

*Ekornes QM Holding Group  
Financial statements for  
the third quarter 2019*



Stressless

**IMG®**  
COMFORT

svane

## **FINANCIAL STATEMENTS FOR THE FIRST NINE MONTHS AND THIRD QUARTER 2019**

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*Ekornes QM Holding AS completed the acquisition of all shares in Ekornes ASA in August 2018 and the shares were delisted from the Oslo Stock Exchange. In April 2019, the company issued a NOK 2.0 billion bond to refinance the Group. The historical figures for Ekornes AS are not fully comparable with this first nine months of 2019 report for Ekornes QM Holding AS, due to, among other things, depreciations of brand and customer relations related to the purchase of Ekornes, IFRS-16 leasing implemented on 1 January 2019 and one-off cost charges in the holding company.*

*However, there exists comparable figures for sales activities in the various geographical markets and across product segments and in this report, the company will provide comparisons with last year for the main market segments.*

### **HIGHLIGHTS IN THE FIRST NINE MONTHS OF 2019**

- *Operating revenues down 3.6% mainly due to weaker performance within the Stressless segment.*
- *Earnings negatively impacted by lower sales - EBIT margin of 7.9%.*
- *Stressless sales impacted by somewhat soft development in overall furniture markets in Europe, combined with shift in market preferences towards motorized products. Early signs of positive effects from launch of new products during the period. Strong sales increase in China, albeit from low levels.*
- *Record high third quarter revenues for IMG. The development is driven by positive effects from the Lithuanian IMG-operations, improving logistics and distribution in the European markets. Availability of a broader and deeper product range has also increased dealer interest and the number of selling points in Southern Europe has increased. Positive development in Asia driven by successful market introduction to China.*
- *Improvement initiatives within Svane proving results and the segment delivered positive earnings contribution during the quarter.*
- *Increased order receipts and higher order reserve point towards improved performance over the coming quarter.*

## KEY FIGURES

		YTD Q3 2019	Q3 2019	Q2 2019	Q1 2019
<b>Gross operating revenue</b>	<b>MNOK</b>	<b>2 268,1</b>	<b>690,8</b>	<b>768,7</b>	<b>808,5</b>
Stressless®	MNOK	1 729,6	494,8	595,3	639,5
IMG	MNOK	385,7	139,6	135,1	111,0
Svane®	MNOK	152,8	56,3	38,3	58,1
<i>Gross operating earnings (EBITDA)</i>	<i>MNOK</i>	<i>392,0</i>	<i>111,9</i>	<i>119,1</i>	<i>161,0</i>
<b>Operating earnings (EBIT)</b>	<b>MNOK</b>	<b>178,9</b>	<b>38,7</b>	<b>48,5</b>	<b>91,7</b>
<b>Operating margin (EBIT)</b>		<b>7,9 %</b>	<b>5,6%</b>	<b>11,9%</b>	<b>11,3%</b>
<i>Earnings before tax (EBT)</i>	<i>MNOK</i>	<i>137,6</i>	<i>20,4</i>	<i>-31,4</i>	<i>148,7</i>
<b>Net earnings</b>	<b>MNOK</b>	<b>195,3</b>	<b>15,2</b>	<b>64,9</b>	<b>115,1</b>
<i>Net interest-bearing Debt (NIBD)</i>	<i>MNOK</i>	<i>2 254,7</i>	<i>2 254,7</i>	<i>2 378,9</i>	<i>2 310,6</i>
<i>Cash and Bank deposits end of period</i>	<i>MNOK</i>	<i>306,2</i>	<i>306,2</i>	<i>277,7</i>	<i>68,3</i>

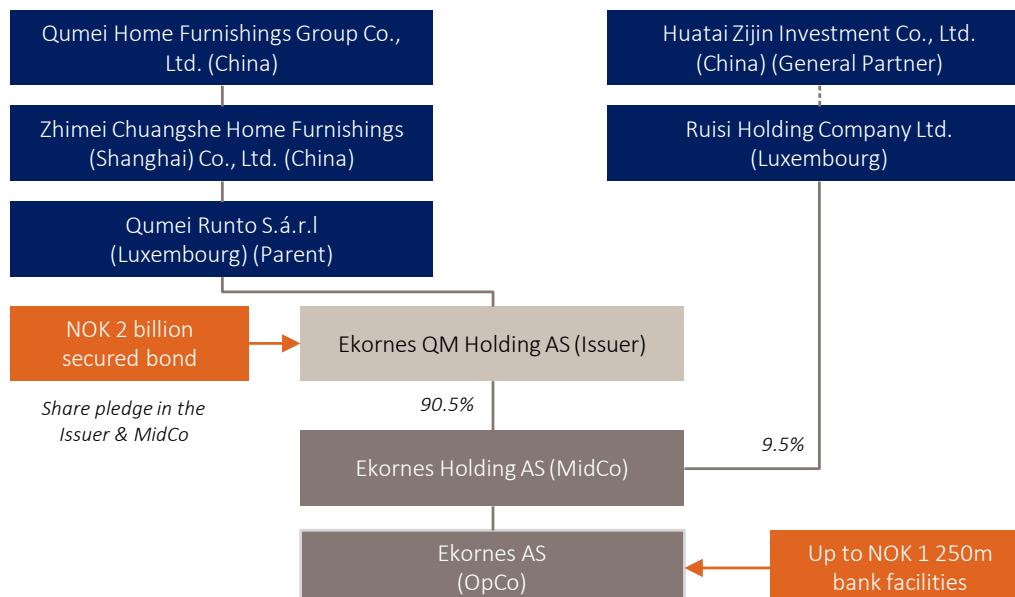
### COMPANY HISTORY AND OWNERSHIP

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

Qumei Home Furnishings Group (90.5 %) and Huatai Securities (9.5%), own the Ekornes Group through Ekornes Holding AS. The Norwegian ultimate parent company Ekornes QM Holding AS is a wholly owned subsidiary of Qumei Home Furnishing Group. Ekornes QM Holding AS owns 90.5% of the shares in Ekornes Holding AS. The Ekornes Group is the only operational part of the Ekornes QM Holding Group. The Ekornes Group is consolidated from the acquisition date.

The consolidated financial statements comprise the financial statements of the parent company Ekornes QM Holding AS and its subsidiaries as at 30 September 2019. As at 30 September 2019, Ekornes QM Holding AS has 90.5% shareholding and voting rights in Ekornes Holding AS, who in its turn has 100% owner share and voting rights for all other consolidated companies.

### GROUP STRUCTURE AND BOND TRANSACTION OVERVIEW



**PERFORMANCE IN THE FIRST NINE MONTHS OF 2019**

Ekornes QM Holding AS ("EKOQMH") generated operating revenues of NOK 2 268.1 million in the first nine months of 2019. The Stressless® segment's underlying sales revenues were NOK 1 729.6 million, IMG's revenues were NOK 385.7 million while the Svane® segment's revenues amounted to NOK 152.8 million.

EBIT for the first nine months of 2019 totaled NOK 178.9 million, corresponding to EBIT margin for the period of 7.9 %. EBIT margin for Q3 was 5.6% which is down from the previous quarter. Earnings are negatively impacted by declining revenues in Stressless®.

Net financial items were NOK -41.3 million in the period. Financial expenses which amounted to NOK 152.0 million during the period, partly compensated by net gains on foreign exchange of NOK 86.3 million.

Profit before tax in the first nine months of the year was NOK 137.6 million. Tax is calculated at positive NOK 57.6 million, which gives a net profit of NOK 195.3 million.

There are no comparable reported financial figures for the first nine months of 2018 for the Ekornes QM Holding group. However, there exists comparable figures for sales activities in the various geographical markets and across product segments, and the following will provide comparisons with the same period last year for the main markets.

Gross operating revenue in local currency in the most important markets:

		Q3 2019	Q3 2018	Q2 2019	YTD Q3 2019	YTD Q3 2018	Change YTD Q3 2019/ YTD Q3 2018
Norway	MNOK	93,7	100,3	85,7	301,4	327,6	-8,0 %
Central Europe	MEUR	8,7	11,6	15,6	42,8	46,7	-8,2 %
Southern Europe	MEUR	4,1	4,3	5,4	16,0	18,2	-12,1 %
UK/Ireland	MGBP	4,7	4,9	4,5	14,1	14,7	-3,6 %
USA/Canada/Mexico	MUSD	26,6	31,3	28,7	80,8	94,8	-14,8 %
Japan	MJPY	567,1	514,4	390,1	1 295,3	1 346,3	-3,8 %

**ORDER RECEIPTS**

		Q3 2019	Q3 2018	Q2 2019	YTD Q3 2019	YTD Q3 2018	Change YTD Q2 2019/ YTD Q2 2018
Order receipts	MNOK	860,8	842,7	690,1	2390,3	2418,4	-1,2 %
Order reserve	MNOK	378,7	329,3	281,6	378,7	329,3	15,0 %

The Group received orders worth NOK 2 390.3 million during the first nine months of 2019. At the close of the quarter, combined order reserve stood at NOK 378.7 million, up from NOK 329.3 million at the close of the third quarter 2018.

Order intake for IMG and Svane® increased during the period, while order receipts for Stressless® were down.

## BALANCE SHEET

		30.9.2019	30.6.2019	31.3.2019	31.12.2018
Working capital*	MNOK	845,3	838,4	849,7	778,6
Bank deposits	MNOK	306,2	277,7	68,3	107,6
Total assets	MNOK	7 599,2	7 546,8	7 410,3	7 323,9
Interest-bearing loans	MNOK	2 560,9	2 553,5	2 378,9	2 700,7
Total liabilities	MNOK	4 076,4	4 065,6	3 972,4	4 192,8
Equity	MNOK	3 522,9	3 481,2	3 437,9	3 131,0
Equity ratio	%	46,4%	46,1%	46,4%	42,8%
Value of forward contracts	MNOK	-13,4	0,1	-8,6	-23,6
Net interest-bearing Debt (NIBD)	MNOK	2 254,7	2 275,8	2 310,6	2 593,1

\* Working capital = trade receivables + inventory – trade payables

As of 30 September 2019, Ekornes had total assets of NOK 7 599.2 million, compared with NOK 7 546.8 million three months back. Total interest-bearing loans amounted NOK 2 560.9 million (2 553.5). Total equity stood at NOK 3 522.9 million (3 481.2) corresponding to an equity-ratio of 46.4% (46.1%). Net-interest bearing debt at the end of the period stood at NOK 2 254.7 million (2 275.8).

In April 2019, Ekornes QM Holding AS issued a NOK 2.0 billion bond to refinance the Group. The bond was listed on Oslo Stock Exchange on 10 July under the name "Ekornes QM Holding AS 19/23 FRN FLOOR C" with the ticker: EKO01. In addition to the bond, the Group has a long-term borrowing agreement with DNB. The loan is unsecured with no installments until maturity in September 2022. The Company also has short term credit facilities with DNB and Sparebanken Møre of NOK 500 million and NOK 250 million respectively, of which NOK 669.2 million were available at 30 September 2019.

The bond agreement is subject to a selection of financial covenants, including a minimum liquidity of NOK 125 million and a descending leverage ratio currently at 5.25. Measured quarterly on 12 months rolling basis for Ekornes QM Holding group.

For additional information on bond covenants, see: <https://www.oslobors.no/markedsaktivitet/#/details/EKO01.OSE/data>.

The bank agreement is subject to a selection of financial covenants, including minimum equity ratio 30 % of total consolidated balance and minimum NIBD / EBITDA of 3.5. Measured quarterly on 12 months rolling basis for Ekornes group.

During 2019 and at 30 September 2019, the group was compliant with the covenants under the bank agreements and the bond agreement.

## CASH FLOW

		YTD Q3 2019	Q3 2019	Q2 2019	Q1 2019
Net cash flow from operating activities	MNOK	250,8	48,0	141,3	61,5
Net cash flow from investing activities	MNOK	-78,0	-18,0	-26,2	-33,8
Net cash flow from financing activities	MNOK	25,9	-1,5	94,4	-67,0
Net change in cash & cash equivalents	MNOK	198,6	28,4	209,4	-39,3
Cash & cash equivalents at the start of the period	MNOK	107,6	277,7	68,3	107,6
<b>Cash &amp; cash equivalents at the close of the period</b>	<b>MNOK</b>	<b>306,2</b>	<b>306,2</b>	<b>277,7</b>	<b>68,3</b>

Net cash flow from operating activities in the first nine months of 2019 came to NOK 250.8 million, mainly driven by solid operational performance. Taxes paid in the period were NOK 78.9 million. In addition, net working capital increase by NOK 66 million during the period.

Net cash flow from investing activities during the first nine months of 2019 amounted to minus NOK 78.0 million, all related to ongoing investments in day-to-day operations.

Net cash flow from financing activities during the first nine months of 2019 ended at positive NOK 25.9 million. Due to the stock exchange bond issuance in April 2019, long term debt increased NOK 1,980.1 million during the period, mainly offset by reductions in internal loans of NOK 1,897.6 million. Payments of lease liabilities and changes in short term debt to credit institutions amounted for NOK 24.7 and NOK 31.0 million respectively.

Net change in cash and cash equivalents was positive NOK 198.6 million during the period and as of 30 September total holding of cash and cash equivalents amounted to NOK 306.2 million.



## SEGMENTS

The division into product areas is based on the Group's management and internal reporting structures and coincides with the division into segments.



### Stressless®

		YTD Q3 2019	Q3 2019	Q2 2019	Q1 2019
Gross operating revenue	MNOK	1 729,6	494,8	595,3	639,5
Gross operating earnings (EBITDA)	MNOK	327,1	77,9	109,9	139,2
<b>Operating earnings (EBIT)</b>	<b>MNOK</b>	<b>160,1</b>	<b>18,8</b>	<b>55,8</b>	<b>85,5</b>
Operating margin (EBIT)		9,3 %	3,8 %	9,4 %	13,4 %

The weak performance for the Stressless® segment seen during the first half of the year continued in the third quarter, and revenues for the first nine months of the year were down 7% compared to the same period last year. Performance was particularly weak in Central- and Southern Europe and the US, with sales during the first nine months of 2019 down 8 and 12 percent compared to the same period in 2018.

During the period, an average of 1253 seat units per day were produced. This is a decrease from 1 439 seat units per day during the first nine months in 2018. Dining chair is not included in this number.

The segment achieved an EBIT of NOK 160.1 million during the first nine months of 2019, corresponding to an EBIT-margin of 9.3%.

The overall development in European furniture markets remains weak, increasingly driven by price incentives and promotional activities. In the US, the overall economy shows some sign of slowing down, with corresponding adjustments of consumer spending. In addition, motorization has been an increasingly important feature in both sofas and recliners, continuously capturing market shares from traditional furniture.

Ekornes has a clear strategy to address these challenges aiming to fulfill its target of annual revenue growth in the 3-5% range. Product innovation and development are core priorities within the Stressless® segment, and Stressless® Dining, which was introduced to selected markets in 2018, is already a substantial contributor.

During recent years Stressless® have lost market share to motorized products, particularly in the sofa segment. As a response to this development, Ekornes has developed a new range of motorized sofas and chairs. During recent months, the collection has been launched in Stressless®' main markets and the reception so far has been good. Early placement numbers for upcoming collections are promising and it is expected that these new products will contribute positively to sales going forward.

Stressless® revenues from the Chinese market continue to increase, and sales during the first nine months of 2019 were up 64% compared to last year. Stressless® distribution in China is based on a mono-brand concept, with stores exclusively selling Stressless® products. There are currently 70 Stressless®-stores in the Chinese market, but Ekornes has ambitions to significantly expand its dealer network. First and foremost by utilizing the opportunity inherent in the dealer network of Ekornes' main shareholder, Qumei Home Furnishing Group. Qumei products are currently distributed through close to 1 000 selling points, of which a significant share already has indicated interest in also starting distribution of Stressless® products.

In addition to sales promoting initiatives, Ekornes has introduced cost reducing initiatives to compensate for the lower earnings.

## IMG

		YTD Q3 2019	Q3 2019	Q2 2019	Q1 2019
Gross operating revenue	MNOK	385,7	139,6	135,1	111,0
Gross operating earnings (EBITDA)	MNOK	87,8	30,6	32,2	24,9
<b>Operating earnings (EBIT)</b>	<b>MNOK</b>	<b>40,8</b>	<b>14,1</b>	<b>16,5</b>	<b>10,2</b>
Operating margin (EBIT)		10,6 %	10,1 %	12,2 %	9,2 %

In the first nine months of 2019, the IMG-segment had operating revenues of NOK 385.7 million, an increase of 6.3 % compared to the same period last year. The operating result ended at NOK 40.8 million, corresponding to an operating margin of 10.6%.

In the third quarter the operating margin ended at 10.1%, compared to 12.2% in the second quarter. The somewhat lower operating result and margin is a result of change in product mix when entering new markets and higher costs associated with the start-up of the Lithuanian production and distribution center. In addition, the result is negatively impacted by other one-off cost items and a strong US dollar.

Key focus for IMG in 2019 has been the roll-out the European collection from the new production and distribution facility in Panevezys, Lithuania, a core priority to strengthen distribution and product range for the European market. The initiative already proven good results, with many of IMGs existing retailers taking on new product ranges. In addition, new retailers have added on, mainly a result of the product flexibility offered from this facility. The impact of broader product ranges combined with additional retailers are expected to have an increasingly positive impact on IMG's performance in Europe moving forward.

Asian sales have been dominated by a successful market introduction in China. This market has positively affected both revenues and order intake so far in 2019 and in the third quarter, and accounts for a solid portion of IMGs overall growth.

Performance in other markets has been below expectations, particularly during the first half of the year. Australia and New Zealand were negatively impacted by weak housing markets and fierce competition while the development in North America has suffered from weak distribution. However, initiatives to address the issues are implemented and performance during the third quarter was good, with double digit gains in Australia and overall order reserves at all-time high.

Order intake during the period increased 10.5% to NOK 417.7 million, mainly driven by solid underlying growth. The order reserve at the end of the period was NOK 79.3 million, up 9.6 % from the same time in 2018.







## Svane®

		YTD Q3 2019	Q3 2019	Q2 2019	Q1 2019
Gross operating revenue	MNOK	152,8	56,3	38,3	58,1
Gross operating earnings (EBITDA)	MNOK	-9,9	5,4	-12,8	-2,5
<b>Operating earnings (EBIT)</b>	<b>MNOK</b>	<b>-12,4</b>	<b>4,6</b>	<b>-13,6</b>	<b>-3,3</b>
Operating margin (EBIT)		-8,1 %	8,2 %	-35,6 %	-5,7 %

The positive trend for the Svane® segment seen in the first half continued in the third quarter, with positive development particularly in the Norwegian and the German markets, driven by successful campaign programs in Norway and product oriented consumer targeting in Germany.

Gross operating revenues totaled NOK 152.8 million in the period, up 2 % from the corresponding period last year. Order intake during the period was up 6% compared to last year, and order reserve by the end of the period amounted to NOK 14.5 million. Efforts to improve the Svane® segment's operational efficiency and profitability have been initiated, with focus on production optimization and cost cuts. The initiatives are proving results and in Q3, the segment achieved a positive EBIT of NOK 4.6 million. Accumulated for the first nine months of the year, segment EBIT is negative NOK 12.4 million.



## H & S

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As at 30 September 2019, Ekornes employed a total of 2 253 people, where around 50% are employed in Norway.

Ekornes gives high priority to the safety of its workforce and aims for zero work-related personal injuries. The Group is working actively in the areas of prevention and emergency preparedness to reduce the number of personal injuries incurred. There were 10 lost-time injuries in the first nine months of 2019. This gives an H1-value for the period of 3.2. The Group had a sickness absence rate of 3.0% in the first nine months of 2019.

## RELATED PARTIES

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The Group's related parties comprise members of the board and management, as well as companies those individuals control or have a significant influence over.

Ruihai Zhao, who chairs the board of directors, is one of the primary shareholders of Qumei Home Furnishings Group. IMG sells furniture in the Chinese market through Qumei's stores in China. The agreement regulating these transactions has been entered into at market terms and on the basis of the arm's length principle.

No other material transactions were undertaken with related parties during the quarter.

## RISKS AND UNCERTAINTIES

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Ekornes is exposed to risk on both the sales and purchasing sides in a number of different geographic markets. Furthermore, the Group has production facilities in Norway, Lithuania, Vietnam, Thailand and the USA. This means that the company's market, currency and sourcing risks have a certain natural spread, at the same time as its competitiveness is affected by changes in exchange rates against the NOK. The Group seeks to minimize this risk by making use of various forms of hedging, such as currency hedging.

Ekornes's business risk relates to fluctuations in the economic cycle, changes in market conditions, competitors, political and legal conditions as well as general patterns of consumption in the markets in which the Group operates. Among the largest uncertainties going forward are how the trade agreement with the USA develops, as well as the outcome of Brexit negotiations between the UK and EU.

Product development and the launch of new concepts is one part of Ekornes' growth strategy. How the market responds to new products is always uncertain. In addition, there is always a risk of unforeseen operational problems, which could result in higher operating costs and lower earnings than predicted and expected.

Reference is otherwise made to the 2018 annual report for more detailed information on the Group's risk factors and risk management.

## EVENTS AFTER THE BALANCE SHEET DATE

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No material events have occurred from the balance sheet date until the publication of the financial statements that have had any material impact on the Group's financial position and that should have been reflected in the published financial statements.

## OUTLOOK

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*Ekornes' long-term ambition is to grow revenues profitably and a number of measures are and will be taken to achieve this goal.*

*Within the Stressless® segment the main priorities are innovation and product development. During 2019, a number of new products have been introduced, and the strong emphasis on new product development will also yield more launches in 2020. One of the major market investments in 2019 and the coming years is a new in-store solution to be implemented among retailers selling Stressless®. This will be replacing the current in-store solutions that has been used for the last 10 years. The new solution is well received among the Stressless® retailers.*

*Main priority for IMG has been to expand market presence and strengthen distribution, particularly in the European market. The Company's new production facility in Lithuania opened in May 2019, improving logistics and expanding product range significantly. This will increase the competitiveness of IMG in the European market, and the Company has already received positive response from both existing and potentially new dealers. During the first half of 2019 IMG was introduced to the Chinese market by Qumei, generating substantial increase in sales in this market. This development is expected to continue.*

*For Svane® the turnaround initiatives are proving positive results, generating positive earnings in the third quarter. The process continues and additional cost reducing measures will be initiated going forward. Combined with the introduction of a new marketing concept aiming to increase revenues, Svane performance is expected to improve going forward.*

*Recent increase in overall order receipts and a higher order reserve at the end of the period points towards improved performance the coming quarter.*

*Oslo, October 29th 2019  
The board of Ekornes QM Holding AS*

*Ruihai Zhao  
Chair*

*Mogens Falsig  
Director and CEO*



## CONSOLIDATED INCOME STATEMENT

<i>(Figures in MNOK, except per share data)</i>	Note	Q3 2019	Q3 2018*	Q2 2019	YTD Q3 2019	YTD Q3 2018*	Y 2018*
<b>Gross operating revenue</b>	2	690,8	317,0	768,7	2 268,1	317,0	1 131,2
<i>Cost of goods sold</i>		176,0	81,7	203,5	572,9	81,7	320,2
<i>Payroll expenses</i>		198,9	77,2	240,6	686,7	77,2	304,0
<i>Depreciation and write downs</i>	5	73,1	20,4	70,7	213,1	20,4	82,7
<i>Other operating expenses</i>		188,5	116,4	210,0	613,6	116,4	350,2
<i>Net other losses (gains)</i>		15,6	-16,3	-4,5	2,8	-16,3	12,8
<b>Total operating expenses</b>		652,1	279,4	720,3	2 089,2	279,4	1 069,9
<b>Operating earnings (EBIT)</b>		38,7	37,6	48,5	178,9	37,6	61,3
<i>Financial income</i>		9,9	2,6	7,6	24,5	2,6	8,6
<i>Net gains (losses) on foreign exchange</i>		29,3	-8,4	-14,1	86,3	-8,4	27,2
<i>Financial expenses</i>		57,7	8,6	73,4	152,1	8,6	29,1
<b>Net financial items</b>		-18,4	-14,4	-79,9	-41,3	-14,4	-47,7
<b>Earnings before tax (EBT)</b>		20,4	23,3	-31,4	137,6	23,3	13,6
<i>Calculated tax cost (Income)</i>	9	5,2	5,4	-96,4	57,6	5,4	3,1
<b>Net earnings</b>		15,2	17,8	64,9	195,3	17,8	10,5
<b>Earnings are attributable to:</b>							
<i>Controlling interests</i>		10,4	10,7	53,7	168,9	10,7	6,3
<i>Non-controlling interests</i>		4,8	7,1	11,3	26,4	7,1	4,2
<i>Earnings per share</i>		506,7	594,0	2 164,8	6 509,0	594,0	349,2
<i>Earnings per share (diluted)</i>		506,7	594,0	2 164,8	6 509,0	594,0	349,2

## STATEMENT OF COMPREHENSIVE INCOME

<i>(Figures in MNOK)</i>	Note	Q3 2019	Q3 2018*	Q2 2019	YTD Q3 2019	YTD Q3 2018*	Y 2018*
<b>Net earnings</b>		15,2	17,8	64,9	195,3	17,8	10,5
<b>Other income and expenses:</b>							
<b>Items which can be reclassified to earnings and loss:</b>							
<i>Translation differences</i>		25,2	5,0	-1,3	24,7	5,0	20,1
<i>Translation difference - net financing subsidiaries</i>		1,0	0,1	0,3	1,0	0,1	0,5
<i>Change in deferred tax - net financing subsidiaries</i>		-0,2	0,0	-0,1	-0,2	0,0	-0,1
<b>Total other income and expenses</b>		26,0	5,1	-1,1	25,5	5,1	20,5
<b>Total comprehensive income</b>		41,2	22,9	63,9	220,8	22,9	30,9

\*The figures for 2018 are not comparable with the historical figures for Ekornes. Ekornes Group is consolidated from the acquisition date in August 2018, so only four months of revenue and cost related to Ekornes is included in the financial statement for 2018.

## CONSOLIDATED BALANCE SHEETS

<i>(Figures in MNOK)</i>	Note	30.9.2019	30.9.2018*	30.6.2019	31.12.2018*
<b>ASSETS</b>					
<b>Non-current assets</b>					
<i>Buildings and sites</i>		1 055,3	1 020,4	1 064,3	1 011,4
<i>Machinery and equipment</i>		305,2	327,1	318,0	322,2
<i>Operating movables, fixtures</i>		23,2	19,6	20,5	19,7
<i>Assets under construction</i>		28,9	66,6	21,1	89,1
<i>Right-of-use assets</i>	7	125,4	0,0	118,6	0,0
<b>Total property, plant &amp; equipment</b>		<b>1 538,0</b>	<b>1 433,7</b>	<b>1 542,5</b>	<b>1 442,4</b>
<i>Software and licenses</i>		44,5	46,7	47,9	49,3
<i>Brand name</i>	5	1 612,4	1 653,0	1 622,5	1 642,9
<i>Goodwill</i>	5	1 645,6	1 645,6	1 645,6	1 645,6
<i>Customer relations</i>	5	1 240,5	1 298,6	1 254,8	1 283,3
<i>Deferred tax assets</i>		85,4	61,8	83,2	81,7
<b>Total non-current intangible assets</b>		<b>4 628,4</b>	<b>4 705,8</b>	<b>4 654,0</b>	<b>4 702,7</b>
<i>Other receivables and investments</i>		17,3	22,9	18,3	19,2
<b>Total non-current financial assets</b>		<b>17,3</b>	<b>22,9</b>	<b>18,3</b>	<b>19,2</b>
<b>Total non-current assets</b>		<b>6 183,6</b>	<b>6 162,4</b>	<b>6 214,7</b>	<b>6 164,3</b>
<b>Current assets</b>					
<i>Inventory</i>		636,0	577,6	586,0	557,2
<i>Trade receivables</i>		369,9	404,2	385,0	379,5
<i>Value of forward contracts</i>		0,0	7,9	0,1	0,0
<i>Other short-term receivables</i>		103,6	79,5	83,3	115,3
<i>Cash and bank deposits</i>		306,2	117,3	277,7	107,6
<b>Total current assets</b>		<b>1 415,6</b>	<b>1 186,6</b>	<b>1 332,0</b>	<b>1 159,6</b>
<b>TOTAL ASSETS</b>		<b>7 599,2</b>	<b>7 348,9</b>	<b>7 546,8</b>	<b>7 323,9</b>

\*The figures for 2018 are not comparable with the historical figures for Ekornes

## CONSOLIDATED BALANCE SHEETS

(Figures in MNOK)	Note	30.9.2019	30.9.2018*	30.6.2019	31.12.2018*
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
<b>Contributed equity</b>					
Share capital	8	0,1	0,1	0,1	0,1
Premium paid		2 807,4	2 807,4	2 807,4	2 807,4
<b>Total contributed equity</b>		<b>2 807,5</b>	<b>2 807,5</b>	<b>2 807,5</b>	<b>2 807,5</b>
<b>Retained earnings</b>					
Translation difference		42,0	5,1	18,1	20,5
Other equity		175,2	12,9	164,7	6,3
<b>Total retained earnings</b>		<b>217,2</b>	<b>18,0</b>	<b>182,8</b>	<b>26,8</b>
Owners of the company		3 024,7	2825,5	2 990,3	2 834,2
Non-controlling interests		498,2	297,5	490,9	296,8
<b>Total equity</b>		<b>3 522,9</b>	<b>3123,0</b>	<b>3 481,2</b>	<b>3 131,0</b>
<b>Non-current liabilities</b>					
Pension liabilities		5,6	5,2	5,1	6,1
Provisions		4,5	2,4	4,4	4,5
Deferred tax	9	870,5	992,4	878,8	983,2
Lease liabilities	7	95,4	0	90,0	0,0
Interest-bearing debt - Bond	6	1 980,1	0	1 979,2	0,0
Interest-bearing debt - Bank	6	500,0	500,0	500,0	500,0
<b>Total non-current liabilities</b>		<b>3 456,1</b>	<b>1 500,0</b>	<b>3 457,5</b>	<b>1 493,7</b>
<b>Current liabilities</b>					
Interest-bearing debt - Related parties	6	0,0	2 026,3	0,0	2 088,8
Trade payables		160,6	119,9	132,6	158,0
Public charges payable		444	533	65,1	57,8
Tax payable		485	95,6	35,6	74,8
Forward currency contracts		134	0,0	0,0	23,6
Interest-bearing debt - Bank	6	80,8	248,4	74,4	111,9
Dividend		19,8	0,0	19,8	0,0
Other current liabilities	7	220,2	182,5	250,4	184,2
Lease liabilities	7	325	0,0	30,4	0,0
<b>Total current liabilities</b>		<b>620,2</b>	<b>2 725,9</b>	<b>608,1</b>	<b>2 699,1</b>
<b>Total liabilities</b>		<b>4 076,4</b>	<b>4 225,9</b>	<b>4 065,6</b>	<b>4 192,8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7 599,2</b>	<b>7 348,9</b>	<b>7 546,8</b>	<b>7 323,9</b>

\*The figures for 2018 are not comparable with the historical figures for Ekornes

## CONSOLIDATED STATEMENT OF CASH FLOWS

(Figures in TNOK)	Q3 2019	Q3 2018*	Q2 2019	YTD Q3 2019	YTD Q3 2018*	Y 2018*
<b>Cash flows from operating activities</b>						
Earnings before tax (EBT)	20,4	23,3	-31,4	137,6	23,3	13,6
Tax paid for the period	-0,4	-4,8	-40,3	-79,8	-4,8	-24,1
Depreciation and write downs	73,1	20,4	70,7	213,1	20,4	82,7
Change in inventory	-50,0	-6,9	1,6	-78,8	-6,9	13,6
Change in trade receivables	15,1	-74,2	20,4	9,6	-74,2	-49,5
Change in trade payables	28,0	-16,6	-10,7	2,5	-16,6	21,5
Change in other time limited records	-38,2	152,2	131,0	46,5	152,2	114,0
<b>Net cash flow from operating activities</b>	<b>48,0</b>	<b>93,2</b>	<b>141,3</b>	<b>250,8</b>	<b>93,2</b>	<b>171,9</b>
<b>Cash flows from investing activities</b>						
Proceeds from sale of PP&E	-0,3	0,5	0,4	0,1	0,5	4,8
Payments for purchase of PP&E	-17,8	-13,5	-26,6	-78,1	-13,5	-45,0
Payment of acquisitions of Ekornes AS	0,0	-4 541,4	0,0	0,0	-4 541,4	-4 541,4
<b>Net Cash flows from investing activities</b>	<b>-18,0</b>	<b>-4 554,4</b>	<b>-26,2</b>	<b>-78,0</b>	<b>-4 554,4</b>	<b>-4 581,6</b>
<b>Cash flows from financing activities</b>						
Payment of lease liabilities	-8,9	0,0	-15,8	-24,7	0,0	0,0
Payment of dividend	0,0	0,0	-0,9	-0,9	0,0	0,0
Change in net long-term debt - Bond	6	0,0	1 979,2	1 980,1	0,0	0,0
Change in internal loan	6	0,0	4 533,4	-1 897,6	4 533,4	4 595,9
Change in net short-term debt to credit institutions	6	6,5	45,0	27,8	-31,0	45,0
<b>Net cash flow from financing activities</b>	<b>-1,5</b>	<b>4 578,4</b>	<b>94,4</b>	<b>25,9</b>	<b>4 578,4</b>	<b>4 504,4</b>
<b>Change in net cash &amp; cash equivalents</b>	<b>28,4</b>	<b>117,2</b>	<b>209,4</b>	<b>198,6</b>	<b>117,2</b>	<b>94,6</b>
Effect of exchange gains / (losses) on cash and cash equivalents	0,0	0,0	0,0	0,0	0,0	12,9
Net cash & cash equivalents at the start of the period	277,7	0,0	68,3	107,6	0,0	0,0
<b>Net cash &amp; cash equivalents at the close of the period</b>	<b>306,2</b>	<b>117,2</b>	<b>277,7</b>	<b>306,2</b>	<b>117,2</b>	<b>107,6</b>
Restricted cash at the end of the period	138,1	14,5	151,7	138,1	14,5	20,6
Unrestricted cash at the end of the period	168,1	102,7	126,1	168,1	102,7	87,0

\*The figures for 2018 are not comparable with the historical figures for Ekornes. Ekornes Group is consolidated from the acquisition date in August 2018, so only four months of revenue and cost related to Ekornes is included in the financial statement for 2018.

In the statement of cash flow, cash and bank deposits are recognised as cash. Per 31 December restricted deposits are related to the payment of employee tax deductions.

In April 2019, Ekornes QM Holding AS issued a stock exchange bond to refinance the Group and part of the condition is to have a minimum liquidity in Ekornes QM Holding of NOK 125 million. The rest of the restricted cash at 30 June 2019 and 30 september 2019 are related to the payment of employee tax deductions.



## STATEMENT OF CHANGES IN EQUITY

(Figures in MNOK)	Share capital	Premium paid	Translation difference	Other	Sum	Non-controlling interests	Total equity
<b>Equity 04.01.2018</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>
Earnings for the year	0,0	0,0	0,0	6,3	6,3	4,2	10,5
Other comprehensive income	0,0	0,0	20,5	0,0	20,5	0,0	20,5
Minority shareholders at time of group establishment	0,0	0,0	0,0	0,0	0,0	292,6	292,6
Capital increase	0,1	2 807,4	0,0	0,0	2 807,4	0,0	2 807,4
<b>Equity 31.12.2018</b>	<b>0,1</b>	<b>2 807,4</b>	<b>20,5</b>	<b>6,3</b>	<b>2 834,2</b>	<b>296,8</b>	<b>3 131,0</b>
<b>Equity 31.12.2018</b>	<b>0,1</b>	<b>2 807,4</b>	<b>20,5</b>	<b>6,3</b>	<b>2 834,2</b>	<b>296,8</b>	<b>3 131,0</b>
Earnings for the year	0,0	0,0	0,0	168,9	168,9	26,4	195,3
Recl. Other comprehensive income 2018	0,0	0,0	-1,9	0,0	-1,9	1,9	0,0
Other comprehensive income	0,0	0,0	23,5	0,0	23,5	2,5	26,0
Dividend*	0,0	0,0	0,0	0,0	0,0	-20,6	-20,6
Debt conversion**	0,0	0,0	0,0	0,0	0,0	191,2	191,2
<b>Equity 30.9.2019</b>	<b>0,1</b>	<b>2 807,4</b>	<b>42,0</b>	<b>175,2</b>	<b>3 024,7</b>	<b>498,2</b>	<b>3 522,9</b>

**\*Dividend from Ekornes Holding AS**

On 28 May 2019 an ordinary General Assembly was held in Ekornes Holding AS. The general meeting resolved to approve the year-end financial statements for the Company, directors' report and audit statement for 2018. The Board furthermore resolved, in accordance with the proposal of the Board, that NOK 217 million will be distributed as a dividend:

Approved dividend to	Ownership	Dividend approved
Ekornes QM Holding AS	90.5%	196 385 000
Ruisi Holding Company Limited	9.5%	20 615 000
<b>Total</b>	<b>100.0%</b>	<b>217 000 000</b>

The dividend to Ekornes QM Holding is eliminated in the group financial statement of Ekornes QM Holding. The dividend of NOK 20.6 million will be paid to the non-controlling interest Ruisi Holding.

**\*\*Debt Conversion in Ekornes Holding AS**

On 28 September 2018, Ekornes Holding AS entered into two loan agreements with respectively Ekornes QM Holding AS and Ruisi Holding Company Limited (Luxembourg) in connection with the acquisition Ekornes AS. As part of the settlement of the financing structure set up by the group in relation the acquisition of Ekornes AS, the board carried out a share capital increase towards Ekornes QM Holding AS and Ruisi Holding Company Limited (Luxembourg), by increasing the par value of the Company's shares with NOK 1. The payment for the share capital increase was settled by way of setting off the outstanding amount under the Loan Agreements. For the non-controlling interest, the debt conversion amounts to NOK 191,2 million.

The proportionate ownership between Ekornes QM Holding AS and Ruisi Holding Company Limited (Luxembourg) remains unchanged following the share capital increase, with respectively 905 000 shares that represent 90.5% of the share capital and the votes in Ekornes Holding AS, and 95 000 shares that represent 9.5% of the share capital and the votes in Ekornes Holding AS.

## NOTE 1 ACCOUNTING PRINCIPLES

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*The consolidated financial statements for the third quarter 2019, closed as at 30 September 2019, have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU, and include Ekornes QM Holding AS and its subsidiaries. The interim report has not been audited. The interim report does not include all the information required of a complete set of year-end financial statements and should therefore be read in conjunction with the consolidated financial statements for 2018. The Group's consolidated financial statements and the financial statements for the parent company Ekornes QM Holding AS for 2018, may be found on the company's website [ir.Ekornes.com](http://ir.Ekornes.com).*

*The accounting principles used in the preparation of these interim financial statements are the same as those applied to the consolidated financial statements for 2018, with the exception of the new IFRS 16 standard implemented January 1, 2019.*

### **IFRS 16 Leases**

*Ekornes implemented IFRS 16 Leases on January 1, 2019. The standard was implemented retrospectively with the cumulative effect of initially applying the standard recognized in the balance sheet as of January 1, 2019. IFRS 16 requires all leases except short-term leases and small asset leases to be recognized on the balance sheet as a right-of-use asset and a lease liability.*

*At implementation of IFRS 16, the liabilities are measured as the contractually fixed payments in future periods discounted using the estimated alternative borrowing rate for the relevant duration and currency. Renewal options that at initial recognition are highly probable to be used are included in the contractual cash flows when measuring the lease liability. The right-of-use assets are measured as the remaining liability for close to all contracts. The right-of-use asset is depreciated over the lease term. Contractual payments represent a combination of interest on the liability and repayment of the principal amount. Lease amounts representing variable payments based on such factors as specific cost elements in related services or usage, lease amounts for short-term leases of a duration of up to 12 months as well as lease amounts for small asset leases covering such elements as PCs and other office equipment, is expensed as Other expenses over the lease term.*

See note 7 for more information

## NOTE 2 BUSINESS AREAS – SEGMENTS - MARKETS

### Segments

The division into product areas is based on the Group's management and internal reporting structures and coincides with the division into segments.

Ekornes QM Holding Group's business is divided into the segments/product areas:

- Stressless®, which covers the Stressless® product area
- Svane®, which covers the Svane® product area
- IMG, which covers the IMG product area

The Group's administration expenses and other shared overheads are allocated to the segments. Internal pricing between the segments is based on arm's length prices at corresponding terms as transactions with independent third parties. Management regularly monitors the business segments' profit/loss and uses this information to perform analyses of their performance and to make decisions regarding resource allocation. Each segment's performance is assessed on the basis of its operating profit and is measured consistently with the operating profit in the consolidated financial statements.

Information relating to the Group's reportable business segments is presented below:

(Figures in TNOK)	Q3 2019	Q2 2019	Q1 2019	YTD Q3 2019	Y 2018
<b>Revenues per segment</b>					
Stressless®	494,8	595,3	639,5	1 729,6	889,9
IMG	139,6	135,1	111,0	385,7	175,3
Svane®	56,3	38,3	58,1	152,8	66,0
<b>Total</b>	<b>690,8</b>	<b>768,7</b>	<b>808,5</b>	<b>2 268,1</b>	<b>1 131,2</b>
<b>EBITDA per segment</b>					
Stressless®	77,9	109,9	139,2	327,1	124,3
IMG	30,6	32,2	24,9	87,8	43,5
Svane®	5,4	-12,8	-2,5	-9,9	-7,5
Other/eliminations *	-2,1	-10,2	-0,6	-12,8	-16,4
<b>Total</b>	<b>111,9</b>	<b>119,1</b>	<b>161,0</b>	<b>392,0</b>	<b>144,0</b>
<b>EBIT per segment</b>					
Stressless®	18,8	55,8	85,5	160,1	59,7
IMG	14,1	16,5	10,2	40,8	26,3
Svane®	4,6	-13,6	-3,3	-12,4	-8,2
Other/eliminations *	1,2	-10,2	-0,6	-9,6	-16,4
<b>Total</b>	<b>38,7</b>	<b>48,5</b>	<b>91,7</b>	<b>178,9</b>	<b>61,3</b>
<b>Operating revenues by market</b>					
Norway	93,7	85,7	122,0	301,4	157,0
Other Nordic	36,9	34,3	52,9	124,1	64,6
Central Europe	85,5	151,1	181,2	417,8	191,8
Southern Europe	40,9	52,4	62,5	155,8	82,3
United Kingdom/Ireland	51,4	49,6	55,3	156,4	85,3
USA/Canada/Mexico	235,4	248,5	218,8	702,7	374,6
Japan	46,9	30,7	26,3	103,9	45,8
China	26,3	29,2	20,6	76,1	16,4
Other Markets	73,8	87,2	68,9	229,8	113,4
<b>Total</b>	<b>690,8</b>	<b>768,7</b>	<b>808,5</b>	<b>2 268,1</b>	<b>1 131,2</b>

\* Other / eliminations contain results from activities carried out by the parent company and other non-production-oriented companies in the group.

The figures for 2018 are not comparable with the historical figures for Ekornes. Ekornes Group is consolidated from the acquisition date in August 2018, so only four months of revenue and cost related to Ekornes is included in the financial statement for 2018.

## NOTE 3 CURRENCY

The Group sells its products internationally and bills its customers primarily in the respective countries' own currencies. The Group manages all matters related to currency and foreign exchange risk from head office. Currency hedging is an integral part of The Group's operational activities. IMG and Svane® have no currency hedging. As part of the company's efforts to reduce its foreign exchange risk/currency exposure The Group also seeks to purchase goods and services for use in Norway on international markets, where cost-effective. Together with the Group's distribution, sales and marketing activities, and associated administrative organization, this provides natural operational hedging of the company's foreign exchange risk (natural hedging) for part of its cash flow.

In addition to natural hedging, the company uses forward contracts for additional currency hedging. This does not reduce the long-term foreign exchange risk but provides predictability within the hedging horizon. According to the group's strategy, 80 per cent of the expected currency exposure in the coming six-month period is hedged in currencies where the expected annual exposure exceeds NOK 75 million, and correspondingly for 50 per cent of the expected exposure in the coming 6-12-month period. Financial risk is primarily associated with fluctuations in exchange rates and the ability of the Group's customers to pay what they owe. The Group's competitiveness is affected, over time, by movements in the value of the NOK in relation to other currencies. The Group actively seeks to limit this risk.

### The following net foreign exchange volume was undertaken in 2019:

Currency	Volume in NOK	Volume in Currency	Average exchange rate (in NOK)
AUD	72 232 523	12 040 000	5,9994
DKK	52 565 881	40 510 000	1,2976
EUR	274 733 343	28 340 000	9,6942
GBP	89 609 211	8 220 010	10,9014
USD	105 742 767	13 240 000	7,9866

## NOTE 4 NO. OF EMPLOYEES

	30.9.2019	30.6.2019	31.3.2019	31.12.2018
Employees in Norway	1 085	1 115	1 135	1 151
Employees abroad	1 168	1 122	1 086	988
<b>Total</b>	<b>2 253</b>	<b>2 237</b>	<b>2 221</b>	<b>2 139</b>

## NOTE 5 GOODWILL, BRAND AND CUSTOMER RELATIONS

Goodwill is not depreciated in the consolidated financial statements but is tested annually for impairment.

Customer relationships and brand names are depreciated on a straight-line basis over estimated lifetime. Estimated lifetime customer relationships are rated at 25 years for the Stressless® segment and 10 years for the IMG segment. For brands, the estimated lifetime is estimated at 50 years for the Stressless® segment and 10 years for the IMG segment.

Depreciation expense is included in depreciation in the income statement.

<i>(Figures in TNOK)</i>	Goodwill	Customer relationships	Brand name	Total
<b>Acquisition value 31.12.2018</b>	<b>1 645,6</b>	<b>1 302,3</b>	<b>1 656,4</b>	<b>4 604,3</b>
<b>Accumulated depreciation 31.12.2018</b>	<b>0,0</b>	<b>19,0</b>	<b>13,6</b>	<b>32,6</b>
<i>The year's depreciation</i>	0,0	42,8	30,5	<b>73,3</b>
<i>Accumulated depreciation 30.9.2019</i>	0,0	61,8	44,1	<b>105,8</b>
<b>Book value 30.9.2019</b>	<b>1 645,6</b>	<b>1 240,5</b>	<b>1 612,4</b>	<b>4 498,4</b>
<i>Stressless®</i>	750,1	774,0	1 374,5	<b>2 898,5</b>
<i>IMG</i>	895,5	466,5	237,9	<b>1 599,9</b>
<i>Svane®</i>	0,0	0,0	0,0	<b>0,0</b>
<b>Book value 30.9.2019</b>	<b>1 645,6</b>	<b>1 240,5</b>	<b>1 612,4</b>	<b>4 498,4</b>
	Goodwill	Customer relationships	Brand name	Total
<i>Addition by acquisition of Ekornes AS</i>	1 645,6	1 302,3	1 656,4	<b>4 604,3</b>
<b>Acquisition value 31.12.2018</b>	<b>1 645,6</b>	<b>1 302,3</b>	<b>1 656,4</b>	<b>4 604,3</b>
<b>Accumulated depreciation 4.1.2018</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>
<i>The year's depreciation</i>	0,0	19,0	13,6	<b>32,6</b>
<i>Accumulated depreciation 31.12.2018</i>	0,0	19,0	13,6	<b>32,6</b>
<b>Book value 31.12.2018</b>	<b>1 645,6</b>	<b>1 283,3</b>	<b>1 642,9</b>	<b>4 571,7</b>
<i>Stressless®</i>	750,1	798,2	1 395,6	<b>2 943,9</b>
<i>IMG</i>	895,5	485,0	247,3	<b>1 627,8</b>
<i>Svane®</i>	0,0	0,0	0,0	<b>0,0</b>
<b>Book value 31.12.2018</b>	<b>1 645,6</b>	<b>1 283,3</b>	<b>1 642,9</b>	<b>4 571,7</b>

## NOTE 6 INTEREST-BEARING LOANS AND CREDIT FACILITIES

The Group regularly assesses its capital structure and risk profile. In April 2019, Ekornes QM Holding AS issued a stock exchange bond to refinance the Ekornes QM Holding Group. As a result, the loan from Qumei Runto S.A.R.L. to Ekornes QM Holding AS of NOK 1 832,4 million including accrued interest as of 31 March 2019, was paid in full in April 2019.

(Figures in MNOK)

Short-term borrowing agreement 30 September 2019	Credit facility	Amount drawn	Available
DNB	500,0	-80,8	419,2
Sparebank Møre	250,0	0	250,0
<b>Total</b>	<b>750,0</b>	<b>-80,8</b>	<b>669 ,2</b>

### Long-term borrowing agreement 30 September 2019

The Group has a long-term borrowing agreement with DNB. The loan of NOK 500 million is unsecured. No instalments are payable before maturity in September 2022. Interest expenses are paid quarterly.

### Senior Secured Bond at 30 September 2019

In April 2019, Ekornes QM Holding AS issued a stock exchange bond to refinance the Group. The bond was listed on Oslo Stock Exchange 10 July:

<b>Bond</b>	FRN Ekornes QM Holding AS Senior Secured Callable Bond Issue 2019/2023
<b>Ticker:</b>	EKO01
<b>Currency</b>	NOK
<b>Issue Amount</b>	2 000
<b>Nibor</b>	1,52% (1,77% from 2 October 2019)
<b>Margin</b>	7,00%
<b>Coupon</b>	8,52% (8,77% from 2 October 2019)
<b>Tenor / redemption:</b>	54 months /4,5 years
<b>Settlement Date:</b>	02.4.2019
<b>Maturity Date:</b>	02.10.2023

The changes in interest-bearing debt through the period 1 January 2019 to 30 September 2019 are as follows:

#### Internal interest-bearing debt

<b>Opening balance</b>	<b>2 088,8</b>
Debt conversion	-191,2
Change in internal loan	-1 897 ,6
<b>Closing balance internal interest-bearing debt</b>	<b>0,0</b>

#### External interest-bearing debt

Opening balance	611,9
Change in net short-term debt - Bank	-31,0
Change external debt - Bond	1 980,1
<b>Closing balance external debt</b>	<b>2 560,9</b>

<b>Total interest-bearing debt</b>	<b>2 560,9</b>
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During 2019 and at 30 September 2019, the company was in compliance with the covenants under the bank-agreement in DnB and the bond agreement.

## NOTE 7 LEASING

The Group has entered into several different leasing agreements with respect to office and warehouse space and other facilities. These are primarily associated with non-Norwegian subsidiaries.

(Figures in MNOK)

Right of use assets	Total
<b>Balance at 1.1.2019</b>	<b>120,3</b>
Depreciations	-26,0
Additions	31,1
<b>Balance at 30.9.2019</b>	<b>125,4</b>
<b>Lease liabilities</b>	
<b>Maturity analysis - contractual undiscounted cash flows</b>	
Within one year	34,1
One to two years	26,3
Two to three years	16,8
Three to four years	12,1
Four to five years	11,1
More than five years	34,0
<b>Total undiscounted lease liabilities at 30.9.2019</b>	<b>134,5</b>
<b>Lease liabilities included in the statement of financial position at 30.9.2019</b>	
Current	32,5
Non-current	95,4

## NOTE 8 SHARES AND SHAREHOLDERS

As of 30 September 2019, Ekornes QM Holding AS's registered share capital comprised 30 000 ordinary shares. All shares have a face value of NOK 4.00. All shares in the company have equal voting and dividend rights. All shares give equal rights to the company's net assets.

Ekornes QM Holding AS has no treasury shares as of 30 September 2019.

As at 30 September 2019, the company's sole shareholder was

Shareholder	Country	No. of shares held	Percentage
Qumei Runto S.A.R.L.	Luxembourg	30 000	100%

As at 30 September 2018, the company's sole shareholder was

Shareholder	Country	No. of shares held	Percentage
Qumei Runto S.A.R.L.	Luxembourg	30 000	100%

As at 30 September 2019, the board has been granted the following authorisations:

The board has been granted no authorisations.

## NOTE 9 DEFERRED TAX RELATED TO EXCESS VALUES

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*In connection with the purchase price allocation following the acquisition of Ekornes AS, excess values were identified related to brand names, customer relationships, real estate and fixed assets. Deferred tax relating to allocated excess values at the time of acquisition was capitalized at NOK 995 million.*

*Ekornes has updated the expected tax rate and measured the deferred tax liabilities related to the excess values per 30 June 2019. The deferred tax liabilities have been reduced with NOK 85.9 million in second quarter 2019.*

*The deferred tax related to excess values is NOK 870.5 million per 30 september 2019.*





# **EKORNES®**

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