NOTE 7 – RECEIVABLES AND DEBTS WITH COMPANIES WITHIN THE SAME GROUP AND WITH RELATED COMPANIES

RECEIVABLES

NOK (thousands)	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Flokk AS		Flokk Holding GmbH		Flokk Sarl		Flokk Holding Limited		Flokk Limited	
Loan to subsidiaries	299 553		128 263						95 170	
Accrued interest loan	11 949		5 085						3 761	
Group receivables										
Cashpool receivables					9 826		4 489			
Group contribution										
Total	**311 503**		**126 787**		**9 826**		**4 489**		**9 8 931**	
	Flokk Holding ApS		Flokk USA Holding AS		Flokk USA Holding LLC		Flokk USA Holding Inc.		spin Acquico AB	
Loan to subsidiaries	118 491				850 643		334 586		538 957	
Accrued interest loan	4 683				31 069				21 245	
Group receivables										
Cashpool receivables	3 780		896							
Group contribution										
Total	**126 954**		**896**		**881 712**		**334 586**		**560 203**	
	Flokk Holding AS		Flokk Holding IV AS		Total					
Loan to subsidiaries					2 365 663					
Accrued interest loan					77 793					
Group receivables			24		24					
Cashpool receivables	613 371				632 362					
Group contribution										
Total	**613 371**		**24**		**3 075 843**					

LIABILITIES

NOK (thousands)	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Flokk AS		Flokk BV		Flokk GmbH		Flokk Holding GmbH		Flokk NV	
Group payable	971									
Cashpool liabilites	81 760		236 897		97 106		72 534		26 066	
Total	**82 731**		**236 897**		**97 106**		**72 534**		**26 066**	
	Flokk AB		Flokk Sarl		Flokk Limited		Flokk Holding Limited		Flokk A/S	
Group payable										
Cashpool liabilites	48 726				128 504				41 448	
Total	**48 726**				**128 504**				**41 448**	
	Flokk Holding ApS		Malmstolen AB		Malmstolen AS		Flokk SP. Z.o.o.		Sundveien AS	
Group payable										
Cashpool liabilites			62 583		2 097		97 639		16 372	
Total			**62 583**		**2 097**		**97 639**		**16 372**	
	Fastighet AB Stolhuset		Flokk Holding AS		Trispin Acquico AB		Total			
Group payable			603 082				604 053			
Cashpool liabilites	14 890				109 660		1 036 281			
Total	**14 890**		**603 082**		**109 660**		**1 640 334**			

The Group has a group account system where Flokk Holding AS is the group account holder. The bank can settle each move and balance against each other so that the net position represents the balance between the bank and Flokk Holding AS.

NOTE 8 – EQUITY

NOK (thousands)	Share capital	Share premium	Retained earnings	Total equity
Incorporation 01.11.23	**30**			**30**
Capital increase	30	4 375 827		4 375 857
Incorporation expenses		(6)		(6)
Profit for the year		(149 785)		(149 785)
Equity per 31.12.24	**60**	**4 226 036**		**4 226 096**

The share capital is NOK 60 000, divided into 1 000 shares with a nominal value of NOK 60. Flokk Holding AS has one class of shares and each share carries one vote.

At the extraordinary general meeting on the 25.03.24, the share capital was increased by NOK 30,000, from NOK 30 000 to NOK 60 000, through increase of the nominal value of each of the Company's 1 000 shares with NOK 30 to NOK 60.

The subscription price per existing share was ca. NOK 4 375 856.97, of which NOK 30 per existing share comprises share capital and ca. NOK 4 375 826.97 per existing share comprises share premium. Thus, the aggregate subscription amount in the share capital increase is NOK 4 375 856 969.19, of which NOK 30 000 comprises share capital and NOK 4 375 826 969.19 comprises share premium.

The contribution in kind was settled by Flokk Holding IV AS transferring all shares in Flokk Holding III AS (reg.no 930 819 794) and a cash contribution of EUR 14 792 899 41 equal to NOK 170 000 000.

Shareholders in Flokk Holding AS at year end	No. of shares
Flokk Holding IV AS	1 000

NOTE 9 – RECEIVABLES AND LIABILITIES

NOK (thousands)	2024
Long-term liabilities with maturity later than 1 year	
Bank loan	4 563 729
Total	**4 563 729**
Loans secured by mortgage	
Assets mortgaged	
Shares in Flokk Holding III AS	6 570 686

Per 31 December 2024, the loans are drawn in EUR and USD. In September 2024, an amendment and restated loan agreement entered into force giving net increase in loan NOK 388 493 thousand. Maturity date on all bank loans is end of March 2027. The two loan tranches that were due for repayment on 30th September 2024, were replaced by a new lender and maturity date extended. The borrowing costs are capitalised and expensed over the lifetime of the loan.

The interest is variable and normally tied for three months at a time. The average interest rates in 2024 was for the EUR-loan 3.63%, and USD-loan 5.41% plus margin. The interest rates correspond to the sum of relevant IBOR and an interest margin based on the key figures NIBD/EBITDA, EBITDA/Total Net Finance Charges and an investment limit. The margin is set every quarter according to an incremental scale in relation to key performance indicators (covenants) achieved. The company fulfilled the covenants in the loan agreement per 31.12.2024.

At the end of 2024, the company had a total credit line of NOK 4 930.7 million, consisting of bank loan of NOK 4 563.7 million and an unused bank overdraft limit of NOK 367.0 million.

NOTE 10 – CURRENT LIABILITIES

NOK (thousands)	2024
Group payable	604 053
Cashpool liabilities	1 036 281
Trade payable	3 522
Value added taxes	1 771
Other short-term liabilities	43 955
Total current liabilities	**1 689 582**

NOTE 11 – EVENTS AFTER THE REPORTING DATE

No events have occurred after the balance sheet date, with or without accounting consequences, which are of such significance they could affect the presented accounts.

Referring also to note 26 in the consolidated financial statements.

The annual financial statements were approved by the Board of Flokk Holding AS on the 27.03.2025.

EY
Shape the future with confidence

Statsautoriserte revisorer
Ernst & Young AS

Stortorvet 7, 0155 Oslo
Postboks 1156 Sentrum, 0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

To the General Meeting in Flokk Holding AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Flokk Holding AS (the Company) which comprise:

- The financial statements of the company, which comprise the balance sheet as at 31 December 2024, the income statement, statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and
- The financial statements of the group, which comprise the statement of financial position as at 31 December 2024, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows 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 balance sheet of the company as at 31 December 2024 and its financial performance and 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 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 in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (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.

Other information

The Board of Directors and CEO (management) are responsible for the information in the Board of Directors’ report and the other information presented with the financial statements. The other information comprises annual report, the statement on corporate governance and the corporate sustainability report. Our opinion on the financial statements does not cover the information in the Board of Directors’ report and the other information presented with the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Directors’ report and for the other information presented with the financial statements. The purpose is to consider if there is material inconsistency between the information in the Board of Directors’ report and the other information presented with the financial statements and the financial statements or our knowledge obtained in the audit, or otherwise the information in the Board of Directors’ report and for the other information presented with the financial statements otherwise appears to be materially misstated. We are required to report that fact if there is a material misstatement in the Board of Directors’

A member firm of Ernst & Young Global Limited

Shape the future
with confidence

report and the other information presented with the financial statements. We have nothing to report in this regard.

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.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the company, and with IFRS Accounting Standards as adopted by the EU for the financial statements for the group, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, 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, 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.

A member firm of Ernst & Young Global Limited

Shape the future
with confidence

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

Oslo, 15 April 2025
ERNST & YOUNG AS

Anja Maan

Anja Maan
State Authorised Public Accountant (Norway)

Independent auditor's report - Flokk Holding AS 2024

A member firm of Ernst & Young Global Limited

Definitions

ALTERNATIVE PERFORMANCE MEASURES

Flokk Group's financial information is prepared in accordance with International Financial Reporting standards (IFRS). In addition, it is management's intent to provide alternative performance measures that are regularly reviewed by management to enhance the understanding of Flokk's performance, but not instead of the financial statements prepared in accordance with IFRS.

The alternative performance measures presented may be determined or calculated differently by other companies.

The principles for measurement of the alternative performance measures are in accordance with the internal reporting to Group Management (chief operating decision makers) and are consistent with financial information used for assessing performance and allocating resources.

ORGANIC SALES GROWTH

Organic revenue growth is defined as revenue adjusted for the effects of mergers, acquisitions, disposal of operations and currency effects. Organic growth is measured by eliminating sales by acquired business in the year of acquisition and then add whole year revenue by use of proforma when measuring growth to the following year.

We believe that the measure provides useful and necessary information to stakeholders for the following reasons:

- it provides additional information on underlying growth of the business without the effect of certain factors unrelated to its operating performance
- it is used for internal performance analysis, and
- it facilitates comparability of underlying growth with other companies (although the term "organic" is not a defined term under IFRS and may not, therefore, be comparable with similarly titled measures reported by other companies).

RECONCILIATION

NOK (thousands)	2024	2023	Change	Change YoY
Revenue growth	4 279 505	3 826 189	453 315	12%
Impact of using exchange rates for 2024		94 148	(94 148)	
M&A	(531 030)		(531 030)	
Organic revenue growth	**3 748 475**	**3 920 337**	**(171 862)**	**(4%)**

NOK (thousands)	2023	2022	Change	Change YoY
Revenue growth	3 826 189	3 719 507	106 682	3%
Impact of using exchange rates for 2023		386 981	(386 981)	
M&A		33 177	(33 177)	
Organic revenue growth	**3 826 189**	**4 139 665**	**(313 476)**	**(8%)**

ORGANIC EBITA GROWTH

Organic EBITA growth is defined as the earnings before interest, tax and amortization, adjusted for the effect of mergers, acquisitions, disposal of operations and currency effects. Organic growth is measured by eliminating EBITA in acquired business in the year of acquisition and then add whole year EBITA by use of proforma when measuring growth to the following year.

We believe that the measure provides useful and necessary information to stakeholders for the following reasons:

- it provides additional information on underlying growth of the business without the effect of certain factors unrelated to its operating performance
- it is used for internal performance analysis, and
- it facilitates comparability of underlying growth with other companies (although the term "organic" is not a defined term under IFRS and may not, therefore, be comparable with similarly titled measures reported by other companies)

RECONCILIATION

NOK (thousands)	2024	2023	Change	Change YoY
Operating profit	498 933	475 713	23 220	5%
Amortization and impairment	38 575	51 183	(12 608)	(25%)
EBITA	**537 508**	**526 896**	**10 612**	**2%**
Impact of using exhange rates for 2024		10 798	(10 798)	
M&A	(60 245)		(60 245)	
Organic EBITA growth	**477 263**	**537 693**	**(60 431)**	**(11%)**

NOK (thousands)	2023	2022	Change	Change YoY
Operating profit	475 713	403 829	71 884	18%
Amortization and impairment	51 183	24 133	27 050	112%
EBITA	**526 896**	**427 962**	**98 934**	**23%**
Impact of using exhange rates for 2023		34 635	(34 635)	
M&A		3 298	(3 298)	
Organic EBITA growth	**526 896**	**465 894**	**61 001**	**13%**

CONTRIBUTION MARGIN

Contribution margin is defined as net sales minus the total of all variable cost for the manufacturing and distribution operations. This is a key performance indicator to management because it provides additional information on product profitability and distribution efficiency. It is also used for internal performance analysis.

RECONCILIATION

NOK (thousands)	2024	2023
Sales revenues	**4 279 505**	**3 826 189**
Cost of goods sold	(1 482 315)	(1 470 192)
Salary production workers	(390 363)	(278 487)
Sales freight	(239 441)	(213 677)
Other variable cost	(217 776)	(147 736)
Contribution margin	**1 949 609**	**1 716 097**
Contribution margin/Sales revenues	**45.6%**	**44.9%**

OPERATING EXPENSES (OPEX)

Operating expenses is a key financial parameter for Flokk and comprises of total cost for non-production personnel and other operating cost. Management monitors the operating expenses in its continuous effort to improve efficiency and increase profitability.

RECONCILIATION

NOK (thousands)	2024	2023
Sales revenues	**4 279 505**	**3 826 189**
Other operating cost	871 720	694 151
Reclassifications		
Fixed personnel expenses	799 071	675 013
Sales freight	(239 441)	(213 677)
Other	(217 776)	(147 736)
OPEX	**1 213 574**	**1 007 752**
OPEX/Sales revenues	**28.4%**	**26.3%**

ADJUSTED EBIT

Earnings before interest, tax, and impairment (EBIT) is a key financial parameter for Flokk. Adjusted EBIT is EBIT ex. Items affecting comparability (cost and income) and is defined as EBIT less gains and losses on M&A activities, workforce reductions and integration cost. These measures are useful to stakeholders in evaluating and comparing operating profitability across time periods.

RECONCILIATION

NOK (thousands)	2024	2023
Sales revenues	**4 279 505**	**3 826 189**
Operating profit	498 933	475 713
Amortization and Depreciation	237 102	232 632
EBITDA	**736 035**	**708 345**
Items affecting comparability:		
Merger and acquisition cost	23 618	9 969
Integration activities	19 270	32 559
Strategic review of Flokk	6 809	1 125
Other	50 955	39 256
Adjusted EBITDA	**836 688**	**791 253**
Depreciations	(198 528)	(181 449)
Items affecting comparability:		
Integration activities	293	22 152
Adjusted EBITA	**638 453**	**631 956**
Adjusted EBITA/Sales revenues	**14.9%**	**16.5%**
Integration activities	(38 575)	(51 183)
Items affecting comparability:		
Amortization and impairment	7 471	20 466
Adjusted EBIT	**607 349**	**601 238**
Adjusted EBIT/Sales revenues	**14.2%**	**15.7%**

PRODUCT DEVELOPMENT AND IMPROVEMENT SPEND

The product development and improvement spend shows how much the group is investing in either launching new products or improving margins and / or adding updated versions of current products, either recognized as an expense in the income statement or as an asset in the statement of financial position. Flokk believes this is relevant for investors as it shows the group's investments in products that shall generate revenues and profits in the future.

RECONCILIATION

NOK (thousands)	2024	2023
Sales revenues	**4 279 505**	**3 826 189**
Recognised as an expense	119 179	96 031
Recognised as an asset	20 914	15 216
Product development and improvement spend	**140 093**	**111 247**
Product development and improvement spend / Sales revenues	**3.3%**	**2.9%**

CAPITAL EXPENDITURES

Capital expenditures are derived from the statement of financial position and consist of investments in PPE and intangible assets, excluding business combinations and extraordinary items. Capital expenditures is a measure of investments made in the operations in the relevant period and is useful to stakeholders in evaluating the capital intensity of the operations and to understand the level of underlying investments.

RECONCILIATION

NOK (thousands)	2024	2023
Sales revenues	**4 279 505**	**3 826 189**
Tangible assets	100 955	93 111
Development	25 114	14 532
Other intangibles	12 999	352
Capital expenditures	**139 068**	**107 995**
Capital expenditures / Sales revenues	**3.2%**	**2.8%**

AVAILABLE CASH AND CASH EQUIVALENTS

Available cash and cash equivalents are monitored by Flokk on a frequent basis to understand the flexibility with regards to potential investments or acquisitions. Unused credit facilities are defined as the group's revolving credit facilities less what is used of these facilities for guarantees in rental agreements and similar.

RECONCILIATION

NOK (thousands)	2024	2023
Cash and cash equivalents	**1 073 909**	**777 631**
Unused credit facilities	367 000	367 000
Available cash and cash equivalents	**1 440 909**	**1 144 631**

RETURN ON OPERATING CAPITAL EMPLOYED

Return on operating capital employed measures the capital efficiency of the group's assets. Goodwill and intangible PPA assets from acquisitions have been excluded, to show the returns on the group's investments in tangible and intangible assets. Excess cash and cash equivalents are assumed to be all cash holdings above 5% of the sales revenues the last 12 months. This cash is retained for future acquisitions.

RECONCILIATION

NOK (thousands)	2024	2023
Adjusted EBITA last 12 months, ex impairment in intangible assets recognised in business combinations	**638 453**	**631 956**
Total assets	10 743 374	9 382 050
Current liabilities	(963 411)	(1 101 506)
Interest-bearing current liabilities	126 248	431 914
Goodwill	(5 836 024)	(5 352 755)
Intangible PPA assets from acquisitions	(9 252)	(135)
Excess cash and cash equivalents	(859 934)	(586 322)
Total operating capital employed	**3 201 002**	**2 773 247**
Return on operating capital employed	**19.9%**	**22.8%**

NET DEBT

Net debt consists of both current and non-current interest-bearing loans less cash and cash equivalents. Net debt is a measure of the Group's net indebtedness that provides an indicator of the overall balance sheet strength. It is also a single measure that can be used to assess both the Group's cash position and its indebtedness. Net debt/adjusted EBITDA is a key ratio that Flokk considers to be relevant to investors who want to assess Flokk's opportunity to meet its financial obligations.

RECONCILIATION

NOK (thousands)	2024	2023
Adjusted EBITDA	**836 688**	**791 253**
Cash and cash equivalents	(1 073 909)	(777 631)
Interest bearing loans	4 564 857	3 941 629
Net Debt	**3 490 947**	**3 163 998**
Net Debt/Adjusted EBITDA	**4.2x**	**4.0x**

CASH CONVERSION

Cash conversion is a key financial parameter for Flokk measuring cash flow generated from operations excluding items affecting comparability and net working capital changes. This measure is useful for investors to understand Flokk's underlying cash generation irrespective of financing arrangements, IFRS16 effects and extraordinary revenues, costs or investments.

RECONCILIATION

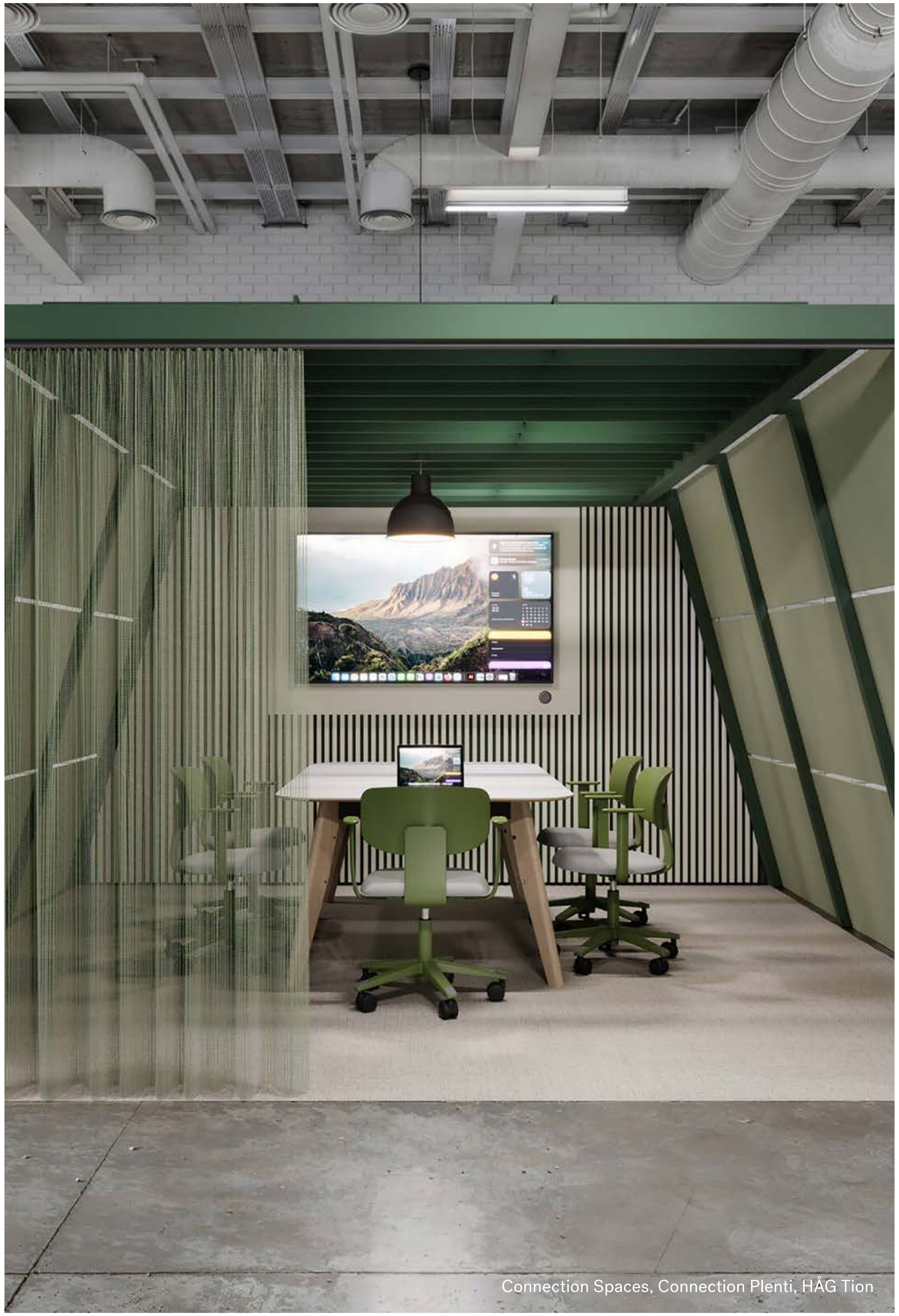
NOK (thousands)	2024	2023
Adjusted EBITDA	**836 688**	**791 253**
Capex	(139 068)	(107 995)
Depreciations right-of-use	(97 875)	(76 431)
Cash Conversion	**599 745**	**606 827**

TAXES PAYABLES PER COUNTRY

Taxes payables per country is key for management and external stakeholders and it is a measure of Flokk's social responsibility. Taxes payables comprise corporate income tax paid or to be paid on the groups taxable profit.

RECONCILIATION

NOK (thousands)	2024	2023
Norway	1 610	4 815
Sweden	5 115	7 678
Denmark	13 726	7 729
The Netherlands	11 677	14 219
Belgium	3 591	8 522
Germany	6 741	64
Austria	770	1 828
United Kingdom		15
France		829
Singapore		
HongKong	62	393
Switzerland		11 549
China	1 445	215
Australia		
United States of America	13 819	400
Mexico		
Poland	7 173	4 714
Czech republic	66	
Canada		
Total taxes payables	**65 795**	**62 970**



Connection Spaces, Connection Plenti, HÅG Tion

Corporate Sustainability Report 2024

Contents

Profim Revo sofa, Provim Revo table,
Profim AccisPro , Profim ElliePro , Profim Fan, Profim Nu, OFFECCT Wind, Connection Harp

Delivering lasting value

As we close 2024, I am pleased to share Flokk's annual sustainability report. Sustainability is central to who we are and how we operate. It's not just a goal – it's a mindset rooted in our Scandinavian design heritage and a commitment to creating lasting value for our customers, partners, and the planet.

Products with focus on high-quality, functionality, and sustainability have defined Flokk's history. Circular design principles have shaped the development of iconic products for our brands like HÅG and RH, and these values are the foundation for our portfolio. In 2024, we continued to integrate these principles into our acquired brands, such as Profim and OFFECCT. These efforts go beyond environmental impact – they also enhance product performance, reduce costs over the lifecycle, and reinforce trust with increasingly sustainability-conscious customers.

Our manufacturing facilities play a vital role in our environmental impact. In 2024, we took important steps to better understand the opportunities for improvement across our production sites. We have identified areas where investments are needed to modernise and optimise processes, and we are committed to implementing these changes to reduce energy use, minimise waste, and enhance resource efficiency. Importantly, these improvements align with sound business principles, enhancing operational efficiency while preparing us to meet the growing demands of a competitive and sustainability-driven market.

These improvements will ensure that Flokk remains at the forefront of sustainable manufacturing, with facilities that reflect the values embedded in our products. Our ambition in the coming years is to further reduce our environmental footprint while maintaining the quality and craftsmanship our customers expect all while delivering measurable business returns.

In 2024, our carbon emissions per unit increased by 117% compared to 2023, while the share of renewable electricity in our energy mix declined from 91% to 80%. This change reflects the integration of emissions data from recent acquisitions with higher gas consumption and reliance on standard grid electricity, as well as our continued efforts to enhance Scope 3 reporting and ensure greater transparency in our climate impact assessment.

Sustainability is more than materials and processes – it's also about people. In 2024, we deepened our focus on employee well-being and professional growth through new training and development opportunities. A key area of focus has been the integration of our US colleagues into Flokk's HSE framework, including risk assessment and safety measures. By implementing consistent practices across geographies, we are fostering a unified approach to health, safety, and well-being. Our teams are the foundation of our success, and we continue to prioritise creating an inclusive and supportive workplace that fosters innovation.

We also value the strong partnerships we've cultivated with our suppliers, customers, and other stakeholders. Sustainability is a shared responsibility, and these collaborations are key to our success, and ensuring that Flokk remains resilient and adaptive in a fast-changing world.

As we look ahead, sustainability remains a cornerstone of Flokk's business. Our efforts drive innovation, efficiency, and resilience, aligning with market expectations and long-term success. By building on our design heritage, modernising manufacturing, and prioritising our people, we are shaping a sustainable future. While challenges remain, collaboration, innovation, and a clear focus on our values will guide us forward.

Henning Karlsrud,
Chief Executive Officer

Flokk Sustainability Strategy

Sustainability is central to Flokk's purpose and guides our long-term approach to responsible growth. In response to accelerating environmental and social challenges, we continue to strengthen our role as a trusted partner, focused on delivering meaningful, lasting value for all stakeholders.

We go beyond designing exceptional products. Our strategy is to drive long-term improvements across the entire value chain. Sustainability is a core responsibility embedded in how we operate, ensuring that business success supports environmental and social progress.

Our core corporate values are:

HUMAN-CENTRED
SUSTAINABLE
INNOVATIVE

Sustainability is deeply rooted in our value chain

Our commitment to sustainability flows through every step of our value chain. Guided by our ESG framework, centered around Environment, Social, and Governance, we take action in the following areas:

Designing sustainable products

During this phase, we are guided by our Principles for Sustainable Design; selecting recycled materials whenever possible, designing for durability and a long lifespan, and ensuring that the materials we use are recyclable at end of life.

Ethical sourcing and responsible supply chain

When engaging with suppliers, we select those who share our environmental and social values. We hold ourselves to the highest standards and expect the same from our partners.

End of life recyclability

When we develop new products, we take steps to ensure they are well-prepared to meet the demands of future circular business needs. This includes, for example, making materials easy to sort for recycling through clearly marked parts, ultimately promoting the closed-loop recycling of materials.

Lowering the environmental impact from our manufacturing process

Our products are manufactured and assembled at our production facilities. We have a systematic approach to health and safety, resource efficiency, and environmental and climate considerations that is incorporated at our sites.

Refurbishment of our used products

Our products are designed with a focus on long lifespan and simple disassembly, allowing for refurbishment and the replacement of worn or damaged parts. This ensures they can be easily and effectively revived for extended use.

Effective transportation

Our products are transported by a selected group of external partners. We ensure that our partners have efficient transportation methods that result in reduced emissions. Within Flokk, we are also dedicated to transitioning our internal vehicle fleet to electric vehicles.

Sustainability training of all Flokk employees

We educate our employees and empower them to be good ambassadors for our company. We recognize that knowledge is a critical driver of responsible and well-informed decision-making.

FLOKK SUSTAINABILITY STRATEGY AND GOALS ARE CENTRED AROUND THE THREE PILLARS OF ESG; ENVIRONMENT, SOCIAL AND GOVERNANCE

Our commitment is driven by measurable goals and KPIs across our ESG framework, which support our mission to create value while minimizing negative impacts. These KPIs span accross key areas that contribute to a more sustainable, equitable future for all stakeholders, focusing on:

- **Environmental protection:**
  Reducing emissions, optimizing energy use, and increasing the share of renewable energy.
- **Circular economy:**
  Expanding the use of recycled materials and promoting closed-loop processes in our design and production.
- **Responsible supply chain:**
  Building partnerships with ethical and transparent suppliers.
- **Care for people and communities:**
  Fostering a culture of diversity, safety, and inclusion throughout our organization.
- **Corporate and sustainability governance:**
  Upholding accountability and ethical practices across all operations.

	Focus area	Measured through	Results 2021	2022	2023	2024	Status	Target 2030
ENVIRONMENT	**ENVIRONMENTAL PROTECTION**							
	Greenhouse gas emissions	CO_2e emissions per unit [$kgCO_2e$/unit]	3.48	4.35	5.16	10.71	🔴	2.14 (-50% vs 2015)
	Renewable energy	Share of renewable electricity [%]	83.4%	88.1%	90.5%	79.7%	🔴	100% by 2030
	Waste management	Total waste material recycled ratio [%]	70.1%	70.1%	72.6%	78.8%	🟢	85% by 2030
	Chemicals	Share of EPD products with GREENGUARD Gold [%]	45.2%	n.a.	82.4%	76.4%	🟡	100% by 2030
		Share of Standard Non-specialised fabrics certified/ compliant with EU Ecolabel [%]	42%*	42%*	69 %	83 %	🟢	100% by 2030
	*) share of Standard fabrics							
	CONTRIBUTE TO A CIRCULAR ECONOMY							
	Designing sustainable products	Share of recycled materials in main products (main products sold by 80% revenue)	n.a.	n.a.	28.4%*	41.7%***	🟢	40% by 2030
	*) coverage: 30% of products from Røros, Nässjö, Turek *with* EPD ***) coverage: 52% of products from Røros, Nässjö, Turek *with* EPD							
	Recycled & recyclable materials, including packaging	Amount of recycled plastics used in our products [tonnes]	1 328	1 262	1 027**	1 064****	🔴	1 500 by 2025
	) coverage: plastic articles from Røros, Nässjö, Turek **) coverage: plastic articles from Røros, Nässjö, Turek							
SOCIAL	**RESPONSIBLE SUPPLY CHAIN AND ETHICAL SOURCING**							
	Promoting decent working conditions in our supply chain	Signed CoC for Business Partners [% of APV]	43 %	86 %	97 %	97%	🟢	95%
	No human right violations in our supply chain	Number of detected violations through supplier appraisal and HRDD process	0	0	0	0	🟢	0
	CARE FOR PEOPLE & COMMUNITIES							
	Creating a great place to work and thrive	Working environment score from Engagement @Flokk	6.8	n.a	7.2	n.a.	🟡	8.0
	Safe and healthy workplace	# of fatalities	0	0	0	0	🟢	0
		# of high consequence injuries	0	0	0	0	🟢	0
	One diverse, equitable and inclusive Flokk	Working environment score from Engagement @Flokk	n.a.	n.a.	8.0	n.a.	🟢	8.0
GOVERNANCE	**CORPORATE GOVERNANCE**							
	Responsible business partner	Reported incidents of corruption (#)	0	0	0	0	🟢	0
	Risk assessment	# of material risk items reported to BoD	n.a.	0	0	0	🟢	0
	Cybersecurity	Information security breaches with material impact (#)	0	0	0	0	🟢	0

Sustainability Goals 2030

Flokk's 2030 sustainability goals define our direction for reducing environmental impact, strengthening social responsibility, and supporting ethical business practices across our value chain. These goals are aligned with leading global frameworks, including the European Green Deal, the UN Sustainable Development Goals, and the EU Taxonomy.

We monitor progress against our goals through structured tracking and regular reviews. This ensures transparency in how we manage environmental and social performance, and helps us adjust our approach where needed to stay on course.

ENVIRONMENT

Our environmental targets towards 2030 are as a minimum in line with the ambitious European and National targets - indicated with an equal sign (=). Additionally, we have set several differentiator targets unique to our company, with even higher ambitions than expected, indicated with a plus (+).

In 2024, we launched revised targets in our Sustainability Report 2023, updating the original 2030 environmental targets set in 2019 to reflect the increased scope we face due to organizational growth. Throughout 2024, we have actively communicated these revised targets both internally and externally to ensure alignment and understanding across our stakeholders. These revised targets are designed to be ambitious yet realistic, accounting for recent acquisitions by adjusting target figures or timelines as needed.

Our targets reflect the current scope of our operations. Any changes in scope, due to acquisitions or other factors, may lead to adjustments in our goals. New additions to our scope will be measured against the same baseline as the rest of Flokk. Flokk is indirectly responsible for impacts from Scope 3, which may be influenced by unforeseen circumstances such as geopolitical and/or financial instability.

CLIMATE TARGETS – GHG (CO_2e) EMISSIONS AND ENERGY

= Reduce CO_2e emissions per produced unit by 50% by 2030 vs 2015 [kgCO_2e/unit] - (Scope 1,2,3)*
= Reduce CO_2e emissions per revenue by 50% by 2030 vs 2015 [tCO_2e/MNOK] - (Scope 1,2,3)
+ 100% renewable electricity at our premises by 2030 - (Scope 2)

Flokk's contribution to:
- UN Sustainable Development Goals 7 and 13
- The EU's 1.5-degree target to cut greenhouse gas (GHG) emissions by 40% by 2030

Selection of decided measures to reach our long-term goals:
- Replacing fossil fuels with renewable sources
- Transition to a green car fleet
- Reducing air and road travel
- Improve our packaging design, logistics and goods transportation
- Continue and identify new energy efficiency efforts across all sites
- Purchasing renewable electricity certificates for all locations
- Investing in on-site renewable energy generation
- Reducing supply chain environmental impact

* GHG Scope 1 – Direct emissions (e.g., fuel for heating and sales/service cars)
GHG Scope 2 – Indirect emissions (e.g., purchased electricity) – Market based
GHG Scope 3 – Other indirect emissions (e.g., waste, transport, business travel

RESOURCES & CIRCULAR ECONOMY – MATERIALS AND WASTE

+ Increase share of recycled materials in main products to an average of 40% by 2030 (80% revenue)
+ 30% recycled & recyclable plastic packaging by 2030 (by 2025 for markets with compliance)
= 100% FSC® Certified Wood / All Factories FSC® Chain of Custody Certified by 2030
+ 85% of our waste will be material recycled by 2030

Flokk's contribution to:
- UN Sustainable Development Goals 12, 14 and 15
- The EU Plastics Strategy launched 2018

Selection of decided measures to reach our long-term goals:
- Migrate post-consumer recycled materials into portfolio and new projects
- Explore and phase-in new post-consumer material streams and resources astray
- Set requirements and collaborate with suppliers on raw materials and their processes
- Circular optimisation criteria in all R&D projects
- Establish systems for product traceability
- Establishing external partners for take-back & refurbishment on a global scale

HEALTH – CHEMICALS

Products and their manufacture must be free of chemical contents that are hazardous to the environment and/or health, according to Globally Harmonized System of Classification and Labelling of Chemicals:
+ 100% of all products with EPD must be certified with GREENGUARD Gold by 2030
+ 99% of purchase value >100k NOK must include signed Flokk's Environmental Requirements by 2025
= 100% of all Standard Non-specialised fabrics must be certified/compliant with EU Ecolabel by 2030

Flokk's contribution to:
- UN Sustainable Development Goal 3

Selection of decided measures to reach our long-term goals:
- Update our purchasing criteria to mirror EU Ecolabel and roll-out to suppliers
- Increase our chemical control at suppliers
- Improve follow up of our supply chain

Sustainability Goals 2030

CARE FOR PEOPLE & COMMUNITIES

At Flokk, we foster an inclusive and equitable environment where employees are empowered to grow, collaborate, and innovate. Our "Inspire Great Work" vision guides us in creating opportunities for personal development and well-being across diverse backgrounds. Recognizing that our actions extend beyond Flokk, we prioritize human rights, safety, and ethical practices throughout our operations and supply chain.

SOCIAL HUMAN RIGHTS

- 100% of all employees having signed Flokk's Code of Conduct, in addition to management training and e-learning courses for office employees in Flokk Shanghai, Flokk Furniture, Connection and 9to5 Seating by 2025
- 100% of all suppliers of direct material to Røros, Nässjö, Turek, 9to5 Seating, Connection and Flokk Furniture having signed the Code of Conduct for Business Partners by 2030

Flokk's contribution to:
- UN Sustainable Development Goals 3 and 8

Selection of decided measures and initiatives to reach our long-term goals:
- Ensure highly ethical business conduct by all Flokk employees and Flokk Supply Chain by adhering to the provisions of the ILO and UN Global Compact
- Yearly review and follow up risk in the supply chain through supplier appraisal and supplier risk assessment

ETHICS AND WORK ENVIRONMENT

- Develop a communication channel in accordance with the Transparency act for external parties
- Facilitate sharing of best practices and experiences from Flokk entities in local communities, and promote selected activities to build communication around (internally/ externally)
- Continue the sequence of Engagement@Flokk every other year and safeguard the agreed activity plans and improve the overall Flokk ENPS score
- Zero fatalities and Zero high-consequence injuries
- Conduct risk review of all our production sites in accordance with our HSE policy
- Secure and maintain focus on employee's work-life balance

Flokk's contribution to:
- UN Sustainable Development Goal 3

Selection of decided measures and initiatives to reach our long-term goals:
- Safeguard that any work-related misconduct or other wrongdoing is reported, and that employees and external parties have a confidential channel to raise concerns for review and investigation
- Continuing building a strong and sound company culture and foster company pride to leverage, support and promote Flokk's ESG related initiatives
- Address feedback from Engagement@Flokk for continuous improvements related to working environment, leadership and Diversity, Equity and Inclusion activities
- Continue striving for an even further safe and healthy physical working environment

DIVERSITY, EQUITY AND INCLUSION

- Secure DEI awareness training for all employees, also as part of Flokk's Onboarding process. 100% completion rate by 2025
- At least one female candidate in the last phase of recruitments for leadership positions by 2025
- Minimum payment of maternity leaves in all parts of Flokk's organisation
- Paid co-partner leave of 10 business days post-partum
- A female population of 45%, and female leaders representing 40% of all leaders of Office employees by 2025
- Close possible gaps in wage differences for same role and position in all parts of Flokk

Flokk's contribution to:
- UN Sustainable Development Goals 5 and 8

Selection of decided measures and initiatives to reach our long-term goals:
- Track and transparently on organisational KPI's, and communicate actions to improve address the findings
- Establishment of Flokk DEI task-force corporate agenda

CORPORATE AND SUSTAINABILITY GOVERNANCE

Our governance approach integrates the latest standards, ensuring that our operations reflect best practices in ESG. By aligning with global frameworks like the UN Global Compact, we uphold principles of ethical conduct, transparency, and accountability. Through rigorous oversight, we build trust and promote sustainable practices that drive positive impact.

ESG GOVERNANCE MODEL

- Review ESG initiatives and report progress to Flokk Group Management
- Ensure ESG continues to be a separate agenda point at all Group Board meetings
- Yearly review of Group policies with approval from Board of Directors
- Zero incidents of corruption or ethical violations.
- Strive for 100% completion on employee policy training program on key policies (Code of Conduct for Employees, HSE policy, Anti Bribery and Corruption, Anti-Money Laundry, Delegation of Authority, Information Security, Sanction policy, Diversity, Equity and Inclusion policy)
- Improve data quality and accessibility for sustainability reporting
- Ensure compliance with relevant reporting initiatives and frameworks
- No significant/ material business impact caused by cyber attacks

Flokk's contribution to:
- UN Sustainable Development Goal 8

Selection of decided measures and initiatives to reach our long-term goals:
- Define roles, responsibility, key personnel and processes in ESG Governance Framework to ensure execution, follow up and reporting of ESG strategy
- Ensure compliance and proactively monitor and adapt to regulatory changes related to ESG/ sustainability reporting and unexpected events
- Safeguard the Flokk way of working by integrating new subsidiaries in accordance with Governing subsidiary policy

COMPETENCE – COMMUNICATION

Our commitment to sustainability extends through the knowledge and engagement of our employees. By empowering our teams, we strengthen our capacity to meet our long-term goals through informed, ethical, and responsible decisions.

To achieve this, we:
- Enhance knowledge sharing: We provide internal training, sharing forums, and accessible learning platforms to foster sustainability competence across our organization.
- Communicate transparently: Through honest and transparent communication with both internal and external stakeholders, we ensure alignment with Flokk's sustainability goals and values.

Flokk's contribution to:
- UN Sustainable Development Goals 16 and 17

Selection of identified measures and initiatives to reach our long-term goals:
- Continue lifting both our internal & external communication
- Continue lifting the competence on sustainability new ways; sharing forums, e-Learning System

Environmental Protection

Flokk's four-decade legacy of structured environmental focus positions us as a pioneer in developing sustainable furniture solutions. Since 1990, we have shown our commitment to the environment by hiring a full-time environmental manager—a forward-thinking move implemented years before environmental performance became a mainstream concern. Our primary environmental focus is to:

- Reduce climate impacts from our operations

THE ENVIRONMENT – BACKGROUND

In 1993, Flokk established three key environmental focus areas: Climate, Resources, and Health. We have achieved several milestones, such as being one of the first office chair manufacturers in Europe to receive ISO 14001 certification and to publish Environmental Product Declarations (EPDs).

Each year, we raise our ambitions. As Europe's market leader in office seating, we use our position to scale up efforts that reduce our environmental impact and drive positive change.

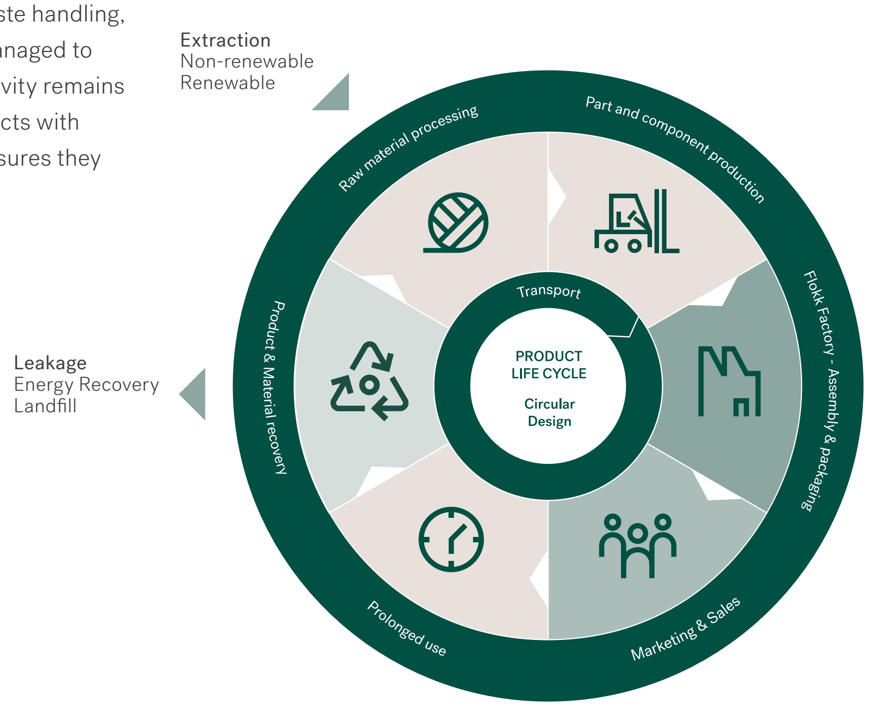
THE ENTIRE LIFE CYCLE COUNTS

More than 90% of the environmental impact of our products occurs before the materials and components even reach our factories. This impact is largely due to material choices, material use, and production processes, which are decided during the design phase. Because of this, our design teams focus on making sustainable choices early in the process. This commitment extends through procurement, ensuring responsible sourcing of raw materials and components.

We prioritise sustainability in the later stages of the product life cycle as well. Final assembly, packaging, waste handling, logistics, sales, and distribution are carefully managed to improve our environmental performance. Longevity remains a cornerstone of our approach: designing products with enduring functionality and lasting aesthetics ensures they age with dignity and have a long service life.

This philosophy is supported by offering good customer service and spare parts for repairs and designing products for easy disassembly and resource recovery at the end of a product's life cycle.

Our environmental responsibility extends to all stakeholders involved in the life cycle of our products, and we consider all of them as part of our sustainability journey.



Climate
Reduced carbon footprint and energy consumption

Resources
Reduced use of materials and minimised waste

Health
Reduced chemical use and no hazardous substances

REDUCING THE CLIMATE IMPACT FROM OUR OPERATIONS

ENVIRONMENT MANAGEMENT SYSTEMS
Flokk demonstrates its commitment to environmental management through ISO 14001:2015 certification at five of its seven production sites, providing a structured approach to managing environmental impacts. The U.S. West Coast production facility is certified under the ANSI/BIFMA e3 Furniture Sustainability Standard, and the U.K. production site holds FISP certification through the Furniture Industry Sustainability Programme.

Flokk's Environmental Policy, endorsed by the CEO, reflects the Group's dedication to continuously minimising environmental impacts throughout its operations.

Each year, significant environmental aspects are identified within the Group's ISO-certified scope through comprehensive assessments of operational activities that could influence the external environment. These assessments lead to targeted goals that support long-term environmental objectives and are tailored to each specific certified site.

The process is a collaborative effort involving local managers and employees, with quarterly progress monitored by Flokk Group Management.

The environmental goals for 2024 were based on aspect analyses of the factories at Røros, Nässjö, Turek, Mirfield and Zhongshan, as well as the head office in Oslo.

CLIMATE – GHG (CO_2e) EMISSIONS AND ENERGY

Flokk remains committed to improving energy efficiency and reducing its carbon footprint. In 2024, a more comprehensive assessment of our GHG emissions led to refined historical data quality, expanded Scope 3 coverage with additional categories, and the integration of emissions data from acquisitions – Stylex (Delanco) in 2024 and Flokk Furniture (Zhongshan) retrospectively for 2020-2024. These efforts ensure a more complete and transparent representation of our environmental impact.

Our GHG and energy indicators are measured against a 2015 baseline, when Flokk systemised data collection. Since then, continuous improvements in data quality and coverage have strengthened the reliability of our performance claims as our footprint evolves.

As part of our commitment to data accuracy, we have retrospectively adjusted our 2023 emissions figures, resulting in an 11% increase from last year's reported values from 4 994 to 5 541 tCO2e. This adjustment reflects:

- Corrections to 2023 air travel data.
- Expanded Scope 3 coverage, and
- Newly integrated acquisitions, including Zhongshan's electricity emissions.

These updates have slightly adjusted our previously reported Scope 2 and 3 KPIs for 2020-2023, establishing a higher revised baseline for 2023.

In 2024, further Scope 3 expansion and newly integrated acquisitions significantly impacted reported emissions by incorporating previously unaccounted sources. Notably:

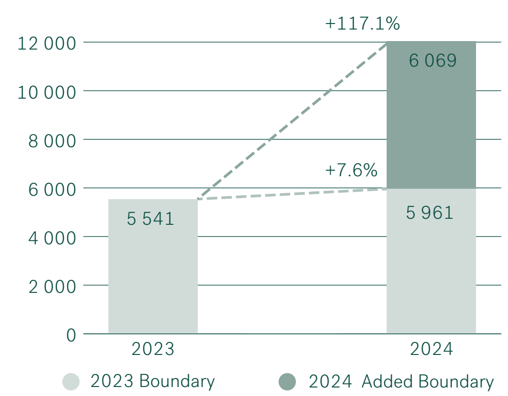
- Emissions from fuel for heating and electricity increased due to the energy mix in Delanco and Zhongshan.
- Purchased materials from a single supplier accounted for 29% of total Scope 3 emissions.
- Upstream transportation contributed 9% of Scope 3 emissions.

While these additions increased reported emissions, they primarily reflect improved data coverage rather than actual emissions growth. Without these updates, 2024 emissions would show a considerably smaller increase.

To improve comparability in future reports, Flokk will integrate retrospective data for newly included sources, ensuring consistency and a more comprehensive emissions profile.

The graph below illustrates the impact of expanded 2024 reporting boundaries (Delanco + Scope 3 expansion) versus emissions under 2023 boundaries, with further breakdowns provided on the next pages.

Flokk's GHG emissions, market based [tCO_2e]. Comparison 2023 vs 2024 reporting boundaries



Total tCO_2e	Units produced	kg CO_2e/unit	tCO_2e/MNOK revenue	kWh/unit	MWh/MNOK revenue
12 030	**1 123 640**	**10.71**	**2.81**	**21.6**	**5.7**
+ 117% since 2023 + 507% since 2015	+ 3% since 2023 + 143% since 2025	+ 107% since 2023 + 150% since 2015	+ 94% since 2023 + 67% since 2015	+ 11% since 2023 - 12% since 2015	+ 2% since 2023 - 41% since 2015

Our indicators will become increasingly accurate as more Flokk brands are integrated into our reporting systems in the coming years.

- CO2e emissions per unit increased by 107% since 2023. However, within the 2023 boundary, the actual increase was only by 4.2%.
- Despite a 3% increase in produced units and 12% revenue growth since 2023, our intensity metrics continue to deteriorate, highlighting areas for further reduction efforts.
- Share of renewable electricity decreased by 12%, and renewable energy usage declined by 21%.
- Share of fossil fuel use for heating and processes increased by 31%, underscoring the need for targeted mitigation measures.
- Given these developments, interim goals for 2025 have been adjusted to align with Flokk's 2030 reduction targets.

Climate – GHG (CO_2e) Emissions and Energy

Targets:

- Reduce CO_2e emissions per unit and per revenue by 50% by 2030 (vs 2015)
- 100% renewable electricity at our premises by 2030

Measures / KPIs:

- Reduce Energy consumption per unit and per revenue by 40% by 2030 (vs 2015)
- 50% renewable energy by 2030
- 20% fossil fuels for heating & processes by 2025

KPI	Goal 2025	Goal 2024	Results			
			2024		2023	2022
CO_2e emissions per unit [kgCO_2e/unit] - (Scope 1,2,3) | 2.14 by 2030	9.28	4.29	10.71 (+107.3%)	●	5.16 (+18.6%)	4.35
CO_2e emissions per revenue [tCO_2e/MNOK] - (Scope 1,2,3) | 0.84 by 2030	2.48	1.24	2.81 (+94.1%)	●	1.45 (-1.6%)	1.47
Energy consumption per unit [kWh/unit] - (Scope 1,2) | 40% by 2030	20.44	18.71	21.57 (+10.7%)	●	19.49 (+22.0%)	15.98
Energy consumption per revenue [MWh/MNOK] - (Scope 1,2) | 40% by 2030	5.41	5.18	5.67 (+2.2%)	●	5.54 (+1.1%)	5.48
Share of renewable electricity (Scope 2) | 100% by 2030	83%	94%	79.7% (-11.9%)	●	90.5% (+2.7%)	88.1%
Share of renewable energy vs total consumption - (Scope 1,2) | 50% by 2030	38%	46%	35.3% (-21.0%)	●	44.7% (-3.1%)	46.1%
Share of Fossil fuels for heating and processes [MWh] - (Scope 1) | 20% by 2025	20.0%	24.4%	36.9% (+31.1%)	●	28.1% (+19.5%)	23.6%

Measures & Results 2024	Status	Measures 2025
Investigate further need for local energy team / integrate ISO 50001 at Turek **Result: Flokk terminated it's ISO 50001 certification to be more efficient and less formal on energy efficiency measures, thus energy teams on sites no longer ISO requirement. Flokk will continue its energy managament through ISO 14001 work, and be EED compliant by carrying out energy audits EN 16247 in each qualifying country.**	✔	
Carry out Energy Audits EN 16247, both for EED compliance and identification of efficiency measures **Result - Nässjö: done** **Result - Turek & Mirfield: preparing for energy audit**	✔ ➡	Carry out Energy Audits EN 16247 at Turek, Mirfield, Hawthorne and Norway
Create added value business cases on prioritised energy saving potentials. Continue search for energy saving potentials **Result - Røros - Solar panels 1st year production: 618 MWh / Factory LED change: 50% / Light control during holidays / Smarter control heating & ventilation / Leakage in truck area fixed** **Result - Turek - Factory LED change: 98% / Air sleeves sealed truck loading docks** **Result - Nässjö - Roof insulation 2 out of 3 sections done / Capturing excess heat from compressed air done / LED change: 98%**	✔ ➡	Create added value business cases on prioritised energy saving potentials. Continue search for energy saving potentials
Measuring with focus on data processing and installation of energy meters where possible **Result - Røros: meters installed for Solar Panels, Powdercoating, Air-compressors and Water cleansing.**	✔ ➡	Continue / implement measuring with focus on data processing at all factories and installation of energy meters where possible: Turek: Potential if introducing smart control with BMS (Building Management System) Mirfield & Hawthorne: Identify potential through external Energy Audit
Investigate installation of solar panels + business case study **Result - Røros: Already installed - monitoring 1st year performance** **Result - Turek: Investigation ongoing** **Result - Hawthorne: Already installed - continue investigate expansion** **Result - Nässjö: offer received - to be investigated**	✔ ➡	Continue investigate installation of solar panels + business case study. Investigate expansion & ensure efficiency on current installations

Flokk uses operational control as consolidation approach for emissions. Gases included in the calculations are CO2, CH4, N2O, SF6, HFCs and PFCs. The sources of the emission factors for 2024 are as follows - Scope 1: GHG, IEA, EPA, Defra / Scope 2: IEA, EPA, Defra, Fjärrvärmens lokala miljövärden 2024 for marked-based district heating emissions in Sweden / Scope 3: GHG, EPA, Defra.

GHG emissions intensity is drawn by including all relevant sources of GHG covered by Scope 1, 2 , and 3 within the organisation. Emission figures on following pages are based on absolute numbers as available.

Flokk uses Greenstone+, a sustainability data management tool, to gather and calculate data. We focus on gathering actual data and use assumptions/estimates only if actual data is not obtainable (e.g., electricity consumption for a showroom). Conversion factors are provided by Greenstone+, based on Defra.

Energy intensity is drawn by including all relevant energy sources covered by Scope 1 and 2 within the organisation. Energy figures on following pages are based on absolute numbers as available.

GHG (CO_2e) EMISSIONS

Flokk's GHG emissions, market-based [tCO_2e]

	2015	2022	2023	2024 (Added Boundary)	2024 (2023 Boundary)
Scope 1 - Direct emissions	**796**	**1 893**	**2 090**	**2 597**	**1 968**
Fuel for heating and processes (Burning oil, Natural gas, LNG)	264	1 102	1 376	1 908	1 296
Fuel for sales and service travels	532	791	714	689	672
Scope 2 - Indirect emissions	**187**	**725**	**616**	**1 111**	**563**
District heating	25	109	132	124	124
Electricity	162	616	484	987	439
Scope 3 - Other indirect emissions*	**998**	**2 858**	**2 835**	**8 322**	**3 430**
Cat. 1: Purchased goods and services (New 2024)	0	2	2	3 443	0
Cat. 4: Upstream transportation and distribution (New 2024)	0	0	0	1 052	0
Cat. 5: Waste generated in operations	17	181	112	151	90
Cat. 6: Business travel	265	304	521	726	696
Cat. 9: Downstream transportation and distribution	716	2 370	2 200	2 951	2 644
Total [tCO_2e]	**1 981**	**5 476**	**5 541**	**12 030**	**5 961**
Change from year to year			1.2%	117.1%	7.6%

*) Not applicable for Flokk: Cat. 10: Processing of Sold Products, Cat. 13: Downstream Leased Assets, Cat. 14: Franchises and Cat. 15: Investments. For Cat. 11: Use of Sold Products, Flokk does not yet report this as the accounting of indirect use-phase emissions is optional, no direct use-phases emissions are associated to our products.

117.1% INCREASE IN TOTAL CARBON EMISSIONS
The total emissions increased by 117.1%, mainly due to expanded data coverage, including acquisitions and Scope 3 updates. However, within the 2023 boundary, the actual emission growth was 7.6%.

24% INCREASE IN SCOPE 1 CO_2e EMISSIONS
Scope 1 emissions increased 24% since 2023, due to adding natural gas use at Stylex, despite a 4.8% LNG reduction at Turek. Acquisitions relying on gas-powered heating and processes (Mirfield, Turek, Stylex) have steadily driven emissions since 2015, underscoring the need for efficiency measures and lower-carbon energy solutions.

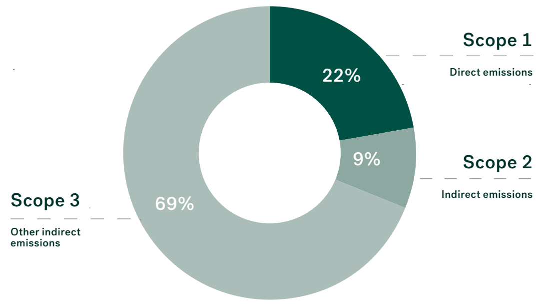
80% INCREASE IN SCOPE 2 CO_2e EMISSIONS
Scope 2 emissions increased 80% since 2023, mainly due to adding standard grid electricity at Stylex, despite a 5.6% overall district heating reduction.

69% OF FLOKK'S GHG EMISSIONS ARE SCOPE 3
Flokk continues to improve its Scope 3 emissions data, where the largest climate impact lies. The 2024 expansion, including two new categories and enhanced data coverage, resulted in a 194% increase in reported Scope 3 emissions vs 2023.
• Category 1 (Purchased goods & services): Data from one supplier alone contributed 3 439 tCO_2e (28% of total), including energy, freight, materials and waste.
• Category 4 (Upstream transportation & distribution): Added freight data for Røros, Nässjö and Turek, contributing 1 052 tCO_2e (9% of total) (road 65%, marine 32.5% and air 2.5%).
• Category 5 (Waste generated in operations): Despite a 30% increase of total waste amount, emissions remained low at 151 tCO_2e (1.3% of total), due to a 70% reduction in Defra waste emission factors.
• Category 6 (Business travel): Air travel (97%) dominated emissions, which increased 39% due to more travelling, acquisitions and better data accuracy.
• Cat. 9 (Downstream transportation and distribution); 34% increase due to acquisitions and expanded coverage, contributing 2 655 tCO_2e (road 93.6% and marine 6.4%).

LOCATION-BASED EMISSIONS (SCOPE 2)
• In 2024, our Scope 2 location-based emissions amounted to 3 246 tCO_2e (district heating: 299 tCO_2e, electricity: 2 958 tCO_2e).
• The lower market-based district heating emissions (-58%) are due to emission factors of the respective providers. The high difference in electricity (-67%) shows the significance of our 100% renewable electricity target.

BIOGENIC EMISSIONS
Since 2019, our factory at Røros has used biodiesel instead of burning oil. In 2024, a fire in the oil heater led to a permanent discontinuation of oil heating, with a more sustainable solution underway. Biodiesel emissions are accounted as zero in Scope 1. Biogenic emissions [tCO_2e]: 2019: 5.5 | 2020: 3.4 | 2021: 23.0 | 2022: 5.3 | 2023: 5.0 | 2024: 0.

Flokk's GHG emissions in 2024, market-based



Greenhouse gas emissions are distributed on 3 areas – Scope 1,2,3 – set by the Greenhouse Gas Protocol. While having complete coverage for Scope 1 and Scope 2 (according to the Scope of the annual report), we just partly cover categories 1, 4, 5, 6, and 9 of Scope 3. We believe Scope 3 at full coverage represents more than 90% of Flokk's entire emissions.
In 2024, 78% of Flokk's GHG emissions originated from indirect sources.

ENERGY

Flokk's energy consumption [MWh]

	2015	2022	2023	2024 (Added Boundary)		2024 (2023 Boundary)	
				[MWh]	[MJ]	[MWh]	[MJ]
Fossil fuel sources:	**3 500**	**7 995**	**8 868**	**11 711**	**42 159 600**	**8 315**	**29 933 839**
• Burning oil	333	0	0	0	0	0	0
• Natural gas	1 046	383	281	3 527	12 697 200	180	649 260
• LNG	0	4 423	5 688	5 420	19 512 000	5 420	19 513 296
• Propane	0	51	47	86	309 600	36	130 550
• Diesel	2 064	2 337	1 814	1 546	5 565 600	1 546	5 565 734
• Petrol	57	800	1 038	1 132	4 075 200	1 132	4 074 998
Renewable fuel sources:	**0**	**21**	**4**	**0**	**0**	**0**	**0**
• Biodiesel	0	21	4	0	0	0	0
District heating	**1 237**	**1 705**	**1 804**	**1 662**	**5 983 218**	**1 662**	**5 983 218**
Electricity:	**6 628**	**10 678**	**10 531**	**10 868**	**39 123 904**	**9 223**	**33 203 567**
• Electricity (Grid)	6 628	10 565	10 401	10 273	36 983 725	8 629	31 064 717
• Electricity (On-site production)	0	129	150	762	2 743 650	762	2 743 650
• Electricity (To grid)	0	-17	-20	-168	-603 472	-168	-604 800
Total energy consumption [MWh]	**11 366**	**20 398**	**21 207**	**24 241**	**87 266 722**	**19 200**	**69 120 624**
Change from year to year			4.0%	14.3%		-9.5%	

No cooling or steam consumed. No heating, cooling, and steam sold.

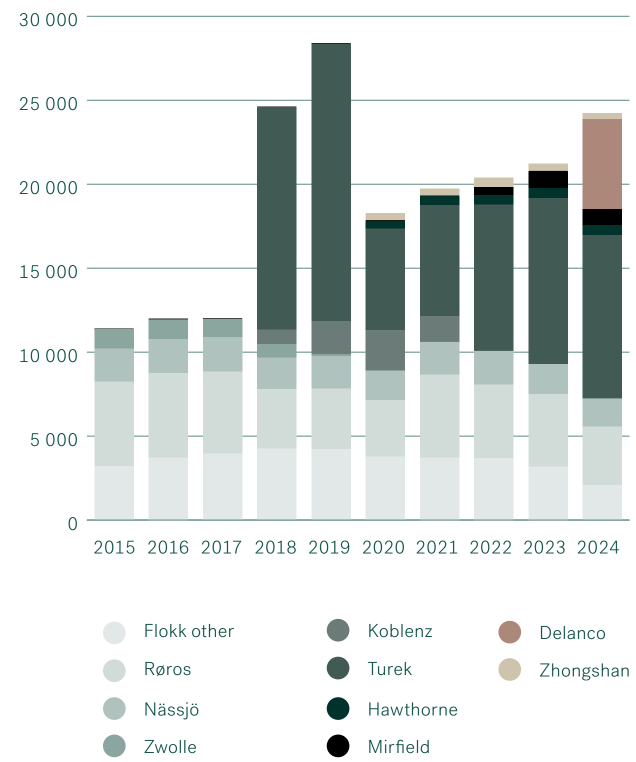
12% LOWER ENERGY CONSUMPTION PER UNIT SINCE 2015
• In 2024, energy consumption per unit increased by 11% compared to 2023, primarily due to expanded reporting scope and the inclusion of gas-powered heating and processes at Delanco.
• Since 2015, energy consumption per unit has been reduced with 12% (compared to 21% in 2023 and 35% in 2022), despite a 143% in production volumes. Recent trends show an increase in energy consumption due to gas dependency in newly acquired sites.

14% INCREASE IN ENERGY CONSUMPTION SINCE 2023
• The acquisition of Delanco accounted for 20% of total energy consumption, making it the second-largest contributor after Turek (40%). All other factories reported slight reductions.
• The share of renewable energy declined to 35% (from 45% in 2023), driven by reliance on standard grid electricity at Delanco and Zhongshan and the phase-out of bio-diesel at Røros. Flokk remains committed to reaching 50% renewable energy by 2030. Biogas has been identified as a potential lower-carbon alternative that may be worth investigating.

31% INCREASE IN FOSSIL FUELS SINCE 2023
• Fossil fuel consumption increased due to propane and natural gas use at Delanco, despite a 5% reduction in LNG consumption at Turek.
• In 2024, the share of fossil fuels for heating and processes increased to 36.9% (from 28.1% in 2023), highlighting the need for targeted measures to meet the 20% target by 2030.
• Flokk continued its transition to a greener car fleet, maintaining 15% electrical cars and increasing plug-in hybrids to 16%, leading to a 15% reduction in diesel use and 9% increase in petrol consumption. Electricity consumption for charging cars increased by 85% compared to 2023.

64% INCREASE IN ELECTRICITY CONSUMPTION SINCE 2015
• Electricity now accounts for 45% of Flokk's total energy consumption, maintaining stable levels over the past three years despite acquisitions. This can be explained by the reliance on gas as an energy source at several of those premises.
• 79.7% of electricity consumption is from renewable sources, keeping electricity-related emissions at only 8.2% of total GHG emissions. Flokk remains committed to achieving 100% renewable electricity across all operations by 2030.

Flokk's energy consumption, subdivided [MWh]



Contributing to a Circular Economy

In 2024, Flokk's GRI scope production sites successfully manufactured over one million products, with an estimated average weight of 15 to 20 kg per unit. This level of production reflects a significant demand for raw materials and components, particularly in an industry that traditionally utilises chemicals, paints, adhesives, textiles, foams, and plastics. We recognise that our material choices play a crucial role in driving resource efficiency, minimising waste generation, and managing the chemical composition of our products.

Aligned with our sustainability practices and guided by our Principles for Sustainable Design, we strive to contribute to the circular economy by:

- Developing sustainable products - designed for longevity and durability that can be easily repaired, reused, and recycled
- Incorporating recycled materials into our product designs and packaging
- Minimizing waste from our operations

DEVELOPING SUSTAINABLE PRODUCTS

OUR 5-III PRINCIPLES FOR SUSTAINABLE DESIGN

Since 1993, Flokk's sustainable design approach has been guided by our five (5) circular design criteria, forming the core framework for both product design & development and product lifecycle maintenance. These criteria remain as relevant today as when they were first introduced.

By adhering to these criteria and selecting optimal solutions, we aim to create sustainable products with high performance across our three (III) key environmental focus areas. This integrated approach is known as 5-3.

5 CIRCULAR DESIGN CRITERIA

1. Low weight
   - Weight optimisation
   - Resource efficient solutions
   - Lower transportation costs
   - Easy handling
2. Few components
   - Integrated functions
   - Modularity
   - Fewer tools
   - Less processes
   - Simpler assembly
   - Less packaging, storage and transportation
3. Right choice of materials
   - No harmful chemicals and substances
   - Increased use of recycled and renewable materials
   - Use of recyclable materials
4. Long life span
   - Lasting and durable designs
   - High quality
   - Easy replacement of worn-out or broken parts
   - Reduce the need to replace our chairs
5. Design for disassembly
   - No glues, staples or non-accessible screws
   - Simple dismantling
   - Easy to sort materials for recycling with marked parts

3(III) FOCUS AREAS

I. Climate
Reduced carbon footprint and energy consumption

II. Resources
Reduced use of materials and minimised waste

III Health
Reduced chemical use andno hazardous substances

SUSTAINABLE DESIGN IN ACTION:
2024 PRODUCT LAUNCHES

Released in October 2024, Profim Snap epitomises Flokk's Principles for Sustainable Design of low weight, fewer components, optimal materials, long lifespan, and design for disassembly, with a focus on climate, resources, and health. Profim Snap aligns contemporary workplace needs with environmental responsibility, offering an office seating solution that seamlessly blends style, comfort, and sustainability.

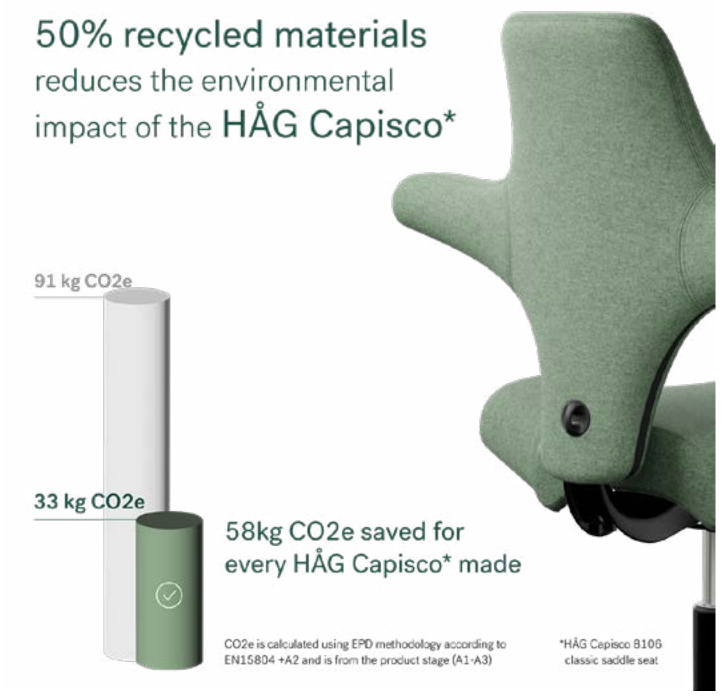
This approach is evident throughout its design. With tool-free assembly and a click-in backrest system, Profim Snap simplifies both setup and end-of-life disassembly, ensuring all materials can be recycled. Its replaceable upholstery, secured with string rather than glue, extends the product's life by enabling easy replacement of worn parts, thus encouraging prolonged use. This design ensures users can adapt their seating to evolving needs without discarding the entire product.

Environmental impact is further reduced using recycled materials. For example, the Profim Snap 21H configuration achieves a total recycled content by weight of 44%.

Each Profim Snap comprises 1.91 kg of post-consumer recycled polypropylene, meaning an overage of 75 shampoo bottles are given a second life in each unit produced. Additionally, using recycled materials over virgin saves 200 litres of fresh water per unit.

Through EPD certification, we can confidently calculate that the carbon footprint of Profim Snap 21H is 34% lower than a version without recycled materials. This is a saving of 27 kg of CO_2 per unit that can help our customers reduce their carbon footprint if they choose furniture from Flokk.

Design, for us, goes beyond aesthetics. It's through our industrialised design process that we ensure our products embody both visual appeal and environmental responsibility. This approach allows us to create products with clear sustainability advantages while ensuring scalability for efficient production. Profim Snap moves seamlessly through our assembly lines, reflecting our commitment to quality and efficiency at every stage.



Case study of the sustainable office

Let's review the remarkable impact our HÅG Capisco chair has for our customers!

By incorporating 50% recycled materials, we've effectively reduced carbon emissions from 91kg CO_2e to 33kg CO_2e. This remarkable reduction of 58kg, compared to the use of traditional virgin materials, highlights our commitment to sustainability while ensuring uncompromised quality, comfort, and performance.

To put it in perspective, this emission reduction is equivalent to the CO_2e emissions generated by an average car consuming 25 litres of petrol fuel.

Let's envision the scale of these savings when outfitting an entire office with chairs crafted from recycled materials. The potential environmental benefits are truly astounding!

DESIGNED FOR SAFETY, LONGEVITY AND DURABILITY

We take pride in crafting furniture that exceeds industry standards, designed for longevity and durability. Our commitment to customer satisfaction ensures that our products are not only safe but also delivered in impeccable condition. With advanced technical expertise, combined with a dedication to honesty and responsibility, our goal is to provide customers with a sense of safety and comfort every time they choose a Flokk product.

To uphold these principles, all Flokk products undergo rigorous testing in accordance with international standards, ensuring compliance with health, safety, stability, and strength requirements. These standards guide design, dimensions, safety impact, and material selection, with continuous evaluation throughout the product development phase before reaching the market. This thorough approach ensures that Flokk products are carefully assessed for potential improvements on health and safety impacts, aligning with our ten-year guarantee on most of our products.

All our products come with detailed user manuals and instructions for safe use, maintenance, cleaning, and recycling.

Flokk defines a "Risk/Safety Claim" as an incident in which a customer sustains an injury while using our product. While such cases are rare, each one is closely monitored through our rigorous case management system.

Risk/Safety Claims – number of customers injured while using a Flokk product

2024		2023		2022	
Number	PPM*	Number	PPM*	Number	PPM*
2	1.78	1	0.37	1	0.36

Target each year: 0
No major customer injuries in 2024. 2 minor incidents of injury of customer is registered

*PPM = Part per millions.
Number of injuries is divided by the number of produced chairs and multiplied with 1 000 000

ENVIRONMENTAL CERTIFICATIONS – ECO LABEL STRATEGY

Certifications are a crucial way to showcase our environmental commitment, publicly reinforce our performance, and guide customers toward informed decisions. The demand for verified credentials has risen significantly, particularly in larger tenders and projects, making certifications indispensable.

Navigating the diverse landscape – with over 500 "green" certificates in Europe alone – can be complex. Some labels apply to entire businesses, while others are product-specific. Certain certifications focus on the usage phase only, while others address the product's entire lifecycle. They can also differ in scope, from national to global. At Flokk, we select certifications that comprehensively cover the most critical areas for our operations. When acquiring new companies and brands, we often inherit their local ecolabels, which, over recent years, has resulted in a multitude of certifications that are both resource-intensive and costly to maintain.

In 2022, Flokk developed a clear Environmental Certification Strategy to streamline our environmental certificate range into a universally applicable set covering all brands in every market. Flokk now prioritises the EU Ecolabel as its primary Type I ecolabel, complemented by EPD (Environmental Product Declarations) and GREENGUARD Gold certifications.

By 2024, several of our products had earned the EU Ecolabel distinction, and we remain committed to advancing our Environmental Certification Strategy in the coming years.

EU ECOLABEL

The EU Ecolabel is an ISO 14024 Type I environmental label and serves as the official ecolabel of the European Union. It recognizes products and services that have a reduced environmental impact throughout their entire life cycle — from raw material extraction to production, use, and disposal. This label promotes environmental excellence and encourages companies to develop high-quality, environmentally friendly products.

We have 9 product families that are EU Ecolabel certified.

ENVIRONMENTAL PRODUCT DECLARATION (EPD)

We calculate and publish the environmental performance of our products throughout their life cycle in Environmental Product Declarations according to ISO 14025 Type III. EPDs are increasingly recognised in the furniture industry for their ability to document and communicate quantitative, transparent, and comparable environmental indicators such as carbon footprint, energy consumption, and the share of recycled materials. In 2019, a new standard, +A2, was introduced for furniture, covering a larger part of the life cycle - cradle-to-cradle - compared to the previous +A1 standard, limited to cradle-to-gate. All our new EPDs in 2024 were according to the +A2 standard.

We have EPDs for 81 product families in total, with 62 of them complying with the +A2 standard.

GREENGUARD GOLD

To ensure that our products do not harm indoor air quality by emitting hazardous gases (specifically volatile organic compounds like formaldehyde found in glue), we test them according to the requirements of the UL GREENGUARD Environmental Institute.

We have 59 product families certified with GREENGUARD, of which 51 are also certified with GREENGUARD Gold.

MÖBELFAKTA

Möbelfakta is a Swedish ISO 14024 Type I ecolabel scheme based on three requirement areas: quality, environment, and corporate social responsibility. It sets external requirements such as CEN and ISO standards for quality, follows the environmental criteria of the Swedish Environmental Management Council, and bases its corporate social responsibility element on the ten principles of the UN Global Compact.

We have 65 product families with Möbelfakta certification.

THE NORDIC SWAN ECOLABEL

The Nordic Swan Ecolabel is an ISO 14024 Type I ecolabel awarded to furniture products that meet strict environmental, quality, and health requirements. The use of harmful chemicals is strictly regulated, and a high content of recycled materials is required.

We have one product family with the Nordic Swan Ecolabel.

BLUE ANGEL

Blue Angel is an ISO 14024 Type I ecolabel and has been the official environmental label of the German Federal Government for over 40 years. It is an independent and credible label that sets stringent standards for environmentally friendly products and services, promoting both environmental protection and consumer interests.

We have 11 product families that are Blue Angel certified.

CRADLE TO CRADLE™

The Cradle to Cradle Certified™ program is an ecolabel that assesses several aspects of a product, including its safety for humans and the environment, and its design for future life cycles. Designers and manufacturers are guided through a continuous improvement process, evaluating products across five quality categories: material health, material reutilization, renewable energy and carbon management, water stewardship, and social fairness.

We have one product family that is Cradle to Cradle™ certified at the Bronze level.

DESIGNED FOR SUSTAINABILITY

Flokk partnered with Mesh Youngstorget, a vibrant coworking hub in central Oslo, to help them achieve their sustainability goals while creating a dynamic, adaptable workspace.
As part of the Mesh Community's vision for innovative work environments, our collaboration focused on delivering furniture solutions that combine functionality, durability, and environmental responsibility.

Flokk provided 742 products from 16 product families, with 95% Environmental Product Declaration (EPD) certification. This ensured precise tracking of environmental impact while supporting Mesh's commitment to sustainable practices.

Key results include:

- 39% Recycled materials: Over a third of materials used in our products were sourced from recycled content.
- 65% Reduced environmental impact: The use of recycled materials resulted in CO_2 emissions being reduced by over 26 000 kg compared to standard alternatives.

Durability and adaptability also play a pivotal role. With easily replaceable parts and long-term warranties, Flokk's furniture reduces waste and supports a circular approach, extending product lifecycles.

Our products are crafted for longevity, ease of disassembly, and recyclability, aimed at reducing total cost of ownership (TCO) and environmental impact.

We design our products to exceed the highest customer expectations in comfort, quality, and aesthetics, while minimizing their carbon footprint

Through this collaboration, Flokk showcases how our long-lasting, ergonomic designs not only support employee well-being but also help businesses like Mesh create inspiring spaces that foster creativity and community.

By contributing to a reduced carbon footprint and lowering long-term ownership costs, our designs deliver environmental consciousness and value in equal measure.

INCORPORATING RECYCLED & RENEWABLE MATERIALS IN OUR PRODUCT DESIGNS AND PACKAGING

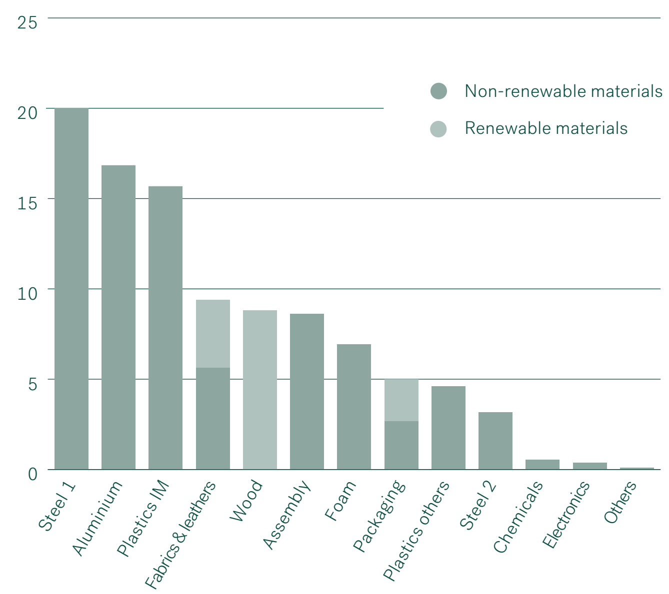
Flokk strives to develop products with a closed life cycle, ensuring that materials used in our products can be recycled or reused at the end of their service life. This approach reduces the demand for new resources and minimizes waste. We design with resource efficiency as a priority, using recycled and renewable materials wherever feasible.

Our strategy focuses on increasing the use of recycled materials, identifying recycled plastic, aluminium, and steel as key resources. By doing so, we place value on otherwise wasted resources and reduce energy consumption during processing.

Our long lasting and high-quality products require the use of robust materials such as metal and engineering plastics, which limits the use of renewable materials like wood due to high-volume demands. Recycled plastics often have inferior cosmetic and technical properties compared to virgin plastics. For visual or critical components that need a broad colour range or high strength, we may need to use virgin plastics, as recycled plastics are typically available in grey or black, though colour-sorted recycled plastics are becoming more common. Regardless, we ensure that all materials we use are recyclable.

14.9% of our annual purchased value (turnover) for Direct Material is allocated to renewable materials including wool, leather, cardboard and wood (2023: 12.3%).

Distribution of Flokk's 2024 annual purchased value (turnover) for Direct Material [%]



Plastics IM: injection moulded
Steel 1: raw materials, pipe bases, mechanisms
Steel 2: fasteners, springs, wire products

Share of recycled materials [%]. Packaging excluded

Share of recycled materials

Flokk offers a wide range of products with a high share of recycled materials. Here is our top ten products launched since 2013, with most containing 52-58%, but two of our products stand out with 75% (HÅG Tion 2100) and 88% (HÅG Celi 9100). We remain committed to improve the share in both new launches and our existing portfolio. Currently, the average recycled material share for Flokk's main products (accounting for 80% of revenue) is approximately 42%, based on products with an EPD (~53% of HÅG, RH, Giroflex, OFFECCT, Profim, Malmstolen & Connection, excluding 9to5 and Stylex) and 2023 sales figures. As we expand EPD coverage to remaining brands, this figure is expected to decrease due to lower verified recycled content. The material composition of our products, including the share of recycled materials, is transparently declared in our Environmental Product Declarations (EPDs).

PLASTICS

Polypropylene (PP) remains our preferred plastic material due to its lower environmental impact compared to other alternatives, offering reduced CO_2e emissions and fewer chemical additives. We aim to maximise the use of post-consumer recycled PP to enhance circularity. By assigning value to plastic waste, we stimulate profitable collection and recycling, contributing to further carbon footprint reductions. Notably, post-consumer recycled plastics have been incorporated into our products since 1995.

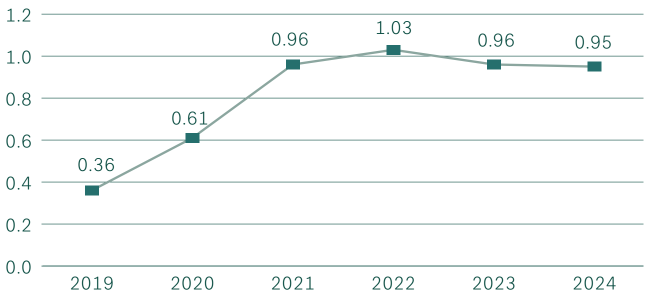
In 2024, we saw a 3.6% increase in recycled plastics used in products sold (2024: 1 064t vs 2023: 1 027t), falling short of our 1 300-tonne target. This was due to lower sales volumes and variations in product mix affecting recycled content. Continuing our efforts from 2023, we focused on increasing recycled content in new products, which has led to slower progress in integrating recycled plastics to the existing portfolio.

1 383 tCO_2e

saved in 2024
by using recycled instead of virgin plastic

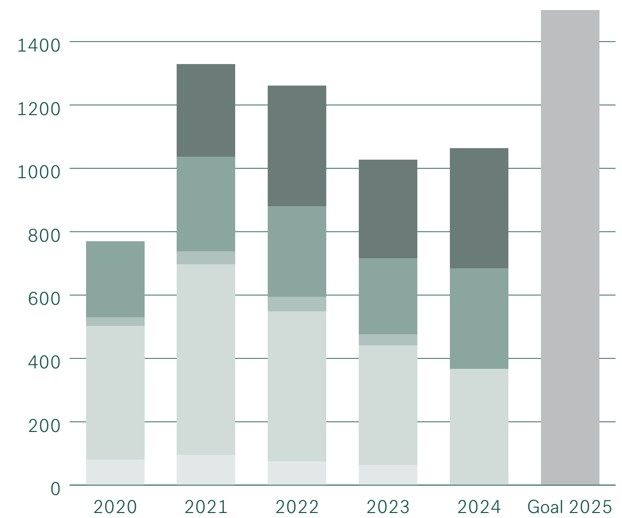
A significant portion of our material use includes virgin polyamide (PA), where we see an opportunity for improvement. We plan to explore the migration to recycled PA as part of our broader commitment to increasing the share of recycled plastics in our materials. Additionally, we are addressing cases where the inclusion of PAGF (glass-filled polyamide) is necessary, acknowledging its effect on recyclability and striving to balance performance with sustainability goals.

Average quantity of recycled plastics used per produced unit [kg/unit]



For the average quantity of recycled plastics used per produced unit, we include recycled data from all Flokk core brand divided by Flokk total produced units.

Total amount of recycled plastics used in sold products [tonnes]



	2020	2021	2022	2023	2024	Goal 2025
Total	**770**	**1 328**	**1 262**	**1 027**	**1 064**	**1 500**
Post-consumer	477	643	553	459	592	670
Post industrial	293	685	708	569	472	830

Profim RH RBM HÅG BMA

In 2024, we continued our brand consolidation efforts, merging BMA and RH under the RH brand, and RBM and Profim under Profim. The figures presented above reflect the brands prior to these mergers. A notable development this year is the increased share of post-consumer plastics in our recycled plastic materials, marking a positive shift towards enhanced circularity compared to previous years.

METALS

In 2024, our die-cast aluminium parts at Røros, Nässjö, and Turek sites contained 98.6% recycled content, maintaining the same high quality, durability, and finish as virgin material. For extruded aluminium parts, the recycled content was 27.7%, bringing our total recycled aluminium share to 94.8%. Notably, one of our key suppliers of extruded aluminium now offers 88% recycled content, which we plan to gradually integrate into our portfolio over the coming years.

In the steel market, most recycled steel is reserved for the construction and automotive industries limiting its availability for furniture manufacturing. We are actively working to increase the share of recycled steel from our key steel supplier, who currently provides 20% recycled content. Additionally, we are improving our supply chain transparency to better understand the origin of our steel and are committed to increasing the use of recycled steel and fossil-free solutions in the near future.

UPHOLSTERY COVERING MATERIALS

We remain steadfast in our pursuit of high-quality, environmentally responsible upholstery options, promoting the ones made from a single material, such as 100% wool or 100% post-consumer recycled polyester whenever possible.

Since 2021, we have been collaborating with one of our main textile suppliers and our Turek factory on a circular closed-loop project. Our aim is to repurpose our own waste textiles from production, transforming them into yarns and textiles for reintegration into our collection in near future. In 2024, we continued exploring other reuse options, engaging with additional recycling facilities while analysing our in-house textile waste to identify opportunities for further closed-loop solutions.

Balancing the requirement for a reputable eco-certification with the demanding performance needs of high-intensity environments — such as hospitals — can often be challenging to achieve. Although fully eliminating the options that don't carry eco-labels from our collection proved challenging in 2024, we are determined to intensify our efforts throughout 2025 while continuing exploring promising alternatives to PVC and chrome-tanned leather.

Wherever the EU Ecolabel for textile is not achievable due to its stringent cut-off criteria, we ensure a consistent level of environmental performance by selecting options that carry alternative reputable certifications, such as Oeko-tex® Standard 100 or Blue Engel for leather.

By 2030, our goal is for every standard non-specialized fabric we provide to either carry the EU Ecolabel award for textiles or meet the EU Ecolabel criteria for furniture, and we progressed from 69% in 2023 to 83% in 2024.

FOREST MATERIALS

The wood used in our products is traceable and sourced from responsibly managed forests, reflecting our commitment to upholding the highest standards of sustainable forestry. Our facilities in Turek, Mirfield, and Nässjö hold FSC® Chain of Custody certification, while Røros was granted certification in February 2025. During 2024, Turek supplied 156.1 tonnes of FSC®-certified material, while Mirfield provided 1.7 tonnes.

We aim to have every Flokk factory carry FSC® Chain of Custody certification by 2030, ensuring that 100% of the forest materials in our products satisfy rigorous traceability standards.

PACKAGING

Our products are delivered to customers either fully assembled with limited use of packaging material or stacked together or knocked down in cardboard boxes.

Packaging used including recycled amount [tonnes]*

Packaging	2022	2023	2024
Cardboard - Total	1 186	1 797	1 670
Cardboard - Recycled	742	630	614
Plastics - Total	77	65	59
Plastics - Recycled	1	1	1
EPS - Total	6	4	5
EPS - Recycled	-	-	-
Others; tape etc - Total	150	127	98
Others - Recycled	17	15	15
Total	**1 420**	**1 993**	**1 832**
Total Recycled	**760**	**646**	**630**

*Numbers for Røros, Nässjö, Turek excluding Hawthorne and Mirfield.

We see considerable potential in becoming more efficient in our use of packaging materials in general and see this as an opportunity to improve going forward. We have also initiated efforts on transitioning our plastic packaging to recycled plastics. We are aiming for 30% recycled plastic packaging by 2030.

Flokk is a member of several national takeback schemes, such as Grønt Punkt in Norway, NPA in Sweden, DPA in Denmark and Interzero in Poland. In these countries, we annually report the amount of packaging we place on the respective markets and pay a corresponding fee. This fee ensures that packaging waste is collected and recycled within these specific markets. As a "Control Member" of Grønt Punkt, we also require our Norwegian suppliers to be members, ensuring producer responsibility in our supply chain.

Resources - Materials, Waste, Chemicals

Targets:
- 40% share of recycled materials in main products by 2030 (80% revenue)
- 30% recycled & recyclable plastic packaging by 2030
- 100% FSC® Certified Wood / All Factories FSC® Chain of Custody Certified by 2030
- 85% of our waste will be material recycled by 2030
- 100% GREENGUARD Gold on all EPD products by 2030
- 99% of purchase value >100k NOK must include signed Flokk's Environmental Requirements by 2025
- 100% Standard Non-specialised fabrics with EU Ecolabel by 2030

Measures / KPIs:
- 1 500 tonnes of recycled plastics used in our products by 2025
- Increase total recycled share of aluminium to 95% by 2025
- Increase recycled share of steel to 40% by 2030
- 60% of our hazardous waste will be material recycled by 2030

KPI	Goal 2025	Goal 2024	Results			
			2024		2023	2022
Share of recycled materials in main products by 2030 (sold by 80% revenue)	40% by 2030	40% by 2030	41.7%	●	28.4	NA
Amount of recycled plastics used in our products [tonnes]	1 500 t	1 300 t	1 064 t (+3.6%)	●	1 027 t (-18.6%)	1 262 t
Number of factories FSC® Chain of custody certified	4 out of 7	4 out of 5	4 (Nässjö, Turek, Mirfield, Røros in Feb'2025)	●	3 (Nässjö, Turek, Mirfield)	1 (Turek)
Share of our waste being material recycled (production sites)	80%	75%	78.81% (+8.6%)	●	72.6% (+3.5%)*	70.1%
Share of our hazardous waste being material recycled	36%	57%	31.1% (-45.0%)	●	56% (+34.2%)	42.1%
Share of EPD products with GREENGUARD Gold	100% by 2030	100% by 2030	76.4%	●	82.4%	NA
Share of Standard Non-specialised fabrics certified/compliant with EU Ecolabel	85%	75%	83%	●	69%	42% (share of Std fabrics)

* The reported share of material-recycled waste for 2023 has been slightly adjusted from 72.5% to 72.6% in this year's update, following the inclusion of retrospective data from Zhongshan.

Profim Revo,
Profim Chic Lounge

	Measures & Results 2024	Status	Measures 2025
MATERIALS	Scale use of snow plough material: Feasibility study on use in castors **Result - Not economically viable as a standalone business case. On hold pending improved feasibility**	X	Explore alternative product offerings utilising (new) surplus material for Flokk injection moulded components
MATERIALS	Plan other product offerings with colored post-consumer recycled polypropylene **Result - Progress in an ongoing project to introduce colored PCR plastics from discarded blueberry/avocado bins in back/seat of a best-sellers. Samples prepared for technical performance tests**	➡	Continue feasibility study for best-seller project
MATERIALS	Investigate PUR alternatives as part of ongoing development projects **Result - Three new products with mesh options launched in Feb'2025 (RH Mereo, HÅG Tion, Malmstolen R3)**	✔	Continue PUR alternative investigation in ongoing development projects
MATERIALS	Commit to Grønt Punkt 'Control membership' – recruit non-members in our supply chain **Result - Supplier list updated, outreach not completed due to capacity constraints**	➡	Continue efforts to recruit non-members
MATERIALS	Achieve FSC® Chain of custody certification for Røros factory **Result - Certificate received in Feb'2025**	✔	Maintain FSC® Chain of custody certification at certified factories
WASTE	Røros: Follow-up on new waste handler to ensure hard plastic scrap recycling **Result - Hard plastic scrap now material recycled through a new partnership**	✔	
WASTE	Røros: Prepare business case for aluminium waste recycling / bricketing **Result - business case approved; implementation set for summer 2025**	✔	Follow-up on implementation and measure impact
WASTE	Monitor adoption of Flokk's Waste Handling procedure at all sites **Result - Not yet performed due to capacity constraints**	➡	Continue follow-up on implementation across locations
WASTE	Hawthorne & Mirfield: Expand sorting of additional waste fractions **Result - Hawthorne: 9 fractions sorted. Landfill increased by 1.9%** **Result - Mirfield: 5 fractions soreted. Energy incineration remains stable at 77.4%**	➡	Hawthorne: Expand sorting. Identify landfill reduction measures Mirfield: Expand sorting. Investigate energy incineration reduction measures
WASTE		➡	New Delanco & Zhongshan: Follow up on waste sorting, all fractions
WASTE	Turek: Investigate textile from key supplier for recycling into textile fibres for Flokk products **Result - Ongoing investigation into textile reuse options, engaging with recycling facilities and analysing in-house textile waste to identify closed-loop opportunities**	➡	Continue exploring opportunities for repurpose textile waste within our product collection
WASTE	Turek: Improve Textile + Mixed waste material recyling rate **Result - Textile waste reduced by 10.1%, Mixed waste by 9.9%**	✔	Continue efforts to reduce waste and increase material recycling rates
WASTE	Continue mapping of plastic packaging at all sites and continue replacement process **Result - Three plastic bags with 100% recycled content identified at Turek through M3 Master Data clean-up project, totaling 1.3 tonnes of recycled plastic annually**	➡	Continue mapping at all sites through M3 Master Data clean-up project. Investigate consolidation of successful recycled plastic packaging suppliers to replace those unable to provide recycled alternatives
CHEMICALS	Reduce no of chemicals at production sites **Result - Røros: increase of 11 (202 in total, 139 in mechanical workshop), 1 more on candidate list (5 total)** **Nässjö: ~99.5% chemicals related to glue used in three RH products** **Turek, Hawthorne, Mirfield: chemical overview in place**	✔	Continue reducing chemicals at production sites leveraging the transition to new iChemistry chemical management system
CHEMICALS	Follow up on RH spray glue and Malmstolen glue process, and investigate for improvements in production **Result - Improvements are product-dependent, but new equipment/robot installed Q1'2024 may enhance glue efficiency**	✔	Investigate improved glue usage with new equipment/robot installed Q1'2024. Assess if ongoing RH Extend product design improvement project can reduce or eliminate glue usage
CHEMICALS	Continue investigate chrome usage in brands. Follow up ongoing discontinuation plans, including chrome tanned leather **Result - Mapping of chrome components accelerated via M3 Master Data clean-up project** **Result - Discontinuation plans proposed for components at Turek; castors, frames, hangers, columns, neckrests** **Result - Discontinued chrome leather for Giroflex**	✔	Continue mapping of chrome usage through M3 Master Data clean-up (Røros, Nässjö, Turek, Mirfield), with full overview expected by end of 2025 Follow up on discontinuation plan at Turek for possible approval and initiation Introduce chrome free leather for Profim, phase out color by colore depending on stock
CHEMICALS	Implement and roll-out new Environmental Requirements to suppliers **Result - Rolled out to 323 suppliers, with 41% signing in 2024**	✔	Follow up on securing signatures from all suppliers

MINIMIZING WASTE FROM OUR OPERATIONS

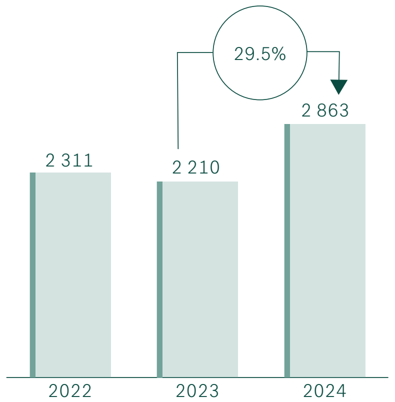
At Flokk, we are committed to responsible waste management, integrating it into our strategic environmental goals and regulatory compliance. This approach aligns with the evolving expectations of our stakeholders, customers, and communities. We continuously strive to reduce total waste volumes and increase material recycling.

In 2024, total waste generation increased by over 650 tonnes (+30% vs 2023), primarily due to expanded reporting scope that now includes waste generation at Delanco. Zhongshan was also added, yet maintains an exceptionally low waste production rate, successfully eliminating metal and cardboard waste by reusing metal scrap for internal purposes (e.g., jigs, tools, and fixtures) and repurposing all cardboard for cargo protection. However, this has unintentionally led to an increase in cardboard waste at Hawthorne.

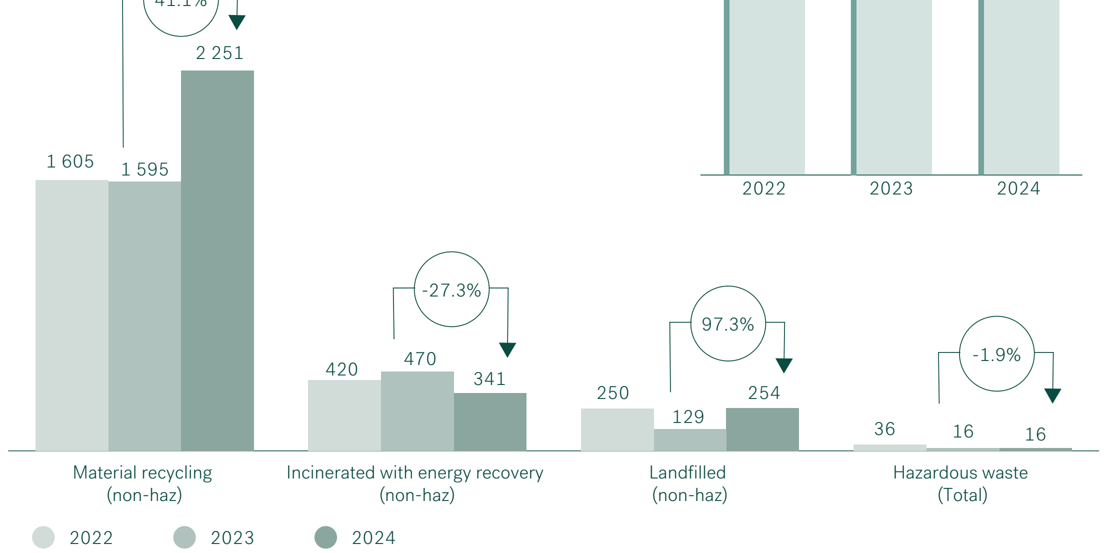
We observe a positive trend with higher recycling rates and reduced total waste generation, particularly in the fractions textile and cardboard in Turek, wood in Nässjö, and steel, cardboard and wood at Røros. Hawthorne remains the exception, with notable increases in both steel and cardboard waste, though most of it was directed to material recycling.

Hazardous waste accounted for 0.5% of total waste output (2023: 0.7%), with 31.1% of hazardous waste materials recycled (2023: 56.5%). Total waste to landfill increased to 9.0% (2023: 6.0%).

Total waste generated at Flokk factories [tonnes]



Waste fraction generated at Flokk factories [tonnes]



KEY HIGHLIGHTS OF OUR WASTE MANAGEMENT:

- Waste generation linked to our products includes packaging, protective materials for transport, and used products. Protective covers are essential, particularly for our chairs, to prevent damage during transportation and maintain product quality
- Robust waste collection and sorting systems have been implemented across all factories, with waste data tracked as part of our ISO 14001 management processes. These metrics are monitored at site level and reviewed quarterly at the corporate level to drive improvements.
- Our Environmental Requirements request that suppliers commit to minimising their waste volumes. We have scaled down the return of cardboard packaging to selected suppliers and prioritise recycling over reuse due to quality and damage concerns

2024 WASTE PERFORMANCE DATA:

- 2 251 tonnes of non-hazardous production waste were diverted from disposal through material recycling, while 596 tonnes were disposed of (341 tonnes incinerated with energy recovery, 254 tonnes sent to landfill)
- 15.7 tonnes of hazardous waste were handled in compliance with local and national Waste Regulations and delivered to approved reception facilities
- The largest waste fractions consisted of cardboard (35.0%), steel (21.6%), wood (17.4%) and mixed waste (14.7%)
- Minor adjustments in waste data compared to previous reports due to retrospectively added waste fractions from Zhongshan and Oslo HQ

In 2024, there were no spills or environmental leakages from any Flokk facility.

PROGRESS IN MATERIAL RECYCLING INITIATIVES

We continue to see a steady increase in waste directed to material recycling, driven by:

- Improved sorting processes at all production sites
- Identification of new recyclable fractions
- Regular spot checks and continuous employee training to ensure awareness and adherence to updated recycling practices

The integration of new factories has introduced some fluctuations in our overall recycling performance. However, through targeted improvement measures and a focus on identifying new opportunities, we remain on track to achieve our corporate goal of 85% material recycling by 2030.

Waste fractions at Flokk factories* in 2024 [tonnes], including hazardous waste breakdown:

	2024
Non-hazardous waste	**2 890**
Material recycling	2 287
Incinerated with energy recovery	341
Landfilled	262
Hazardous waste	**16**
Material recycling	5
Incinerated with energy recovery	8
Landfilled	3
Total [tonnes]	**2 905**

*All disposal operations mentioned are offsite.
In 2024, we added retrospective data from 2020-2023 for our Zhongshan factory, further enhancing the accuracy of our reporting

CHEMICALS - HEALTH

Our chemical management system is assessed each year during the annual ISO 14001 audits.

SUPPLIERS

We hold our suppliers to strict standards when it comes to chemical use. By updating our chemical requirements, we're gaining a clearer picture of the substances they rely on, allowing us to stay ahead of potential risks. This proactive approach helps us prevent hazardous chemicals from ever reaching the market.

PRODUCTION AND OFFICES

Our employees' wellbeing is always top of mind. To maintain a safer work environment, we keep a detailed record of every chemical on our premises and make sure everyone has easy access to Material Safety Data Sheets.

PRODUCTS

Every year, we carefully review our existing product range to identify opportunities for improvement, with particular attention to health-related aspects. We set strict requirements for materials like glue and paint, ensuring the absence of harmful substances such as formaldehyde and bisphenol. We're exploring new solutions when it comes to upholstery padding materials, such as algae-based and other biogenic materials. We rigorously test the polyurethane foam we produce ourselves, and when buying it we source the ones certified against reputable standards such as Oeko-Tex® or CertiPUR®. A large part of our product portfolio is already GREENGUARD Gold certified; a guarantee that the products contribute to a healthy indoor climate by not emitting hazardous gases. Our long-term target is to have 100% GREENGUARD Gold on all products with EPDs.

To give customers a more genuine, tactile experience, we prioritize using raw, authentic materials - like tumbled aluminium or pure wool - that feel true to their origins. By embracing mono-material solutions, we also simplify recycling and improve circularity. For many years now, we have completely excluded what we consider "banned" materials - such as glues, PVC, flame retardants, and chrome surface treatments - from all newly introduced products, while simultaneously phasing them out of older products.

We are actively exploring better alternatives that deliver the same quality and aesthetics:

- New polyester powder coatings with a metallic look, matching the shiny finish and tough surface obtained from chroming.
- Smart solutions to avoid the use of glue in upholstery.
- Wool and polyester fabrics to eliminate the need for flame retardants. Wool is naturally flame-retardant, and the structure of polyester fibres provides flame-retardant properties without chemical additives.
- Water-based wood lacquer and powder coatings for metal, helping keep Volatile Organic Compound (VOC) emissions as low as possible.
- PVC-free coated fabrics, ensuring we have the best options ready for the healthcare sector.

By being transparent about our material choices and continually seeking better alternatives, we give our customers the information they need to make well-informed decisions that support long-term well-being and environmental responsibility.

Responsible Supply Chain and Ethical sourcing

At Flokk, we recognize the far-reaching impact of our procurement decisions on communities, ecosystems, and industries. As such, we are dedicated to embedding sustainability, integrity, and social responsibility into every aspect of our supply chain management.

To uphold this commitment, we implement a rigorous supplier selection and development process designed to drive positive transformation and maintain robust oversight throughout our supply chain. Our approach prioritises:

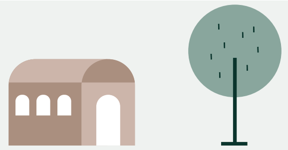
- Ensuring fair and decent working conditions
- Practicing responsible and sustainable sourcing

PROMOTING FAIR AND DECENT WORKING CONDITIONS

When engaging with suppliers, we select those who share our environmental and social values. This selection process is not just about transactions; it's about forging lasting relationships built on mutual commitment to a responsible supply chain and ethical sourcing. We hold ourselves to the highest standards and expect the same from our partners.

To uphold our commitment to transparency, accountability and ethics, we have developed a rigid supplier selection and development process.

FLOKK SUPPLIER SELECTION AND DEVELOPMENT PROCESS



1. SUPPLIER SELECTION

- We employ a rigorous appraisal process that includes the evaluation criteria to their management, environmental performance, and corporate social responsibility in addition to quality and delivery aspects.
- Suppliers are scored based on these criteria.
- We have certain mandatory requirements for our suppliers that include being ISO 14001 certified (or equivalent), adherence to our Code of Conduct, environmental standards, and screening against sanction lists.

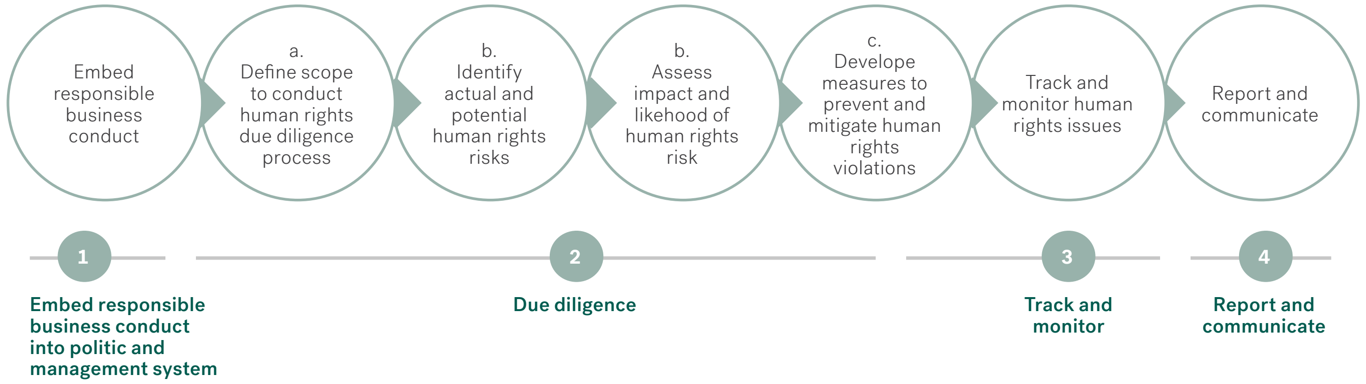
2. ACTION PLAN

- Following the supplier appraisal, tailored action plans are crafted to boost performance across various domains.
- Progress is tracked through Flokk Supplier Performance Meetings, focusing on quality, delivery, and risk.
- Environmental and social impacts are also examined, with risk graded on a scale of 1 to 5, prompting immediate action if necessary.

3. ANNUAL ASSESSMENT

- Comprehensive evaluations take place during Flokk Supplier Performance Meetings.
- Suppliers with low performance in critical areas, located in higher-risk regions/ countries, are subject for re-evaluation.
- Our re-evaluations process ensure ongoing compliance with our standards and could involving a full appraisal or focused examination.
- Low-performing suppliers undergoing a re-evaluation, receive regular follow-ups through monthly separate Supplier Risk Meetings.

Our supplier appraisal process Supplier Performance Meetings are designed to prevent, detect, assess and minimize risk related to human right violations in our supply chain.



Our business conduct is rooted in our core values and is outlined in our Responsible Business Conduct, Code of Conduct for Business Partners and our Human Right policies. These documents highlight our commitment to promoting a safe working environment free from discrimination, forced labour, and child labour for our employees, partners, customers, and communities.

We are adhering to the core principles outlined by the United Nations (UN) and the International Labour Organization (ILO), including the Ten Principles of the UN Global Compact.

RESPONSIBLE SOURCING

We are committed to maintaining oversight of our supply chain through transparent reporting, fostering supplier collaboration and development, and conducting ongoing monitoring and assessments aligned with the Flokk supplier development process.

At Flokk, we uphold a strict zero-tolerance policy towards any instances of human rights violations, bribery, corruption, or money laundering. Our supplier selection and development procedures are integral to our goal of achieving the level of insight and oversight essential for us to operate as a responsible and trusted manufacturer.

Furthermore, we have launched several key initiatives to support our overarching supply chain strategy, including:

- Focus to establish competitive regional suppliers
- Integrating Flokk processes in our acquisitions
- Transparent reporting of our progress
- Investment and implementation of technology

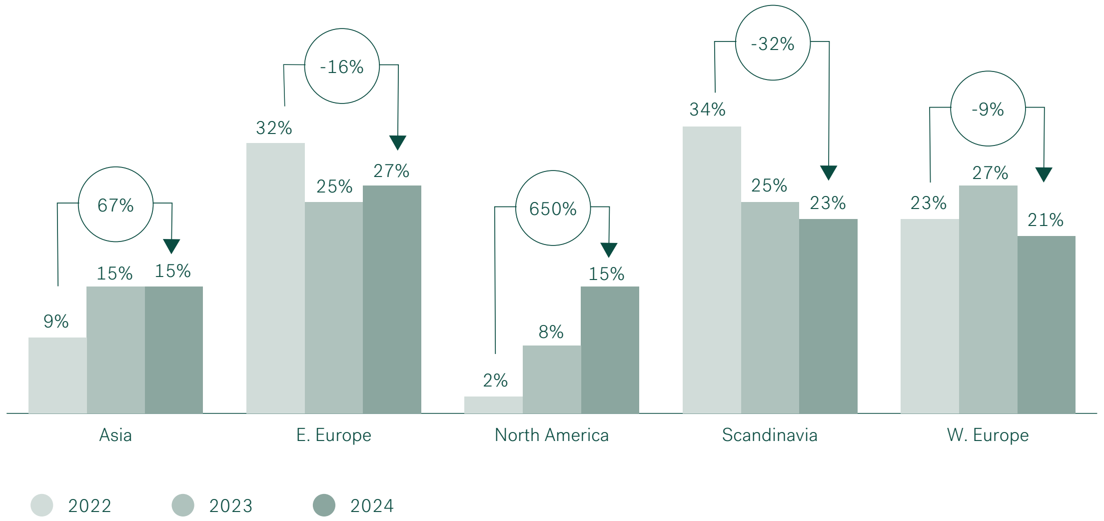
LOCALISATION

Flokk has laid a solid groundwork with local, competitive suppliers who align with our principles of transparency. As a global organisation with manufacturing operations in China, the US, and Europe, we recognise the importance of a balanced supplier mix — combining both global and local or regional partners. Identifying strong local alternatives to suppliers in different regions provides several advantages, including:

- Mitigating risks associated with remote suppliers and lengthy supply chains
- Minimizing the likelihood of production disruptions, as demonstrated by the pandemic
- Reducing the climate impact of our supply chain, particularly regarding long-distance transportation

In 2024, we transferred all tools from a Swiss supplier to suppliers closer to our manufacturing in Poland.

Origin of Flokk suppliers of Direct Material, measured as % of the total annual purchased value (turnover) to our sites Røros, Nässjö, Turek, Hawthorne, Mirfield, Delanco and Zhongshan



71% of our Direct Material suppliers measured as % of the total annual purchased value come from Europe (despite shift in our supplier base due to our active M&A strategy)

INTEGRATING FLOKK PROCESSES IN OUR ACQUISITIONS

A key priority of our procurement strategy is to streamline and consolidate our supplier base by focusing on high-performing, strategic partners. As we continue to acquire and integrate new brands into the Flokk Group, we proactively manage the incorporation of additional suppliers into our supply chain to ensure alignment with our standards and objectives. To maintain robust control and transparency across our supply chain, we focus on:

- Swiftly transitioning new suppliers' contractual relationships to align with Flokk's standard terms and conditions during integration.
- Ensuring all new suppliers formally commit to Flokk's Code of Conduct.
- Effectively onboarding suppliers and local procurement teams into Flokk's methodologies for supplier appraisal, evaluation, terms & conditions and development.

During 2024, we continued this development and compliance to our processes for our 9to5 brand and started with our newly acquired brand Stylex as well. The substantial growth resulting from acquisitions introduces numerous new suppliers to Flokk.

Our supplier selection criteria extend beyond price considerations, focusing on total performance and Total Cost of Ownership, which include factors such as transportation, cost of capital, and cost for tools

In response to the expansion of our supplier network, we have proactively undertaken a significant consolidation effort to reduce complexity and mitigate risks. This approach has been particularly emphasized in 2024, with continued efforts to further compress the suppliers supporting our European manufacturing locations, as well as those used for our US-based brand, 9to5, and our Chinese suppliers. The aim is not only to enhance efficiency but also to decrease reliance on a multitude of smaller suppliers in our supply chain.

TRANSPARENT REPORTING OF OUR PROGRESS

Flokk's core Direct Material suppliers play a pivotal role in providing components across key material categories, including foam, plastics, aluminium, steel, fabrics and leather, wood, and assembly services. These suppliers are responsible for managing their own supply chains, including sourcing raw materials and critical components. Upholding the principles outlined in our Code of Conduct, Flokk maintains zero tolerance for corruption. Furthermore, our Environmental Requirements and Code of Conduct for Business Partners extend comprehensively to include the supply chains of our suppliers, ensuring that our sub-suppliers adhere to the same stringent standards.

In 2024, we continued to prioritise our key Polish suppliers by conducting comprehensive supplier appraisals and further reinforcing adherence to our Code of Conduct. Additionally, we initiated the implementation and signing of our Code of Conduct with suppliers for our newly acquired brand, Stylex, in the US. Moving into 2025, we will continue this initiative, striving to have our Code of Conduct signed by suppliers to achieve close to 100% coverage of the annual purchased value (APV) from our main suppliers.

Number of signed CoC's and % of total APV* (APV > 100 000 NOK)

Category	Number of signed CoC´s	% of total APV
Packaging	27	87%
Wood	31	89%
Chemicals	15	92%
Steel 1	80	97%
Plastics IM	45	98%
Steel 2	32	98%
Fabrics & Leather	90	98%
Plastics others	36	99%
Foam	31	99%
Aluminium	37	99%
Assembly	10	100%
Electronics	6	100%

Region	Number of signed CoC´s	% of total APV
Scandinavia	78	100%
E. Europe	105	99%
W. Europe	88	97%
Asia	72	96%
North America	97	87%

Plastics IM: injection moulded
Steel 1: raw materials, pipe bases, mechanisms
Steel 2: fasteners, springs, wire products

Total number and percentage of business partners that the organisation's anti-corruption policies and procedures have been communicated to in 2025 (measured in signed CoCs), broken down by type of business partner and region.
*APV - Annual Purchase Value = turnover

Notably, in 2024, there were no confirmed incidents leading to the termination or non-renewal of contracts with business partners due to violations related to corruption, providing us with the opportunity to address less substantial risks, such as those related to low delivery performance.

Another key aspect of supply chain control involves tracking and overseeing signed Code of Conducts. Our Code of Conduct for Business Partners outlines the ethical standards and expectations we uphold in our partnerships. In 2024, a key initiative was expanding the number of suppliers with signed Codes of Conduct, including Stylex. Despite the addition from Stylex, the percentage of Direct Material suppliers with signed Code of Conduct was kept on similar level of 97% of the annual purchased value for this reporting year.

INVESTMENT AND IMPLEMENTATION OF TECHNOLOGY

As our organization continues to grow, the complexity of our operations increases, emphasizing the need for scalable, transparent tools and solutions. In line with our broader initiative to digitize and enhance process integration, we made significant progress with the introduction of a Supplier Risk Management Tool in 2024. This tool is a critical part of our strategy, providing a scalable solution that helps us proactively identify and mitigate potential risks across an expanding supplier base. It enables comprehensive monitoring, assessment, and management of the key elements essential to maintaining the integrity of our supply chain.

In 2024, we also successfully transitioned one of our US-based companies, 9to5 Seating, from their previous ERP system to the Flokk Group's centralized ERP system, M3. This move has greatly enhanced visibility across our operations and supplier networks and improving data accessibility.

Looking ahead, we are exploring the integration of the Integrity Next EUDR tool to ensure compliance with the new European Union Deforestation Regulation (EUDR) once it is enforced. This step will further enhance our ability to track, assess, and report on environmental and social risks within our supply chain, reinforcing our commitment to responsible sourcing and compliance. The implementation of these tools is not only about meeting immediate needs but about positioning our organization for scalable growth. They provide us with the visibility, flexibility, and control necessary to sustain and expand a resilient, ethical, and compliant supply chain as we move forward.


HÅG SoFi mesh, OFFECCT Carry On, OFFECCT Soundwave Jasmine


HÅG Tion

Care For People & Communities

Flokk is acknowledged for cultivating a work environment that is inclusive, sound, and secure for all our employees, where individuals from different backgrounds representing various perspectives are welcomed and valued. We consistently strive to uphold our business operations with the highest ethical standards, fostering trust and respect among all stakeholders.

We are adhering to the core principles outlined by the United Nations (UN) and the International Labour Organisation (ILO), including the Ten Principles of the UN Global Compact. By aligning with these global standards, we set the dedication to ethical practices high on our agenda as we strive towards being an attractive employer by:

- Creating a positive workplace that values diversity, equity, and inclusion
- Contributing to local job creations
- Prioritising the safety and well-being of our employees

CREATING A POSITIVE WORKPLACE THAT VALUES DIVERSITY, EQUITY, AND INCLUSION

CULTIVATING THE FLOKK CULTURE

At the core of our progress and accomplishments stands our invaluable team of employees, the driving force propelling our success. Anchored in our values of innovation, human-centred focus, and sustainability, our employees play an instrumental role in transforming our vision into reality.

Central to our vision is the ambitious goal to "Inspire great work." We firmly believe that by nurturing an environment where innovation, creativity, and a sense of purpose flourish, we empower individuals and teams to reach their utmost potential.

Flokk Marketing Team

We firmly believe that knowledge plays an important role in shaping a business culture that enables people to thrive and grow. As our organization expands geographically, the significance of training and competence development is becoming increasingly evident.

As outlined in our Code of Conduct for employees, we hold all our employees to the highest standards, expecting them to serve as Flokk ambassadors who treat colleagues, business associates, the environment, and other stakeholders with respect and courtesy. Our company values set clear expectations for attitudes and behaviours. We have ingrained our focus on values through our trust-based leadership approach, emphasizing these values in annual appraisal dialogues and facilitating targeted mandatory training programs for all employees via our digital competence platform, Learning@Flokk.

For 2024, we have had specific focus on the following training:

- Strategy awareness; Training for all leaders in Flokk giving them a good understanding for further communication to own employees.
- Engagement survey 2023; Follow-up training for all leaders an aligned approach to the results and next steps.
- Change management; A program for all leaders focusing the different stages typical in a change process.
- Navigating in the matrix; Training for all leaders to get an understanding of the matrix complexity and what it entails.
- Code of Conduct awareness training; tailored training for employees of our US company, Stylex and our Chinese based activity, Flokk Furniture both aligning to our ethical standards.

We unequivocally distance ourselves from corruption and bribery, actively supporting free competition, fair trade, and the principles of freedom of association and collective bargaining. This commitment extends to ensuring voluntary labour without the threat of penalty or similar coercion and we do not employ individuals below the age of 15 years.

Notably, in 2024, we had no employees categorised as child labour/young employees in any part of Flokk.

DIVERSITY, EQUITY AND INCLUSION (DEI)

In Flokk, we whole heartedly embrace diversity, recognising its inherent value and positive impact. Our commitment to fostering a diverse workforce is reflected in our active promotion of various diversifying factors such as gender, experience and cultural background. In 2024, we continued the dedicated DEI task force activities such as our diverse cultural week initiative. We still focus our gender diversity development and remain vigilant, acknowledging that different segments of our value chains still display varying levels of such diversity.

Percentage of employees per gender category

Age	Female	Male
Below 30 years	13%	12%
Between 31-50 years	55%	54%
Over 51 years	32%	34%

Gender development (% split of total FTEs)

	2023	2024
Female	40%	41.1%
Male	60%	58.9%

Percentage of individuals within Group Management in these diversity categories

Age	Female	Male
Below 30 years	0%	0%
Between 30-50 years	0%	44%
Over 51 years	11%	44%

Our focus on inclusivity is highlighted by the ongoing measurement and monitoring of organisational Key Performance Indicators (KPIs) directly tied to DEI. We are somewhat content with our current state but continue to maintain a strong focus on continuous improvement year-by-year. Our annual activity roadmap guide the implementation of concrete actions throughout the organisation in line with our commitment to DEI.

Gender split of leadership positions in Flokk (%)

	2023	2024
Female	32%	34%
Male	68%	66%

In 2023, we established a DEI task force, bringing together representatives from all parts of Flokk. In 2024, our DEI focus elements have included:

- Critically assessed and challenged the recruitment processes.
- Ensured that inclusive language and diverse imagery have been safeguarded in all written Flokk material including webpages.
- We analysed feedback from our Engagement@Flokk survey and used the insights to identify concrete actions across the organisation.
- Continued focus and analysis of potential pay-gaps in similar roles and positions.
- Ensured available parking spaces at all Flokk sites accommodating employees and/or visitors with disabilities.

Ratio of the basic salary and remuneration of women to men for each employee category

	Female salary in % of men's salary 2024
Office employees	94.9%
Production employees	96.4%

Ratio of the basic salary and remuneration of women to men for each employee category

	2024
Female managers' salary in % of men's salary	92%

In Flokk we have no employees earning less than an adequate wage.

FLOKK DEI PROGRAMME CONSISTS OF:

POLICY
Flokk has established a dedicated DEI policy with the goal of fostering an inclusive and secure environment, enabling all our employees to fulfil their maximum potential.

TRAINING
Groupwide DEI awareness training around our DEI policy

TARGETS
Groupwide DEI targets are set, followed up and measured operationally, and approved by the Board of Directors

INITIATIVES
DEI Programme part of the overall business strategy with leadership support.

Implementation of DEI initiatives are driven by our DEI task force, and are connected to and aligned with our business' policy, values, and strategy.

At the core of our organisational philosophy is a steadfast belief that the true strength of our company resides in the diverse perspectives, backgrounds, and experiences that each of our employees brings to the table. At Flokk, we take great pride in the rich tapestry of global representation among our employees. We truly recognise that all DEI elements together are driving forces behind innovation and success. Hence, we embrace the unique qualities and varied cultural perspectives collectively contributing to the uniqueness of our workplace. Truly valuing this diversity not only fosters a more inclusive and supportive environment but also positions Flokk and our employees to thrive in an ever-evolving global landscape.

Total number and rate of new employee hires / employee turnover during 2024, by region and age groups

Region/Country	Total employees, end 2024	New employees; Age below 30	New employees; Age 30-50	New employees; Age over 50	Total starters	Turnover rate
Australia (Sydney, Melbourne)	3	0	1	0	1	33.3
Belgium (Brussels)	6	0	0	0	0	0.0
Canada	0	0	0	0	0	0.0
China (Shanghai)	112	4	17	1	22	19.6
Czech Republic	2	0	1	0	1	50.0
Denmark (Copenhagen)	17	1	0	1	2	11.8
France (Villepinte)	17	4	0	0	4	23.5
Germany (Düsseldorf)	41	2	1	1	4	9.8
Mexico	3	1	1	0	2	66.7
Norway (Bergen, Oslo, Røros, Stavanger, Trondheim)	265	4	8	0	12	4.5
Poland (Turek, Warsaw, The Czech Republic)	712	2	2	1	5	0.7
Singapore (Singapore)	4	0	0	0	0	0.0
Romania	1	0	0	0	0	0.0
Sweden (Göteborg, Nässjö, Stockholm)	171	4	6	1	11	6.4
Switzerland (Opfikon)	16	0	0	0	0	0.0
The Netherlands (Rotterdam)	23	4	0	0	4	17.4
UK (London-Brixton&Clerkenwell)	70	1	5	0	6	8.6
USA (Virginia, Washington DC, Hawthorne)	415	18	34	12	64	15.4
Total	**1878**	**45**	**76**	**17**	**138**	**7.4**

Number of employees by employment contract, type, region and gender

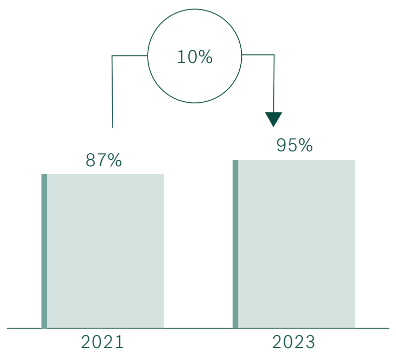
Region/Country	Permanent employees	Temporary employees	Non-guaranteed hours employees	Full-time employees	Part-time employees
Australia (Sydney, Melbourne)	3	0	0	3	0
Belgium (Brussels)	6	0	0	6	0
Canada	0	0	0	0	0
China (Shanghai, Guangzhou, Hongkong)	108	4	0	112	0
Czech Republic	2	0	0	2	0
Denmark (Copenhagen)	16	1	0	15	2
France (Villepinte)	12	5	0	17	0
Germany (Düsseldorf)	36	5	0	38	3
Mexico	3	0	0	3	0
Norway (Bergen, Oslo, Røros, Stavanger, Trondheim)	260	5	0	245	20
Poland (Turek, Warsaw)	692	20	0	710	2
Singapore (Singapore)	4	0	0	4	0
Romania (is counted in Poland, and hired in Poland - works in Romania)	1	0	0	1	0
Sweden (Göteborg, Nässjö, Stockholm)	168	3	0	170	1
Switzerland (Opfikon)	16	0	0	15	1
The Netherlands (Rotterdam)	20	3	0	18	5
UK (London-Brixton&Clerkenwell)	69	1	0	70	0
USA (Virginia, Washington DC, Hawthorne) (total 415 which includes 79 production workers (hired by agency))	336	79	0	410	5
Total women	669	57	0	700	26
Total men	988	65	0	1040	13
Total employees	**1752**	**126**	**0**	**1839**	**39**

FLOKK'S ENGAGEMENT SURVEY – Engagement@Flokk

As part of our commitment to cultivating a secure, respectful, and inclusive workplace, Flokk conducts Engagement Surveys every second year. The most recent survey was conducted in 2023, where we exceeded our 90% target response rate, reaching an impressive 95%.
While no new survey was conducted in 2024, we have focused on implementing the agreed-upon measures from the 2023 survey. Through a structured, team-based follow-up process, we continue to reinforce the positive aspects of our company culture while introducing improvements at both team and site levels to further strengthen our working environment.

In our engagement survey, we measure specific Key Performance Indicators (KPIs) associated with key areas of focus within Flokk. Consequently, from last years' survey we have incorporated a distinct focus, and questions aimed at capturing employees' perceptions of our DEI initiatives.

Response rate of Flokk Group engagement survey



Engagement survey results

	2021	2023	Target
Response rate	87%	95%	90%
Inclusion	n.a.	8.0	8.0
Working environment	6.8	7.2	8.0
Work-life balance	7.0	7.5	8.0
Leadership	7.3	7.6	8.0

As the Engagement survey did not take place in 2024 as we conduct such every two years, we refer below to the 2023 survey results and feedback given.

The survey revealed improvements across all six thematic factors measured, again marking a positive trend. This proves our strong commitment to actively leveraging survey results for further improvements.

The number of survey participants has increased over the years stemming from incorporating employees from acquired companies. We experience that our newly acquired companies share no history as to employee surveys; hence this is very positively received.

Leaders at various tiers play a pivotal role in driving survey follow-up, fostering a sense of collective responsibility and engagement in all parts of Flokk.

One noteworthy observation is the high level of trust our employees place in our engagement survey process. This trust underlines the effectiveness of our approach and the value our employees sees in actively participating in shaping the organisation's culture and work environment.

FREEDOM OF ASSOCIATION

In The Netherlands, all employees fall under a metal electro association collective agreement as a basis for the salary adjustment process. This due to our former production entity in Zwolle. In Belgium, we must, as per law, adhere to the local inflation when adjusting salaries. In Norway, 53% and in Sweden, 55% of our employees fall under collective agreements. The non-unionised employees in Flokk have the same compensation & benefit set-up as the employees covered by the collective agreements.

At the Polish production site, we have external representation from a union. However, there is no applicable collective agreement negotiated. Dialogue and interaction with internally elected employee representatives takes place regularly.

In our US based company, Stylex, we have a unionised environment for all production employees representing 65% of the workforce. In our other US based company, 9to5 Seating, and in most of our commercial market organisations, we have local working environment committees in place. Employees can raise issues and concerns in these fora. When acquiring a company, we strive to establish equal compensation & benefit schemes adhering to Flokk's Compensation Policy.

Ethical Business Practices - Human Rights and Anti-Corruption

	2023	2024
On-site Audits for Human Rights Compliance in Supplier Network	17	12
Human rights violations recorded in value chain	0	0
Recording instances of anti-corruption violations	0	0
Reported whistleblower incidents	0	2

CONTRIBUTING TO LOCAL JOB CREATIONS

Our commitment to responsibility transcends the boundaries of our business operations. At Flokk, we take pride in being recognised as a cornerstone employer at our European production sites. This is a distinction attributed to our significant presence and influence in the local communities surrounding these sites.

We actively engage in initiatives aimed at fostering community development and supporting local projects through collaboration with community organisations and stakeholders. We strive to make meaningful contributions to the well-being and progress of the areas where we have a presence. In the year 2024, our contributions included:

- Providing apprenticeships to young individuals as a vital component of their education
- Sponsoring local sports and cultural activities, reinforcing our commitment to cultural and recreational vibrancy
- Organising employee half day volunteer "Giving back" activities to clean-up surroundings of Flokk premises
- Encouraging employee involvement in local business initiatives on behalf of Flokk, fostering a sense of shared responsibility and community engagement
- Facilitating employee participation in local political community boards
- Participating in local business interest organisations ensuring our voice is heard in matters impacting the local community as well as Flokk
- Demonstrating a positive approach to the integration of refugees by offering employment opportunities at our sites in collaboration with social security offices, thereby contributing to the broader societal goal of fostering inclusivity and support

Through these varied efforts, we strive to create a positive and lasting impact on the communities we serve, aligning our actions with our commitment to ESG targets and community building.

PRIORITISING THE SAFETY AND WELL-BEING OF OUR EMPLOYEES

As an employer, Flokk places a strong emphasis on health and safety. Employees can feel secure knowing that their well-being is a priority, and that the company actively promotes a healthy workplace, both physically and psychologically.

Health, safety, and the working environment (HSE) are essential aspects of Flokk's management system, which is based on recognized risk management standards, including ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM AND ORGANISATION

Flokk's commitment to Health, Safety, and Environment (HSE) is embodied in a proactive culture driven by engaged Group Management and active employee participation. Our goal is to ensure that our employees leave work as healthy as when they arrived, with a primary focus on prevention, where the responsibility rests with the employer. We have a target of zero injuries and register all work-related injuries for our full-time, part-time, temporary, and contracted workers.

All employees of Flokk, including contracted workers, are entitled to a secure working environment. Flokk promotes workers' health by supporting local non-work-related initiatives. Overall, our operations are based primarily in countries where public healthcare services offer comprehensive coverage. In countries where this is not the case, we provide supplementary health insurance.

The HSE culture is supported by our Group Management and organized through HSE managers and safety deputies at each production unit and Flokk location.

SYSTEMATISED HSE APPROACH – HAZARD IDENTIFICATION, RISK ASSESSMENT AND INCIDENT INVESTIGATION

For Flokk, systematic HSE practices involve proactive risk identification, incident reporting, adherence to legal requirements, and continuous improvement. Regardless of our performance, we prioritize staying ahead, conducting risk analyses, internal audits, safety inspections, and establishing objectives and competence requirements annually in alignment with our Groupwide HSE policy.

To embed HSE throughout the organization, we follow up on action plans, track responsible individuals, and set deadlines. This ongoing process results in an enhanced risk assessment approach that employees seamlessly integrate into their work, actively participating in issue detection and proposing or taking relevant actions.

This leads to an ongoing enhancement and regular updating of the HSE risk assessment process. Employees see it as an integral part of their work, as they are at the forefront of identifying issues and suggesting or implementing appropriate actions.

The most critical risks are escalated and addressed with the Group Management through HSE organisation in ESG forum, as a strategic part of Flokk's Risk Management Framework

WORK-RELATED HAZARDS AND PREVENTATIVE MEASURES

We have identified three main areas of work-related hazards with potential to cause injury or ill health:

i. Physical (example: hit by objects, fall from height)
ii. Ergonomic (example: improperly adjusted workstation)
iii. Related to work-organisation (example: shift work, excessive workload demands)

Workplace – Health & Safety

Long-term goals: Zero number of fatalities + Zero high-consequence work-related injuries

KPI	Goal 2025	Goal 2024	Results		
			2024	2023	2022
Number of fatalities	0	0	0	0	0
High-consequence work-related injuries	0	0	0	0	0
Rate of recordable work-related injuries*	0	0	9.6**	6.0	6.2
Number of recordable work-related injuries	0	0	33**	16	17

Measures & Results 2024	Status	Measures 2025
Continue with existing preventive HSE work and prevent future accidents:		
Strengthen HSE awareness across the organization. **Result – Successfully completed the "Safety Matters" program at the Hawthorne production unit.**	✓	Initiate "Safety Matters" program at the Delanco production unit.
Expand the scope of the HSE e-learning program to include new production sites/employees. **Result – The HSE e-training has been translated into Norwegian, Swedish, Polish, Spanish, and Mandarin to enhance safety understanding among production workers. The training is completed for production workers in Norway, Sweden, Poland, China and the UK.**	➡	Finish the HSE e-Learning program for remaining production workers in US and Mexico.
Ensure 100% completion of HSE Road Safety e-training for all employees in the Commercial organization. **Result - 66 % of employees in the commercial organization have completed training.**	➡	Ensure 100% completion of HSE Road Safety e-training for all employees in the Commercial organization.

* Recordable work-related injury rate = Total number of recordable injuries x 1 000 000 / Total hours worked.
Number of hours worked in 2024: 3 444 541 2023: 2 682 354. Working hours for non-employees are not included.
** The number of accidents has increased due to the expanded number of production sites in scope, whereof Stylex represents the majority of the increase. Work-related accidents rate have increased due to a greater focus on reporting. The types of the 33 work-related injuries are as follows: 14 - Strain, 8 - Hit by an object, 3 - Cut injury, 1 - Allergic dematitis, 7 - Other

None of the identified hazards contributed to high-consequence injuries in 2024.

MITIGATING INJURIES

To mitigate the likelihood of these work-related injuries, we have initiated the following preventative measures:

- Mandatory HSE training for all new employees that covers safety rules, HSE incident registration and work-related hazards.
- Special training in specific high-risk activities.
- Safety tours, internal audits, and spot checks.
- Registration and investigation of unsafe conditions and near misses.
- Workstations are designed and organised to prevent injuries without compromising effective operations.
- Remove exposure of chemicals.
- Job rotations to prevent repetitive strain injuries.

WORKERS PARTICIPATION IN HSE WORK

Employee involvement in the working environment is crucial for maintaining safety and well-being. Working Environment Committees, consisting of both worker and management representatives, meet regularly to address safety concerns and make decisions. Employees are actively involved in risk management, identifying hazards, safety audits and contributing to incident follow-ups to prevent future accidents.

OCCUPATIONAL HEALTH SERVICES

Flokk has well-established occupational health services, fostering transparent communication between company representatives and external health services. Employees are informed about the following services:

- Attendance at follow-up meetings for employees on sick leave to tailor rehabilitation programs.
- Active engagement in health, safety, and working environment initiatives, including surveys and action plan preparation.
- Evaluation of health and welfare aspects of working time arrangements.
- Addressing issues related to facilitating employees with reduced functional capacity.

REPORTING UNSAFE CONDITIONS AND INCIDENTS

Workers can protect themselves from potential harm or ill health by reporting unsafe conditions or incidents through Flokk's Total Quality Management System (TQM). Reports can be made by notifying their manager or using the mobile app, ensuring a streamlined reporting process. To protect against reprisals, Flokk has a Whistleblower Process in place, allowing employees to report unacceptable conditions anonymously, if preferred.

Flokk Corporate & Sustainability Governance

At Flokk, governance is the foundation of how we operate, make decisions, and fulfill our responsibilities. Our approach to governance is grounded in doing business ethically, transparently, and sustainably. It reflects our focus on creating long-term value, building trust with stakeholders, and contributing positively to society and the environment.

Our governance principles guide our actions and ensure alignment with our values and strategic goals. Through a well-structured governance framework, we aim to:

- Uphold our position as a trusted business partner for stakeholders.
- Promote ethical decision-making and prevent illegal or unethical practices.
- Proactively manage risks and identify opportunities

UPHOLDING OUR ROLE AS A TRUSTED BUSINESS PARTNER

Flokk's governance framework is built around three core principles: transparency, accountability, and ethics. These principles guide how we engage with stakeholders and conduct our operations.

Transparency: We keep stakeholders informed about our strategies, performance, and decision-making processes. Open communication channels foster trust and ensure stakeholders have a clear understanding of our actions.

Accountability: We align our decisions and activities with our stated values and objectives. Clearly defined roles, responsibilities, and performance metrics enable us to deliver on our commitments effectively and consistently.

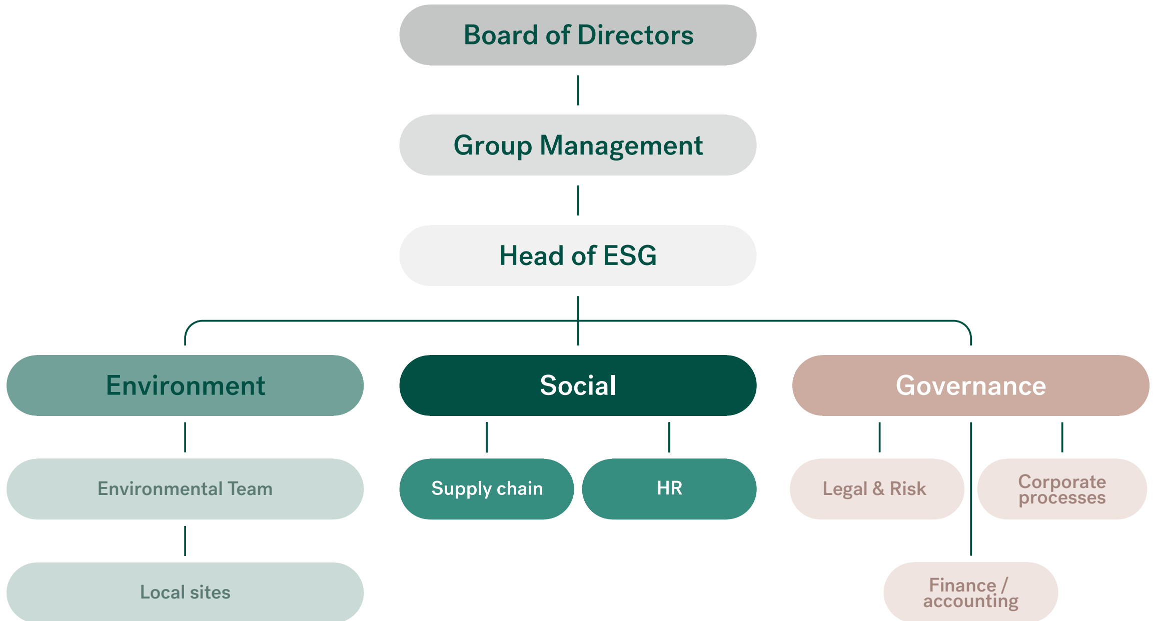
Ethics: Integrity is at the heart of our governance. We ensure our practices comply with legal standards and reflect strong moral principles. This applies to how we interact with employees, partners, customers, and communities.

RH Extend

ROLES & RESPONSIBILTIES:

Flokk's sustainability governance structure is designed to deliver long-term value by clearly defining roles and responsibilities at every level of the organization.

This governance framework enables us to maintain accountability, manage risks effectively, and align sustainability with our broader business objectives. By embedding sustainability into our governance practices, we aim to build trust, foster innovation, and create long-lasting positive impact for our stakeholders and the wider community.



Board of Directors	The Board provides oversight of Flokk's sustainability strategy, ensuring alignment with the company's overall vision and guiding key decisions.
Group Management	Group Management sets strategic priorities and provides direction, ensuring sustainability remains a core part of Flokk's business operations and long-term objectives.
Head of ESG	The Head of ESG leads the implementation of the sustainability strategy, coordinates efforts across environmental, social, and governance domains, and prepares materials for decisions, reporting, and performance reviews.
Environmental, Social, and Governance domains	These teams implement specific policies and plans in their respective areas, driving sustainability initiatives across the organization.
Local	Local teams integrate Flokk's sustainability objectives into day-to-day management, ensuring alignment with overarching goals and translating strategy into practical actions.

PROMOTING ETHICAL DECISION-MAKING

Flokk takes a clear and uncompromising stance against all forms of corruption. Our business practices are guided by strict ethical standards, reflecting our commitment to being a trusted and respected partner for all stakeholders. In alignment with international frameworks such as the UN Global Compact and ILO Conventions, we uphold our responsibility as a reliable and principled employer. This approach is central to safeguarding our reputation and ensuring the well-being of our employees, partners, and stakeholders.

ANTI-BRIBERY & ANTI-CORRUPTION

Flokk's ethical practices are underpinned by a suite of policies designed to ensure compliance with international regulations and promote responsible behavior across our organization and value chain.

Key Policies:

- Code of Conduct for Employees: Guides employees in maintaining the highest ethical standards in their day-to-day activities. It covers compliance with laws, ethical business practices, and expectations for integrity.
- Code of Conduct for Business Partners: Establishes clear expectations for our suppliers, contractors, and other partners, ensuring alignment with Flokk's values and adherence to environmental, social, and governance principles.
- Anti-Money Laundering Policy: Protects against the misuse of funds and ensures compliance with financial regulations.
- Anti-Bribery and Corruption Policy: Prohibits bribery, facilitation payments, kickbacks, and other corrupt practices across all levels of the organization and partnerships.
- Anti-Trust Policy: Ensures fair competition and compliance with antitrust regulations in all markets where Flokk operates.
- Whistleblower Policy: Offers a secure, anonymous channel for reporting unethical or illegal activities without fear of retaliation.
- Sanction Policy: Incorporates rigorous screening processes to ensure business activities comply with international sanctions.

Performance Highlights (2024):

- Zero recorded incidents of corruption.
- No employee dismissals or disciplinary actions related to corruption.
- No legal cases, fines, or sanctions related to corruption involving Flokk or its employees.

INFORMATION SECURITY

As cyber threats grow increasingly sophisticated, Flokk prioritizes robust information security measures to safeguard the confidentiality, integrity, and availability of our data. Our comprehensive strategy is designed to ensure resilience and protect both our operations and stakeholders.

Core principles and initiatives:

- Information Security Management System (ISMS): A structured framework guiding our efforts to manage and mitigate security risks effectively.
- ISO 27001 Certification: Reflecting our adherence to internationally recognized information security standards.
- Continuous Improvement: Regular assessments, along with internal and external audits, drive ongoing enhancement of security protocols.
- Technical Protections: Implementation of advanced technical barriers to safeguard systems against cyber threats.
- Employee Training and Awareness: Cybersecurity training, including attack simulations, ensures employees are equipped to recognize and respond to threats.
- Proactive Monitoring and Threat Detection: Continuous monitoring enables the early identification and mitigation of potential security risks.
- Incident Response and Management: Defined processes allow for swift action to minimize impact in the event of a security breach.
- Integration with Risk Management: Information security is fully integrated into Flokk's broader risk management framework.

IMPLEMENTING CORPORATE GOVERNANCE

Achieving Flokk's strategic goals and adapting to a changing business environment requires the seamless integration of people, policies, and systems. This approach embeds sustainability at the core of our organization, fostering resilience and efficiency in meeting our environmental, social, and governance objectives.

POLICIES:

Flokk has established a robust set of Group Policies that provide a strategic framework for guiding our organizational conduct. These policies are reviewed and approved annually by the Board of Directors to ensure their relevance and alignment with the precautionary principle. Compliance with these policies is mandatory for all employees, regardless of employment type, reinforcing a unified approach across the organization.

Our policies are essential tools for identifying and mitigating risks. They include defined procedures for risk assessment and management, enabling Flokk to proactively address challenges. In addition to setting ethical and responsible guidelines for behavior, these policies integrate environmental and social considerations into our governance.
We have prioritized a core set of policies that are applicable across all locations and entities within Flokk:

- Code of Conduct (Employees and Business Partners)
- Diversity, Equity, and Inclusion Policy
- Health, Safety, and Environment (HSE) Policy
- Anti-Money Laundering Policy
- Anti-Bribery and Corruption Policy
- Sanction Policy
- Information Security and Privacy Policy
- Environmental Policy
- Business Continuity & Crisis Management policy

SYSTEMS:

Flokk's Total Quality Management (TQM) System serves as the centralized repository for all steering documents, policies, and procedures. As the backbone of our operations, this system enables us to deliver on our commitments to quality, innovation, and reliability.
The TQM system provides:

- Streamlined Operations: Centralizing critical documents ensures consistency and efficiency.
- Transparency and Accountability: Teams have efficient access to essential information, enhancing decision-making.
- Continuous Improvement: Regular updates to documents and procedures drive innovation and compliance.

In addition to the TQM system, Learning@Flokk supports employee development through an engaging and personalized e-learning platform. Its user-friendly interface and tailored learning paths ensure that team members stay informed and aligned with Flokk's values and objectives.

PEOPLE:

At Flokk, we recognize that policies must translate into meaningful action. To achieve this, we prioritize empowering our employees through comprehensive training and awareness programs. These initiatives ensure that everyone within our organization understands and upholds Flokk's shared values.

- For new employees: Policies are a core part of the onboarding process, ensuring that every new hire gains a solid understanding of Flokk's guidelines and expectations from the start.
- For existing employees: Policies are integrated into our e-learning modules and reinforced during annual individual development talks. This continuous learning process keeps employees updated on any changes and ensures alignment with our strategic priorities.

We believe that knowledge drives responsible and informed decision-making. Through this structured approach to training, we equip every individual at Flokk to embody our principles and contribute to our collective success.

RISK AND OPPORTUNITY MANAGEMENT

Effective risk management is essential for delivering strategic objectives and ensuring the sustainable growth of our business. As we navigate business uncertainties, a structured risk management approach allows us to proactively respond to, mitigate, and manage risks while capitalizing on opportunities. Our geographical footprint, broad product portfolio, and relationships with customers and suppliers play a vital role in mitigating material risks to the Group's sustainable growth and long-term shareholder value.

RISK MANAGEMENT APPROACH AND GOVERNANCE

Risk and uncertainty are inherent in business operations, potentially impacting financial, operational, or reputational performance. The Board of Directors is ultimately responsible for overseeing risk management and defining the Group's risk appetite. Each year, the Board reviews principal and emerging risks and ensures a robust risk management framework is in place. This enables effective prioritization and management of risks within set appetite levels.

The Board annually evaluates the effectiveness of the Group's risk management and internal control systems. The governance framework supports clear ownership and delegation of responsibilities, ensuring the seamless flow of information across the Group.

Board of Directors

The Board oversees the establishment of appropriate risk management and internal control systems. These systems are designed to identify, manage, and mitigate risks that may hinder the achievement of the Group's objectives. The Board also ensures a suitable risk appetite is maintained and considers the Group's long-term viability in light of potential risks.

↕

Audit Committee

The Audit Committee is tasked with providing structured and systematic oversight of the Group's risk management and internal control systems. Throughout the year, the committee reviews and monitors the effectiveness of these systems.

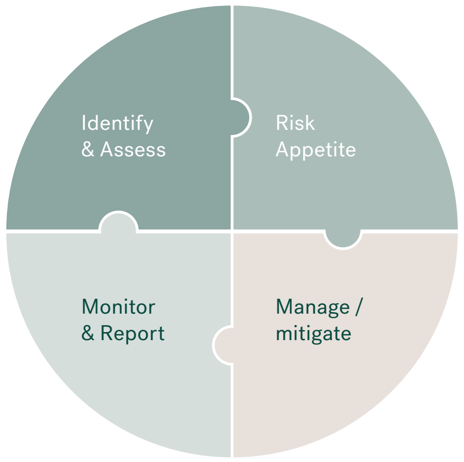
↕

Group Management

Executive Management is responsible for the day-to-day implementation of internal controls designed to manage and mitigate principal risks and uncertainties.

ENTERPRISE RISK MANAGEMENT PROCESS

Our enterprise risk management process integrates across the Group, supporting the achievement of strategic objectives. The annual risk assessment combines a top-down and bottom-up evaluation to assess the likelihood and potential impact of risks at the Group level. Senior business and functional leaders contribute through workshops, interviews, and surveys, which are consolidated into the Group Risk Library.



The risk universe is a dynamic foundation that evolves with new and emerging risks. A standardized risk-scoring methodology ensures consistent reporting and evaluation. Executive Management reviews and validates identified risks, which are subsequently submitted to the Audit Committee and Board for final approval.

Each principal risk is assigned to a risk owner, who ensures sufficient mitigation actions are in place to maintain risks within the agreed thresholds.

At Flokk, we conduct comprehensive Climate Risk Assessments to identify key risks and emerging opportunities driven by the growing public awareness of climate change. These assessments are aligned with the Taskforce for Climate-related Financial Disclosures (TCFD) recommendations and are based on insights from interviews with key personnel across the organization.

Based on available insights, Flokk facilities and suppliers are not currently identified as being in regions with significant physical climate risks. Our focus is on understanding and addressing business risks associated with climate change, while exploring opportunities to adapt and grow sustainably.

Given the nature of Flokk's operations, including its production footprint, inbound value chains, and material consumption, nature-related risks have been assessed as low. As part of our commitment to ongoing improvement, we are exploring the adoption of nature risk assessments aligned with the Taskforce for Nature-related Financial Disclosures (TNFD) for 2025.

FUTURE FOCUS: ENHANCING RISK ASSESSMENTS

In light of Flokk's recent acquisitions, we will update our Climate Risk and Opportunity Assessments to ensure it accurately reflect the evolving dynamics of our operations and value chains. This proactive approach will help us adapt to changing risks while identifying opportunities to lead in climate resilience and sustainable growth.

RISKS AND OPPORTUNITIES CATEGORIES

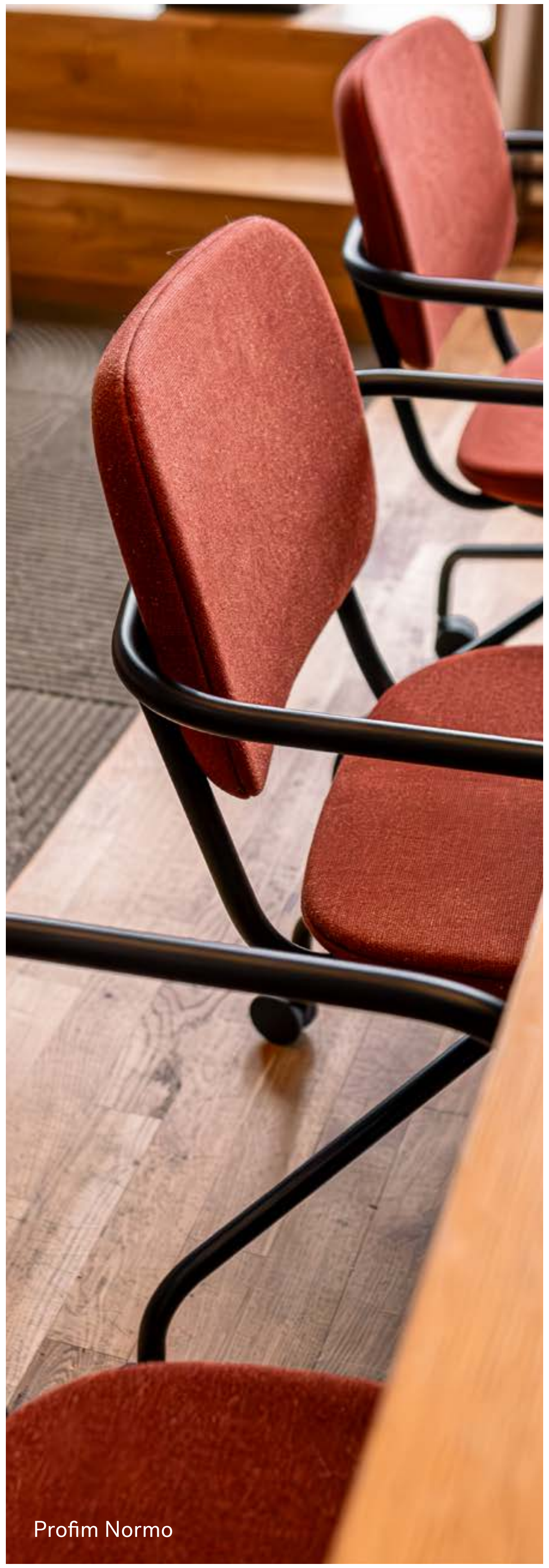
- Strategic
- Operational
- ESG
- Market
- Finance & Treasury
- Human Resources & Health and Safety
- Information Security
- Legal & Compliance

CLIMATE RISK ASSESSMENT OUTCOMES:

- Corporate KPIs defined & monitored to ensure we continue to reduce our cradle to gate climate emissions
- Environmental Goals for 2030 reviewed & progress tracked
- Further strengthened market communication & public visibility with our sustainability ethos, performance leadership in providing low carbon products
- Improved digital infrastructure to document & generate environmental data for internal analysis and for tenders
- Benefits of 5-III principles for sustainable design proven in further product categories through new launches; Profim Snap (easy-chair), OFFECCT Circulus (modular sofa)

Risks and Opportunities – Environmental, Social and Governance

	Themes	Identified Risks	Opportunities	Activity to minimize risk and follow up opportunities
E	Environment - own activities and operations, including R&D	Environmental incidents & accidents Climate: • Global warming from GHG emissions • Inefficient energy consumption • Energy & heating emissions • Transportation & travel emissions • Dirty energy mixes Resources: • Overconsumption • Material scarcity • Waste generation • Barriers for circularity Health: • Use of chemicals harmful to health and/or the environment	• Capitalize from long standing effort on leading low carbon furniture • Tap into strong circular design capabilities through new products & new categories. • Tap into strong innovative capability to develop new service concepts • Advice customers on setting environmental purchasing criteria • Lift performance level at suppliers by setting strict environmental requirements through new Integrity Next Portal • Continue migration of post-consumer recycled material in existing products • Counter labour arbitrage by high industrialization rates & owned IP • Less travel and lower emissions • Higher efficiency with digital meetings • Global Fight against financial crime	• ISO 14001 - environmental management system • Energy Audits EN 16247 (EED compliance) • Codes of Conduct for employees and business partners • Environmental Aspect Analysis • Principles for Sustainable Design/Circular design criteria (5-III) & supporting design tools & guidelines to ensure products with minimised GHG emissions and resource use, with long lifetime and easy disassembly for reuse & recycling • Quantified targets for annual consumption of post-consumer recycled material in production (both closed material loop & low carbon footprint materials) • Eco labelling – EU Ecolabel, EPD, GREENGUARD Gold, FSC (EUDR) • Environmental Policy • Risk reduction Production sites - Management system Risk module • Waste Management • Chemical management – iChemistry & MSDS archives – SCIP compliance • Environmental Requirements to Suppliers • Supply Chain Management, supplier appraisals and compliance screening • ESG included in Due diligence & acquisitions processes
S	Responsible Supply Chain - operations of suppliers and tiers	• Growing supply chain - number and distribution • Compliance level among suppliers • Events challenging global supply chains • Compliance to new standards such as EUDR is challenging.	• Build corporate value for stakeholders with supply chain transparency • Driving change for social responsibility	• Supplier development strategies • Supplier appraisal process • Tracking of KPIs on supplier performance and risk assessment, signing of CoC • Implementation of supplier mgmt. and risk assessment tool Integrity Next • Sanction screening process, sanction tool and sanction policy
	Social Responsibility & Human Rights - own + business partners	• Harassment • Diversity, Equity and Inclusion • Freedom of Association and the Right to Collective Bargaining	• Build corporate culture around Flokk's vision, mission & values • Good working environment • Transparency • Trusted business partner for all stakeholders • Drive positive change throughout our value chain	• Human Rights Policy • Code of Conduct for employees • Code of Conduct for Business Partners • Diversity Equity and Inclusion Policy and employee task force • IDT - Individual Development Talk with Mid-year review • Training & e-learning in Learning portal – Learning@Flokk • Trade unions & working environment committees –close cooperation, regular meetings • Regular working environment surveys – Engagement@Flokk • Human Right Due Diligence
	Health and Safety - Workplace	• Fatalities/ Lost time injury frequency (LTIFR) • Repetitive strain injuries • Forklift driving • Fire at own premises	• Low sick leave • Good working environment • Pioneer company in ergonomics	• Health & Safety Policy • Risk management • Internal Audits and Safety tours • HSE e-learning for all employees
	Health and Safety – Customers	• Injuries at customer • Customer satisfaction • Chemical exposure • Reputation	• Safe products • No claims • Good reputation • Build corporate value through safe and durable products	• Test reports according to international standards with requirements covering safety, stability and strength • Product certificates according to Eco labelling - free for hazardous chemicals • Customer training in proper use of products
G	Integrity, Risk and Compliance	• Compliance with new regulations or expectations from relevant stakeholders within the three defined areas of ESG • Local laws & regulations • Secure conducting business in compliance to internal policies and procedures • Sanctions & Trade barriers	• Adequately address long-term risks • Promote investor confidence • Responsible investment	• Enterprise risk management • Finance Policy • Quality Policy • Health & Safety Policy • Environmental Policy • Delegation of authority Policy • Flokk's Code of Conduct • Corporate policies (Sanctions, Anti-Bribery and Anti-Money Laundering) • Learning programs
	Suppliers Management	• Data quality and accessibility • Control in all Tiers levels	• Origin of materials • CO_2 Footprint • Sustainable supply of chain • Comply with ESG reporting regulations	• Code of Conduct – Business Partners • Suppliers Management tool • Supplier performance meetings • Supplier selection process
	Commercial	• Restrictions of selling products in specific/new markets due to stricter requirement for documentation purposed (e.g. EUDR) • Reputational risk	• Good reputation • Growth • Market access • Safe products • Competent staff	• Certified with ISO 9001 Quality Management System, ISO 14001 Environmental Management Systems, ISO 27001 Information Security and Privacy • Brand Geo Policy
	Cybersecurity and Privacy	• Cyber attacks • Secure data privacy and security law • Stability of the production systems	• Improve awareness within the organization • Implement active control of training and knowledge of policies	• Information Security and Privacy Policy • Procedure for cyber security • Guidelines for Personal Data Protection • Learning programs



Profim Normo

Materiality Assessment

A key component of Flokk's sustainability strategy and reporting is the transparent identification and disclosure of areas where the company can make a meaningful impact – both positive and negative – on the environment, society, economy, and people. This process is fundamental to guiding our strategic priorities and is driven by insights gathered from internal and external stakeholders. By identifying evolving material risks and opportunities, we aim to navigate the complexities of a rapidly changing global landscape, including societal shifts and evolving legislation that reflect heightened public expectations in all our markets.

MATERIAL IMPACTS AND STRATEGIC PRIORITIES

Material topics are those that represent the most significant impacts an organization has on society and the environment. In 2021, Flokk partnered with The Governance Group (now Position Green Group) to update our materiality assessment in alignment with the GRI Standards 2021 concept of double materiality. This approach evaluates both:

- Strategic priorities: How sustainability factors impact Flokk's operations, financial performance, and long-term resilience.
- External materiality: How Flokk's operations, products, and practices impact society and the environment.

The updated 2021 assessment included:

- Internal Engagement: In-depth interviews with Group Management to identify strategic priorities.
- External Perspectives: Engagement with key partners such as Nordea, The Confederation of Norwegian Enterprise (NHO) - Furniture & Interiors, Skift (a business-led climate initiative and CEO network), and Circular Norway (a promoter of circular economy transformation).

The process examined the full range of impacts across the furniture industry value chain, identifying those with significant and independent positive effects, such as fully circular products integral to our business model. Reducing negative impacts or outperforming the industry average were not sufficient to qualify as positive impacts under this framework. Following this rigorous evaluation, a final list of Flokk's material impacts and strategic priorities was validated with input from ESG stakeholders and Group Management through workshops.

UPDATE FOR CSRD COMPLIANCE

As part of Flokk's preparations to meet the requirements of the Corporate Sustainability Reporting Directive (CSRD), we will conduct an updated materiality assessment. This update will align with the directive's emphasis on double materiality and enhance our ability to report transparently on sustainability impacts and risks. This process will ensure Flokk remains aligned with evolving EU regulatory standards and expectations for comprehensive sustainability disclosures.

REPORTING STANDARD & PERIOD

This year's sustainability report has been prepared in accordance with the GRI Standards 2021 and covers the period of financial year 2024. Financial and sustainability reporting have been aligned, with both set for publication on May 5th, 2025.

REPORTING SCOPE

The scope of this sustainability report encompasses the entities listed in Note 18 of the financial reporting.

Environmental	Social	Governance
Material impacts: 1. GHG-emissions • Climate impacts from supply chain (S) • Climate impacts from own productions and operations (S) 2. Circular economy • Contributions to a circular economy (P) • Material use in products and packaging • Waste/pollution impacts in productions and operations 3. Chemical impacts in supply chain (S)	Material impacts: 1. Local job creation and employment offerings (P) 2. Working conditions in supply chain • Labour rights violations • Health, safety and working environment Strategic priorities: • Diversity, Equity and Inclusion • Health, safety and working environment in own operations (S) • Health and Safety Customers (P)	Material impacts: 1. Influence on sustainable public procurement practices and regulations (S)(P) 2. Illegal or unethical practices in supply chain Strategic priorities: • Illegal or unethical practices in own operations

Flokk Material impacts and Strategic priorities related to sustainability. (P) – Positive impacts. (S) – Strategic impacts.

Stakeholders – Dialogue

Collaboration with stakeholders across our value chain is critical to delivering on Flokk's sustainability ambitions, user-centered innovation, and operational performance. We engage stakeholders through structured and ongoing dialogue to understand their expectations, assess risks and opportunities, and evaluate how our activities affect them. This includes both internal and external stakeholders.

In addition to commercial and regulatory stakeholders, Flokk is committed to contributing to broader societal outcomes, including the advancement of human rights for vulnerable groups.

Flokk's stakeholders include individuals and entities that influence or are affected by our business activities across the value chain. This covers both those directly involved in our operations, and those indirectly impacted through our products, services, or broader societal footprint. We consider stakeholder expectations and concerns as part of how we manage risk, create value, and identify opportunities.

- Owners and Investors/Bank/Insurers including Individuals and entities
- The Board and Group Management including Individuals and entities
- Colleagues, New employees and Contracted workers
- Trade unions
- Consultants
- Customers - Dealers, Importers, End users
- Competitors
- Public, Media
- Local communities, Neighbours and Vulnerable groups
- Suppliers, Partners and Transporters
- NGOs and organisations
- Authorities and Regulators
- Industry associations
- Academia

INVOLVEMENT IN ORGANISATIONS

We are active members and contributors of:

- The Confederation of Norwegian Enterprise (NHO) through the trade association the Federation of Norwegian Industries, Furniture & Interiors
- Through NHO, member of the German federation of furniture manufacturers, BSO, and the European Furniture Industries Confederation (EFIC)
- Member of Skift, a business-led climate initiative & CEO network, established to accelerate the transition to a low carbon economy
- +LAB / Norwegian design industry cluster, with regular participation in expert groups and on panels
- Participation in the CEN Work Group 10 'Requirements and tools for furniture circularity', aiming to standardise Circular Economy (CEN - European Committee for Standardization)
- Various local & regional bodies round our production facilities, including TIG (Turek Chamber of Economy), which affects the improvement of the functioning of local business, including social issues
- In US, 9to5 Seating is member of Business and Institutional Furniture Manufacturers Association (BIFMA), a not-for-profit trade association for infrastructure of engineering and materials standards

Involvement in projects

Project	Goal / Findings	Partners	Timeline
Neurodesign	Explore how design & architecture can positively influence human psychology, cognitive performance, creativity and wellbeing, through state-of-the-art neuroscience tech	University College London, Institute of Behavioural Neuroscience	2023 - 2027
MaxSense	Development of human anatomical avatars using AI techniques to predict muscular tone and tension, for optimization of workspace design & human-computer interaction.	SINTEF, Nordic Semiconductors, SATS, NxTech, UiO	2022 →
Community work hub	Pilot project of a reuse & replace system for community co-working spaces, allowing users to change their work environment from home, but spare the commute to work	OBOS GoGood	2021 →
Hållbar Interiör	Development of design criteria, ranking & certification of the sustainability of interior architecture and furnishing	RISE, Tengbom architects, Federation of Swedish Furniture Industries, Indicium + various suppliers	2021 →
Leading in Environment & Quality	Tackle sustainability challenges Increase our competitive strength	Federation of Norwegian Industries + 22 companies	2017 →

STAKEHOLDER MATRIX

Stakeholders	Mutual influence / impact	Forum for dialogue – Frequency	Key topics 2024	Response
INTERNAL			**INTERNAL**	
Owners	Triton is committed to achieving sustainable, long-term returns on investment by creating value in their portfolio companies across different economic cycles.	Triton follows up on ESG requirements and guidelines with Flokk through structured, regular dialogue. This includes: Monthly result calls, Monthly PC ESG calls, Quarterly performance reviews (financial reporting and ESG reporting), Annual ESG reporting, Triton annual ESG forum, Annual action plan review, ESG on BoD agenda.	Three highlights from Triton's ESG agenda in 2024: i. CSRD Readiness: Preparing for compliance with the Corporate Sustainability Reporting Directive (CSRD), ii. Product Certifications and Environmental Product Declarations (EPDs) iii. Strengthening efforts to reduce carbon emissions and adherence to the European Energy Efficiency Directive	i. CSRD preparations by conducting Double Materiality Assessment and Gap Assessments ii. Expansion of EPDs: In 2024, Flokk added 30 new EPDs across product portfolio, iii. Carbon Reduction Initiatives and EED Compliance: Flokk actively tracks and reports on energy consumption and carbon emissions, working toward compliance with the EED.
The Board and Group Management	The Board is dedicated to ensuring that Flokk's activities are aligned with the company's mission and values across all aspects of the organization and its value chain.	The Board meets every two months, with additional meetings attended by the CEO, CFO, and relevant members of Group Management (GM) as needed. GM maintains regular communication with the Board.	i. Governance and risk oversight ii. Operational and financial performance: iii. Market and regulatory compliance:	i. Annual updates to governance policies. ESG performance is reviewed regularly ii. Oversight of the alignment of corporate activities with Flokk's strategic direction, supported by certified quality management standards (ISO 9001, ISO 14001, ISO 45001). iii. Monitoring regulatory changes and standards impacting Flokk's operations, with an emphasis on maintaining compliance.
Employees and trade unions	Our employees influence Flokk through their productivity, creativity, competence, involvement, and engagement. Flokk, on the other hand, influence its employees by offering personal and professional development activities, compensation & benefit schemes, sound working conditions as well as a sense of belonging through the company culture. Additionally, Flokk influences the employees' immediate external environment such as family, friends, and the local communities where we are represented.	The employees actively participate in various formal bodies linked to the trade unions, Board work, working environment committees, Corporate Executive Council etc. Our corporate culture is characterised by open and transparent dialogue, trust and mutual respect. All employees conduct annual personal development dialogues with their direct manager, setting objectives and personal development goals all linked to Flokk's strategy and the department's action plan.	Leadership Development Programs completed: Strategy awareness training, engagement survey follow-up training, Change Management training and a program as to how to navigate in a matrix organisation. Additional digital training programs linked to Flokk's Core Competence Requirements: IT & Information Security and Health, Safety & Environment training. Learning@Flokk has been made available for our production colleagues at Røros and in Nässjö. Newly acquired companies have been through Code of Conduct training.	We emphasize keeping our employees updated on business status, important decisions, and progress in relation to goals. We have monthly newsletters for all employees at Røros, Nässjö and Turek sites. Either in paper format or digitally. Regular Townhall Meetings take place four times a year, and departmental meetings are held at least every second month.
EXTERNAL			**EXTERNAL**	
Customers - dealers, importers, end users	Flokk has three main customer groups: dealers, importers, and end users. In addition, we have important commercial influencers such as the A&D community, physiotherapists, etc. Dealers represent the public face of the company vis-à-vis end customers and users, and exercise considerable influence over the company's reputation as most of our sales goes through our dealers (indirect distribution).	The Customer Survey is typically sent out once a year. We will also strive to integrate a survey via Super office; gives our dealers the possibility to rate Flokk immediate after they have got a reply from us. Low response rate on the original survey forces us to find new channels for measuring the customer satisfaction.	Integration of our acquired brands to common ERP and CRM system to have same processes and control, equal handling and carry through of the customer order processes. Integration of Flokk HUB to simplify order process to our dealers (B2B) and to end customers (B2C). Set up EDI solutions between defined dealers and Flokk. Use AI to check orders before Customer Service takes over the order for order entry.	Flokk HUB and re-organising the order flow process in Flokk in total. New KPI reports are made to measure response time for our dealers and to measure the reason for why the customer must contact us. This is done via tags with reason for contact, in Super Office. Actions for improvements will be taken according to more specified measurements. Measurements show that incorrect orders from dealers account for the largest share of workload in Customer Service.
Suppliers and their workers	Agreements are signed with the suppliers before new business are awarded, including sanction list check. We have a mutual understanding and discussion on what we require and what the supplier can agree to. Focus on Supplier Performance e.g. Quality, Delivery, Compliance, Risk including environmental and social factors with a negative impact on society, labour market practices and human rights. Deviations will need an action plan with the supplier.	Key suppliers: we have frequent meetings reviewing performance, improvements and projects. Supplier Performance and risks are internally followed up monthly. Low performing suppliers: we have actions to increase performance with a higher frequency of follow-ups, and new business might be put on hold.	Increase the level of signed Code of Conducts. We have also rolled out a new Environmental Requirement to suppliers to our European brands. We continued the re-appraisal of key suppliers from Poland. Big tool transfers were carried out within Aluminum and Plastics to new suppliers..	We are willing to listen to our suppliers in difficult situations and they appreciated an open discussion with us.
Local communities	Flokk is an important employer in several of the local communities we have operation and strive to be an attractive employer on the local job market. Through this we participate in the development of the business sector in the regions and support organisations of voluntary workers.	We have a close cooperation on matters that affect the communities and the company. Flokk employees hold important positions and actively participates in municipal and local business sector projects. It is important for Flokk to demonstrate true engagement and act as a responsible business partner.	Flokk continues to contribute financially to culture and sports projects, and other socially related activities at our local sites. Through our DEI focus, we also try to reach out to vulnerable groups in society that may need special attention to enter working life such as refugees and young adults who both need language training and work experience.	Flokk continues to play a central role through community engagement: • Supporting local communities by offering apprenticeships, organizing clean-up activities, and sponsoring local sports and cultural events. • Encouraging employees to participate in local political boards and business interest organizations, ensuring Flokk's positive influence in local matters. • Collaborating with social security offices to integrate refugees into the workforce, contributing to inclusivity and social cohesion.
Industry associations	A - The Confederation of Norwegian Enterprise (NHO), Furniture & Interiors. B - Norwegian design industry cluster Plusslab/+LAB.	A - Annual General Meetings, Board meetings. B - Participation in Expert group for sustainability and circular business models.	A - Pilot member of "Leading on Environment and Quality" project. EPD practice improvement. Position statements ahead of EFIC sessions (through NHO). B - Downstream innovation, circular economy.	A - Promotion of best practice for environmental criteria when purchasing office furniture, through EPDs. B – Valued insight into mechanics & pitfalls of circular business models.

GRI-Index

This report has been prepared by Flokk in accordance with the GRI Standards 2021 for the financial year 2024.

GRI is a voluntary international network and is the most widely used international framework for reporting on corporate sustainability, enabling comparisons between companies within the same and different industries.

The content of the GRI report was collaboratively developed, proofread, subjected to formal review, and granted approval by Flokk Group Management. While the report has not undergone external verification, Position Green Group conducted an independent gap analysis of our GRI 2020 report vis-à-vis the GRI Standards for 2021, ensuring alignment for forthcoming reports. We will adhere to the timeline of CSRD for companies in the so called "wave two".

A list of GRI topics and disclosures is provided in the following pages, with references to where the topics are discussed in this report.

We link our reported GRI disclosures to both UN SDGs – Sustainable Development Goals and the ISO 26000 – Guidance on Social Responsibility, with cross-references in the GRI-index. This way the reader gets an overview of how our sustainability work is correlated with these two important guidelines for acting responsible towards the environment and social responsibility.

UN SDGs – Sustainable Development Goals

No 3	Ensure healthy lives and promote well-being for all at all ages
No 5	Achieve gender equality and empower all women and girls
No 7	Ensure access to affordable, reliable, sustainable and modern energy for all
No 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
No 12	Ensure sustainable consumption and production patterns
No 13	Take urgent action to combat climate change and its impacts
No 14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
No 15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
No 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
No 17	Strengthen the means of implementation and revitalize the global partnership for sustainable development

ISO 26000 – Guidance on Social Responsibility

4.4	Ethical behavior
4.6	Respect for the rule of law
4.7	Respect for international norms of behaviour
5.3	Stakeholder identification and engagement
6.2	Organisational governance
6.3.3	Human rights Due diligence
6.3.4	Human rights risk situations
6.3.5	Avoidance of complicity
6.3.10	Fundamental principles and rights at work
6.4.1-6.4.2	Labour practices
6.4.3	Employment and employment relationships
6.4.4	Conditions of work and social protection
6.4.5	Social dialogue
6.4.6	Health and safety at work
6.5.3	Prevention of pollution
6.5.4	Sustainable resource use
6.5.5	Climate change mitigation and adaptation
6.5.7	Protection of the environment, biodiversity and restoration of natural habitats
6.6.1-6.6.2	Fair operating practices
6.6.3	Anti-corruption
6.6.6	Promoting social responsibility in the value chain
6.7.1-6.7.2	Consumer issues
6.7.4	Protecting consumers' health and safety
6.7.6	Consumer service, support, and complaint and dispute resolution
6.8.1-6.8.2	Community involvement and development
6.8.3	Community involvement
6.8.5	Employment creation and skills development
6.8.7	Wealth and income creation
6.8.8	Health
6.8.9	Social investment
7.3.1	Social Responsibility Due diligence
7.4.2	Setting the direction of an organisation for social responsibility
7.4.3	Building social responsibility into an organisation's governance, systems and procedures
7.5.3	Types of communication on social responsibility
7.6.2	Enhancing the credibility of reports and claims about social responsibility
7.7.5	Improving performance
7.8	Voluntary initiatives for social responsibility

Statement of use:	Flokk AS has reported in accordance with the GRI Standards for the period 01. Jan 2024 to 31. Dec 2024
GRI 1 used:	GRI 1: Foundation 2021
Applicable GRI Sector Standard:	Household durables - Manufacturing of furniture (not yet available at the time of printing)

GRI STANDARD	DISCLOSURE		LOCATION	OMISSION: Requirement omitted	OMISSION: Reason	OMISSION: Explanation	UN SDGs No.	ISO 26000
General disclosures								
GRI2: General Disclosures 2021	2-1 Organisational details							
	2-1-a	Legal name	Cover					6.3.10 6.4.1-6.4.5 6.8.5 7.8
	2-1-b	Nature of ownership and legal form	12-14, 74					
	2-1-c	Location of headquarters	5, 160					
	2-1-d	Countries of operation	19, 160					
	2-2 Entities included in the organisation's sustainability reporting							
	2-2-a	Entities included in sustainability reporting	19, 74, 148					7.5.3 7.6.2
	2-2-b	Entities included in financial vs sustainability reporting	148					
	2-2-c	Consolidating information of multiple entities	148					
	2-3 Reporting period, frequency and contact point							
	2-3-a	Reporting period for / frequency of sustainability reporting	148					7.5.3 7.6.2
	2-3-b	Reporting period for financial reporting	148					
	2-3-c	Publication date of the report	148					
	2-3-d	Contact point for questions	158					
	2-4 Restatements of information							
	2-4-a	Restatements of information made from previous reporting periods, reasons and effects	110-113, 122, 124-125					
	2-5 External assurance							
	2-5-a	Policy and practice for seeking external assurance	152					7.5.3 7.6.2
	2-5-b	Information if sustainability reporting has been external assured	152					
	2-6 Activities, value chain and other business relationships							
	2-6-a	Sectors in which organisation is active	8-9, 19, 56-57					6.3.10 6.4.1-6.4.5 6.8.5 7.8
	2-6-b	Value chain	8-9, 19, 102, 126-130 149-151					
	2-6-c	Other relevant business relationships	104-107 132-137					
	2-6-d	Significant changes in 2-6-a,b,c compared to previous reporting period	6-8, 30-36, 126-130					
	2-7 Employees							
	2-7-a	Total number of employees	5, 9, 33, 132-137				8	6.3.10 6.4.1-6.4.5 6.8.5 7.8
	2-7-b	Total number of various types of employees	30-36, 132-137					
	2-7-c	Methodologies & assumptions to compile data	132-137					
	2-7-d	How to understand data under 2-7-a,b	132-137					
	2-7-e	Significant fluctuations in number of employees	132-137					
	2-8 Workers who are not employees							
	2-8-a	Total number of workers who are not employees	132-137				8	6.3.10 6.4.1-6.4.5 6.8.5 7.8
	2-8-b	Methodologies and assumptions to compile data	132-137					
	2-8-c	Significant fluctuations in number of workers who are not employees	132-137, 142					
	2-9 Governance							
	2-9-a	Governance structure	12-14, 140-141				8	6.2 7.4.3 7.7.5
	2-9-b	Committees of highest governance body responsible for decision making	12-14, 140-141					
	2-9-c	Composition of highest governance body and its committees	12-14, 140-141		Not applicable	No employees in Flokk Holding AS		

GRI STANDARD	DISCLOSURE		LOCATION	OMISSION			UN SDGs No.	ISO 26000
				Requirement omitted	Reason	Explanation		
GRI2: General Disclosures 2021	2-10 Nomination and selection of the highest governance body							
	2-10-a	Nomination and selection processes	12-14					6.2 7.4.3 7.7.5
	2-10-b	Criteria used for nominating and selecting	12-14					
	2-11 Chair of the highest governance body							
	2-11-a	Is chair of highest governance body a senior executive	12					6.2 7.4.3 7.7.5
	2-11-b	If so, explain functions, reasons, conflict mitigation	12	b.	Not applicable	CEO not member of the board		
	2-12 Role of the highest governance body in overseeing the management of impacts							
	2-12-a	Role of highest governance body in setting purpose, values, strategies, policies and sustainable development goals	12-17, 140-141				8	6.2 7.4.3 7.7.5
	2-12-b	Role of highest governance body in overseeing due diligence	12-17, 140-141					
	2-12-c	Role of highest governance body reviewing effectiveness of 2-12-b, frequency	141					
	2-13 Delegation of responsibility for managing impacts							
	2-13-a	How highest governance body delegates responsibility	12-17, 140-141				8	6.2 7.4.3 7.7.5
	2-13-b	Process and frequency to report to highest governance body	12-17, 140-141					
	2-14 Delegation of responsibility for managing impacts							
	2-14-a	Responsibility & process of highest governance body for reviewing and approving reported information	152				8	6.2 7.4.3 7.7.5
	2-14-b	If highest governance body not responsible, explain reason for this	NA	b.	Not Applicable	GM is responsible		
	2-15 Conflicts of interest							
	2-15-a	Processes for highest governance body to prevent and mitigate	13, 144					6.2 7.4.3 7.7.5
	2-15-b	If and how conflicts of interest are disclosed to stakeholders	13, 144					
	2-16 Communication of critical concerns							
	2-16-a	How communicated to highest governance body	144-147					6.2 7.4.3 7.7.5
	2-16-b	What communicated to highest governance body	55, 144-147					
	2-17 Collective knowledge of the highest governance body							
	2-17-a	Knowledge, skills, and experience of highest governance body on sustainable development	www.flokk.com/ global/ about-us/ investors/ flokk-group				17	6.2 7.4.3 7.7.5
	2-18 Evaluation of the performance of the highest governance body							
	2-18-a	Processes for evaluating performance of highest governance body	12-17				17	6.2 7.4.3 7.7.5
	2-18-b	Independency & frequency of evaluations	14, 150					
	2-18-c	Actions taken based on evaluations	14, 152					
	2-19 Remuneration policies							
	2-19-a	Remuneration policies for highest governance body and senior executive	12-15				8	6.2 7.4.3 7.7.5
	2-19-b	How remuneration policies relate to objectives and performance	12-15					
	2-20 Process to determine remuneration							
	2-20-a	Process for designing remuneration policies and for determining remuneration	12-15, 89-91				8	6.2 7.4.3 7.7.5
	2-20-b	Stakeholders' involvement in remuneration	12-15				17	
	2-21 Annual total compensation ratio							
	2-21-a	Ratio of the annual total compensation	67-69, 78	Ratio	Information unavailable	Must get info processed from HR for next years' reporting		
	2-21-b	Percentage increase in annual total compensation ratio	67-69, 78	Ratio	Information unavailable	Must get info processed from HR for next years' reporting		
	2-21-c	Understanding data & data compilation	67-69, 78	Data processing	Information unavailable	Must get info processed from HR for next years' reporting		
GRI2: General Disclosures 2021	2-22 Statement on sustainable development strategy							
	2-22-a	Statement from highest governance body or most senior executive	6 (CEO), 12-14, 33-34, 101, 104-107				8	4.7 6.2 7.4.2
	2-23 Policy commitments							
	2-23-a	Policy commitments for responsible business conduct	140-143				16	4.4 6.6.3
	2-23-b	Specific policy commitment to respect human right	126-130, 132-133, 142, 148				16	
	2-23-c	Links to the policy commitments	www.flokk.com/global/ support/ other_flokk_ policies					
	2-23-d	Policy commitments level of approval	143					
	2-23-e	Extent to which policy commitments apply to organisation and business relationships	143					
	2-23-f	How policy commitments are communicated	143					
	2-24 Embedding policy commitments							
	2-24-a	Embedding policy commitments for responsible business conduct	143				16	
	2-25 Processes to remediate negative impacts							
	2-25-a	Commitments on remediation of negative impacts	102, 126-127, 142-143					6.3.3 6.5.5 7.3.1
	2-25-b	Approach to identify and address grievances	102, 142-143					
	2-25-c	Other processes on remediation of negative impacts	102, 116-127, 142-143					
	2-25-d	Stakeholders' involvement in grievance mechanisms	116, 142					
	2-25-e	Effectiveness of grievance mechanisms and other remediation processes	116, 149-151					
	2-26 Mechanisms for seeking advice and raising concerns							
	2-26-a	Describe the mechanisms for individuals	140, 142					
	2-27 Compliance with laws and regulations							
	3-3	Management of Environmental compliance	6, 102, 126-130, 148					
	2-27-a	Total number of significant instances of non-compliance with laws and regulations	142					4.6
	2-27-b	Total number and monetary value of fines for instances of non-compliance with laws and regulations that were paid	142					
	2-27-c	Significant instances of non-compliance	142					
	2-27-d	Determination of significant instances of non-compliance	142					
	2-28 Membership associations							
	2-28-a	Industry & membership associations, participation in advocacy organisations	149-151	Advocacy organisations	Not applicable	Flokk is not member of any advocacy organisations		
	2-29 Approach to stakeholder engagement							
	2-29-a	Approach to stakeholder engagement	149-151					5.3
	2-30 Collective bargaining agreements							
	2-30-a	Percentage of total employees covered by collective bargaining agreements	137				8	5.3
	2-30-b	Employees not covered by collective bargaining agreements	137					

GRI STANDARD	DISCLOSURE		LOCATION	OMISSION: Requirement omitted	OMISSION: Reason	OMISSION: Explanation	UN SDGs No.	ISO 26000
Material topics								
GRI 3: Material Topics 2021	3-1	Process to determine material topics	148					
	3-2	List of material topics	148					
Economic Performance (& Climate Risk)								
GRI 3: Material Topics 2021	3-3	Management of material topics	12-14, 102-107					
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	38, 40, 56-57, 66-67, 98	b. Flokk states sales and assets per countries but not results	Confidentiality constraints	The distribution of sales revenues is listed in Note 6 – segment information. Due to highly competitive sensitivity, Flokk is not publishing direct economic value generated and distributed (EVG&D) per country	8	6.8.1-6.8.3 6.8.7 6.8.9
	201-2	Financial implications and other risks and opportunities due to climate change	144-147				13	6.5.5
Procurement Practices								
GRI 3: Material Topics 2021	3-3	Management of material topics	102-103, 126-130					
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	126				8, 12	6.6.6 6.8.1-6.8.2 6.8.7
Anti-corruption								
GRI 3: Material Topics 2021	3-3	Management of material topics	142, 144-145					
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	143, 129				16	6.6.1-6.6.3 6.6.6
	205-3	Confirmed incidents of corruption and actions taken	142, 129					
Materials								
GRI 3: Material Topics 2021	3-3	Management of material topics	102-105, 108-109, 114, 122					
GRI 301: Materials 2016	301-1	Materials used by weight or volume	119-121				12, 15	6.5.4
	301-2	Recycled input materials used	119-122					
Chemicals								
GRI 3: Material Topics 2021	3-3	Management of material topics	102-105, 108-109, 114, 122, 125					
Energy								
GRI 3: Material Topics 2021	3-3	Management of material topics	102-104, 108-109, 110-114					
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	112-113				12, 13	6.5.4-6.5.5
	302-3	Energy intensity	112-113					6.5.5
	302-4	Reduction of energy consumption	112-113					
Emissions								
GRI 3: Material Topics 2021	3-3	Management of material topics	102-105, 108-109, 112-113					
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	112-113				12, 13	6.5.5
	305-2	Energy indirect (Scope 2) GHG emissions	112-113					
	305-3	Other indirect (Scope 3) GHG emissions	112-113					
	305-4	GHG emissions intensity	112-113					
	305-5	Reduction of GHG emissions	112-113					

GRI STANDARD	DISCLOSURE		LOCATION	OMISSION: Requirement omitted	OMISSION: Reason	OMISSION: Explanation	UN SDGs No.	ISO 26000
Effluents (and Waste)								
GRI 3: Material Topics 2021	3-3	Management of material topics	102-105, 108-109, 114, 122, 124-125				12, 14, 15	6.5.3-6.5.4
GRI 306: Effluents and Waste 2016	306-3 (2016)	Significant spills	124-125					
Waste								
GRI 3: Material Topics 2021	3-3	Management of material topics	102-105, 108-109, 114, 122, 124-125				12, 14, 15	6.5.3-6.5.4
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	124-125					
	306-2	Management of significant wasterelated impacts	124-125					
	306-3 (2020)	Waste generated	124-125					
	306-4	Waste diverted from disposal	124-125					
	306-5	Waste directed to disposal	124-125					
Supplier Environmental Assessment								
GRI 3: Material Topics 2021	3-3	Management of material topics	102-103, 126-130					
GRI 308: Supplier Environ-mental Assess-ment 2016	308-1	New suppliers that were screened using environmental criteria	126				12	6.3.5 6.6.6 7.3.1
	308-2	Negative environmental impacts in the supply chain and actions taken	129					
Employment								
GRI 3: Material Topics 2021	3-3	Management of material topics	102-103, 132-137				8	6.8.1-6.8.3 6.8.7 6.8.9
	401-1	New employee hires and employee turnover	134-135	Gender is missing	Information unavailable	Must get info processed from HR for next years' reporting		
Occupational Health and Safety								
GRI 401: Employment 2016	3-3	Management of material topics	102-103, 138-139				3, 8	6.4.6 6.8.8
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	138					
	403-2	Hazard identification, risk assessment, and incident investigation	139					
	403-3	Occupational health services	139					
	403-4	Worker participation, consultation, and communication on occupational health and safety	139					
	403-5	Worker training on occupational health and safety	139					
	403-6	Promotion of worker health	138-139					
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	139					
	403-9	Work-related injuries	139					
Diversity and Equal Opportunity								
GRI 3: Material Topics 2021	3-3	Management of material topics	30-36, 102-103, 132-137					
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	30-36, 132-137				5	
	405-2	Ratio of basic salary and remuneration of women to men	132-137	Significant locations of operation is missing	Information unavailable	Must get info processed from HR for next years' reporting		

GRI STANDARD	DISCLOSURE		LOCATION	OMISSION			UN SDGs No.	ISO 26000
				Requirement omitted	Reason	Explanation		
Freedom of Association and Collective Bargaining								
GRI 3: Material Topics 2021	3-3	Management of material topics	126-130, 132-137					
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	126-130, 132-137				8	6.3.10 6.4.4
Child Labour								
GRI 3: Material Topics 2021	3-3	Management of material topics	126-130, 132-137					
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	126-130, 132-137				8	6.3.10 6.4.4
Forced or Compulsory Labour								
GRI 3: Material Topics 2021	3-3	Management of material topics	126-130, 132-137					
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	126-130, 132-137				8	6.3.10 6.4.4
Supplier Social Assessment								
GRI 3: Material Topics 2021	3-3	Management of material topics	102-103, 126-130					
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	126-130				8, 16	6.3.3-6.3.5 6.6.1-6.6.2 6.6.6 6.8.1-6.8.2 7.3.1
	414-2	Negative social impacts in the supply chain and actions taken	126-130					
Customer Health and Safety								
GRI 3: Material Topics 2021	3-3	Management of material topics	116					
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	116				3	6.7.1-6.7.2 6.7.4-6.7.5 6.8.8

For comments and questions on Flokk's work and reporting on the environment, energy and corporate social responsibility, please contact:

Regine T. Hagen
Head of ESG and Finance Development
regine.hagen@flokk.com

Atle Thiis-Messel
VP Environment
atle.messel@flokk.com

HÅG Celi

Contacts

HEADQUARTER
Drammensveien 145
PO Box 45 Skøyen
NO-0202 Oslo, Norway
Tel: +47 22 59 59 00
flokk.com

PRODUCTION SITES
Røros, Norway
Nässjö, Sweden
Turek, Poland
Mirfield, UK
Hawthorne, CA, USA
Delanco, NJ, USA
Zhongshan, China

Norway
Trygve Aasland
Country Manager
trygve.aasland@flokk.com

Sweden
Mathias Fogde,
Country Manager
mathias.fogde@flokk.com

Denmark
Dorrit Hoffmann
Country Manager
dorrit.hoffmann@flokk.com

Germany & Austria
Henning von
Gerstenberg Rosted
Country Manager
Germany & Austria
henning.rosted@flokk.com

BeNeLux
David Coenen
Country Manager
david.coenen@flokk.com

Switzerland
Marijo Butkovic
Managing Director
marijo.butkovic@flokk.com

UK & Ireland
Giesela Bailey
Managing Director
giesela.bailey@flokk.com

France
Stéphane Marin
Country Manager
stephane.marin@flokk.com

Singapore
Cherry Yan
Vice President,
Commercial Operations Asia
cherry.yan@flokk.com

Poland
Dariusz Nikołajuk
Country Manager
dariusz.nikolajuk@flokk.com

China
Jun Quan
General Manager of MPO,
Flokk Asia Pacific
jun.quan@flokk.com

Australia & New Zealand
Andrew Green
Vice President Australia
& New Zealand
Andrew.Green@flokk.com

Malmstolen
Espen Wibe
CEO
espen.wibe@malmstolen.se

9to5 Seating & Stylex
Frederik Fogstad
CEO
frederik.fogstad@flokk.com

Credits

Photo
Michał Chojnacki
Christina Tautz
Jonathan Mauloubier
Lars Petter Pettersen
Tim Kögler (cover)
David Matthiessen
Marek Sikora
Łukasz Mikołajczyk
Alex Giraud / MAIF
Olivier Rust

Design
Flokk / Attention

Print
Network

KYOTO PROTOCOL
No. 001
CARBON NEUTRAL PRINT

FSC
www.fsc.org
MIX
Paper from responsible sources
FSC® C022933

ENVIRONMENTALLY FRIENDLY PRINTING
This printed material is produced as environmental friendly as possible.

Both the paper and ink we use is Cradle to Cradle™ certified, made entirely without any harmful chemicals and heavy metals in accordance with the banned list of chemicals.

Cradle to Cradle™ certification is one of the world's most stringent environmental certifications which guarantees that the product is designed to minimise pollution and use as little resources as possible, and to be part of nature's own cycle after use. It also ensures production in as environmentally friendly conditions as possible.

The trees used in this catalogue were sourced from sustainable FSC forestry in Europe. This means that the origin is 100% controlled - and at the same time, no more wood is cut than the forests can reproduce.

The printing of this document was powered using wind turbines, making the process completely $C0_2$ neutral.

Printed in Norway

Flokk is the leading manufacturer of high-quality workplace furniture in Europe, bringing together a growing family of global brands. With a deep commitment to design, ergonomics, and sustainability, we create innovative solutions that inspire productivity and well-being. Our portfolio includes renowned product brands such as HÅG, OFFECCT, Giroflex, RH, Profim, 9to5 Seating, Stylex, ViaSeating, Connection, and Malmstolen — each with its own unique identity, yet united by a shared passion for craftsmanship and functionality.

For decades, sustainability has been at the core of our approach. Through pioneering environmental initiatives, circular design principles, and responsible manufacturing, Flokk continues to lead the way in developing furniture that is built to last — with a minimal footprint.

Headquartered in Oslo, Norway, our production network spans across Europe, North America, and Asia, with sites in Røros (Norway), Nässjö (Sweden), Turek (Poland), Mirfield (UK), Zhongshan (China), Hawthorne (USA), Delanco (USA), and Reno (USA). Our global reach is strengthened by sales offices in over 15 countries, supporting customers in more than 80 markets worldwide.

With around 2 000 dedicated employees, we work together to fulfill our vision: **Inspire great work.**

Expanding horizons