



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 913 499 980
Organisasjonsform: Aksjeselskap
Foretaksnavn: IMG GROUP AS
Forretningsadresse: Sykkylvsvegen 125
6230 SYKKYLVEN

Regnskapsår

Årsregnskapets periode: 01.01.2019 - 31.12.2019

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Trond Vadset Veibust
Dato for fastsettelse av årsregnskapet: 28.08.2020

Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert
År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

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

Brønnøysundregistrene, 29.07.2021



Resultatregnskap

Beløp i: NOK	Note	2019	2018
RESULTATREGNSKAP			
Inntekter			
Sales revenues	2	421 152 000	363 029 000
Other operating income		0	-2 000
Sum inntekter		421 152 000	363 027 000
Kostnader			
Cost of materials	6	281 513 000	216 558 000
Personnel expenses	3	17 092 000	13 239 000
Depreciation	4	41 070 000	40 411 000
Other operating expenses	3,6	30 350 000	17 637 000
Sum kostnader		370 025 000	287 845 000
Driftsresultat		51 127 000	75 182 000
Finansinntekter og finanskostnader			
Income from subsidiaries	6	3 672 000	10 565 000
Renteinntekt fra foretak i samme konsern	6	960 000	719 000
Annen renteinntekt		908 000	1 287 000
Sum finansinntekter		5 540 000	12 571 000
Other financial expenses	5	4 121 000	3 137 000
Sum finanskostnader		4 121 000	3 137 000
Netto finans		1 419 000	9 434 000
Ordinært resultat før skattekostnad		52 546 000	84 616 000
Tax expense	7	11 610 000	16 649 000
Ordinært resultat etter skattekostnad		40 936 000	67 967 000
Årsresultat		40 936 000	67 967 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		40 935 000	67 968 000
Sum overføringer og disponeringer		40 935 000	67 968 000



Balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Software and licenses	4	7 662 000	4 124 000
Customer relations	4	5 087 000	6 883 000
Goodwill	4	186 662 000	223 640 000
Sum immaterielle eiendeler		199 411 000	234 647 000
Varige driftsmidler			
Buildings and land	4	196 000	241 000
Equipment and vehicles	4	1 550 000	412 000
Sum varige driftsmidler		1 746 000	653 000
Finansielle anleggsmidler			
Investering i datterselskap	5	184 105 000	178 228 000
Lån til foretak i samme konsern	6	17 606 000	28 672 000
Other receivables		3 000	3 000
Sum finansielle anleggsmidler		201 714 000	206 903 000
Sum anleggsmidler		402 871 000	442 203 000
Omløpsmidler			
Varer			
Inventories		2 699 000	-15 000
Sum varer		2 699 000	-15 000
Fordringer			
Accounts receivables		8 558 000	10 876 000
Other receivables		4 261 000	1 871 000
Konsernfordringer	6	39 024 000	21 278 000
Sum fordringer		51 843 000	34 025 000
Bankinnskudd, kontanter og lignende			
Cash and bank deposits	9	551 000	365 000
Sum bankinnskudd, kontanter og lignende		551 000	365 000



Balanse

Beløp i: NOK	Note	2019	2018
Sum omløpsmidler		55 093 000	34 375 000
SUM EIENDELER		457 964 000	476 578 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	8	15 030 000	15 030 000
Overkurs	8	90 000 000	90 000 000
Sum innskutt egenkapital		105 030 000	105 030 000
Opptjent egenkapital			
Other equity	8	248 841 000	207 905 000
Sum opptjent egenkapital		248 841 000	207 905 000
Sum egenkapital		353 871 000	312 935 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	7	11 772 000	12 084 000
Sum avsetninger for forpliktelser		11 772 000	12 084 000
Annen langsiktig gjeld			
Sum langsiktig gjeld		11 772 000	12 084 000
Kortsiktig gjeld			
Trade creditors		2 652 000	2 003 000
Tax payable	7	10 356 000	14 939 000
Public duties payable		882 000	677 000
Kortsiktig konserngjeld	6	76 805 000	131 848 000
Other current debt		1 624 000	2 091 000
Sum kortsiktig gjeld		92 319 000	151 558 000
Sum gjeld		104 091 000	163 642 000
SUM EGENKAPITAL OG GJELD		457 962 000	476 577 000



Balanse

Beløp i: NOK	Note	2019	2018
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Skattedirektoratet

Saksbehandler Rune Tystad	Deres dato 13.11.2015	Vår dato 25.11.2015
Telefon 977 59 464	Deres referanse Lars Inge Solnørdal Jakobsen	Vår referanse 2015/1093038

IMG GROUP AS
Postboks 251
6230 SYKKYLVEN

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for IMG Group AS, org.nr. 913 499 980

Vi viser til brev av 13. november 2015 der dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for IMG Group AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering IMG Group AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger de regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Fra søknaden gjengis:

IMG Group AS er morselskap for selskapene som produserer og forhandler varer under IMG® varemerket både i Norge og internasjonalt. Selskapet er heleid av og inngår i konsernregnskapet til Ekornes ASA.

All produksjon av varer under IMG® varemerket skjer ved selskapets fabrikker i Thailand og Vietnam, organisert i egne datterselskap. Salget av produktene skjer gjennom egne datterselskaper lokalisert i inn- og utland. Selskapet er svært internasjonalt rettet, og det meste av kommunikasjon foregår på engelsk.

Omsetningsmessig er størsteparten av omsetningen i IMG Group AS konsernintern, til datterselskaper både i inn- og utland. I tillegg er det en del direkteomsetning til større utenlandske sammenslutninger. IMG Group AS har ingen direkte kunder i Norge utover datterselskaper.

Selskapets årsregnskap anses ikke å ha spesiell allmenn interesse i Norge, da selskapet som frontes utad i Norge, er det heleide salgsselskapet som forhandler varer under IMG® varemerket. Imidlertid er IMG Group AS' regnskap flittig brukt utenfor landets grenser, spesielt knyttet opp mot søknadsprosesser/lisensprosesser ved selskapets fabrikker i Asia. All kommunikasjon her foregår på Engelsk.

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *"årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet har en aksjonær og at eierkretsen derfor er begrenset. Det er videre vektlagt at selskapet er svært internasjonalt rettet, at det meste av kommunikasjon foregår på engelsk og at selskapet ikke har noen direkte kunder i Norge utover datterselskaper.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Rune Tystad

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



To the General Meeting of IMG Group AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of IMG Group AS, which comprise the balance sheet as at 31 December 2019, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 as required by laws and regulations, 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

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*PricewaterhouseCoopers AS, Sandviksbodene 2A, Postboks 3984 – Sandviken, NO-5835 Bergen
T: 02316, org. no.: 987 009 713 VAT, www.pwc.no
State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm*



Independent Auditor's Report - IMG Group AS

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

(2)



Independent Auditor's Report - IMG Group AS

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Bergen, 28 August 2020
PricewaterhouseCoopers AS

Fredrik Gabrielsen
State Authorised Public Accountant
(This document is signed electronically)

(3)



 Securely signed with Brevio

Revisjonsberetning - IMG Group AS

Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Gabrielsen, Fredrik	BANKID_MOBILE	2020-08-28 13:33

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Annual report 2019

IMG Group AS

Org.number.:913 499 980



INCOME STATEMENT

IMG Group AS

Figures in NOK 1000

<i>Operating income and operating expenses</i>	Note	2019	2018
Sales revenues	2	421 152	363 029
Other operating income		0	-2
Total operating income		421 152	363 027
Cost of materials	6	281 513	216 558
Personnel expenses	3	17 092	13 239
Depreciation of operating and intangible assets	4	41 070	40 411
Other operating expenses	3, 6	30 350	17 637
Total operating expenses		370 025	287 844
Operating profit		51 127	75 182
Financial income and expenses			
Income from subsidiaries	6	3 672	10 565
Interest income from group companies	6	960	719
Other financial income		908	1 287
Other financial expenses	5	4 121	3 137
Net financial items		1 418	9 434
Profit before tax		52 545	84 617
Tax expense	7	11 610	16 649
Profit after tax		40 935	67 968
Distributed as follows			
Allocated to other equity		40 935	67 968
Total distributed		40 935	67 968

IMG Group AS

Side 2

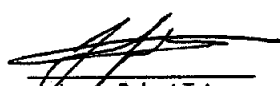
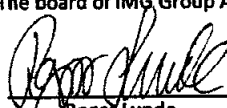

**BALANCE SHEET**
IMG Group AS

Figures in NOK 1000

Equity and liabilities	Note	2019	2018
<i>Equity</i>			
Paid-up equity			
Share capital	8	15 030	15 030
Share premium reserve	8	90 000	90 000
Total paid-up equity		105 030	105 030
Retained earnings			
Other equity	8	248 841	207 905
Total retained earnings		248 841	207 905
Total equity		353 871	312 935
<i>Liabilities</i>			
Non-current liabilities			
Deferred tax	7	11 772	12 084
Total non-current liabilities		11 772	12 084
Current debt			
Trade creditors		2 652	2 003
Tax payable	7	10 356	14 939
Public duties payable		882	677
Current liabilities Group	6	76 805	131 848
Other current debt		1 624	2 091
Total current liabilities		92 320	151 559
Total liabilities		104 092	163 643
Total equity and liabilities		457 963	476 578

28.08.2020

The board of IMG Group AS


James Robert Tate
general Manager
Roger Lunde
chairman of the board
Mette Toft Bjørgen
member of the board

IMG Group AS

913 499 980



BALANCE SHEET
IMG Group AS

Figures in NOK 1000

Assets	Note	2019	2018
<i>Fixed assets</i>			
Intangible assets			
Software and licenses	4	7 662	4 124
Customer relations	4	5 087	6 883
Goodwill	4	186 662	223 640
Total intangible assets		199 410	234 646
Tangible assets			
Buildings and land	4	196	241
Equipment and vehicles	4	1 550	412
Total tangible assets		1 746	653
Financial fixed assets			
Shares in subsidiaries	5	184 105	178 228
Loan to group companies	6	17 606	28 672
Other long-term receivables		3	3
Total financial fixed assets		201 713	206 902
Total fixed assets		402 870	442 202
<i>Current assets</i>			
Inventories		2 699	-15
Accounts receivables		8 558	10 876
Other short-term receivables		4 261	1 871
Current receivables Group	6	39 024	21 278
Cash and bank deposits	9	551	365
Total current assets		55 093	34 376
Total assets		457 963	476 578

IMG Group AS

913 499 980

**CASH FLOW STATEMENT**

IMG Group AS

Figures in NOK 1 000

	2019	2018
Cash flow from operating activities		
Profit before tax	52 545	84 617
Tax paid	-14 816	-12 160
Depreciation expense	41 070	40 411
Impairment expense	3 248	0
Changes in inventory	-2 714	15
Changes in accounts receivables	-15 427	-3 886
Changes in supplier debt	1 513	480
Change in other provisions	-2 791	-282
Net cash flow from operating activities	62 628	109 195
Cash flow from investing activities		
Investments in fixed assets	-1 380	-192
Investments in intangible assets	-5 547	-3 591
Changes in intra-group receivables and payables	8 320	7 832
Changes in other intra-group receivables and payables	-	-3
Investments in shares, group contributions	-	-502
Net cash flow from investing activities	1 393	3 544
Cash flow from financing activities		
Net payment overdraft	-58 314	-104 265
Payment of internal short term debt	-	-3 288
Payments of other debt (short/long)	-	0
Payment of group contribution	-5 521	-5 268
Net cash flow from financing activities	-63 835	-112 821
Net cash flow for the period	186	-82
Cash and bank deposits at beginning of period	365	447
Cash and bank deposits at end of period	551	365
As shown in the financial statements		
Cash and bank deposits	551	365



Accounting principles

The company was registered at 27.03.2014. The company's place of business i Sykkylvsvegen 125, 6230 Sykkylven.

Basic principles - Assessment and classification

The financial statements comprise the profit and loss account, the balance sheet, cash flow statement and notes to the financial statements. They have been prepared in accordance with the Accounting Act and generally accepted accounting practice in Norway, as applicable at 31 December 2019. The notes are an integral part of the financial statements for the year.

The financial statements are based on the fundamental principles of historic cost, comparability, going concern, and congruence. Transactions are recognised at the value of the consideration on the date of the transaction.

Assets/liabilities relating to the business cycle, and items falling due for payment within a year of the balance date, are classified as current. Current assets/liabilities are valued at the lower/higher of acquisition cost and fair value. Fair value is defined as the estimated future sales price, less anticipated sales costs. Other assets are classified as non-current assets. Non-current assets are valued at acquisition cost. Non-current assets, whose value fall over time, are depreciated. If the value of an asset is impaired and the impairment is not expected to be of a temporary nature, the value of the non-current asset is written down. Similar principles normally also apply to liabilities.

Revenues & costs

Income from sale of goods are recognized at the fair value of the consideration, net after deduction of VAT, returns, discounts and reductions. Sales are taken to income when the company has delivered its products to the customers according to the agreed delivery term, and there are no unsatisfied commitments, which may influence the customer's acceptance of the product. Costs are matched with earned revenues according to the matching principle. Costs in relation to guarantee work are recognized as expenses when they occur.

Foreign currencies

Assets and liabilities in foreign currencies are valued at the exchange rate on the balance sheet date. Exchange gains and losses relating to sales and purchases in foreign currencies are recognised as financial income and expenses.

Trade receivables

Trade receivables are recorded at face value, less deductions for anticipated bad debts.

Property, plant & equipment

Property, plant & equipment are recorded as assets on the balance sheet at the original acquisition cost plus appreciation, less deduction for accumulated depreciation. Depreciation is calculated in a straight line over the economic life of the asset on the basis of original acquisition cost plus appreciation.

Intangible assets

Software, including implementation costs, are recorded as assets on the balance sheet as intangible assets. Goodwill customer relations arising from acquisitions is valued at acquisition cost less accumulated depreciations and write-downs due to impairment.

Subsidiaries

Shares in subsidiaries is valued at the lowest of aquisition cost and fair value. IMG Group AS does not prepare consolidated financial statements, since IMG Group AS incl. subsidiaries is included in the consolidated financial statements of Ekornes AS, 6222 lkornes. The consolidated financial statements of Ekornes AS are available at <http://ir.ekornes.com/>.



Material transactions

The effect of material transactions are shown on separate lines in the profit & loss and balance sheet, and/or commented in the notes.

Related parties

Related parties are defined as group companies, major shareholders, directors of the Company or its subsidiaries, and senior executives. No material transactions or agreements with related parties were concluded during the 2018 financial year or those years for which comparable figures are given, other than normal business transactions between group companies.

Tax

Deferred tax liabilities are calculated on the basis of temporary differences between the gains/losses recognised in the financial statements for the year and the gains/losses recognised for tax purposes. A nominal tax rate is used for calculation purposes. Positive and negative differences are set off against each other within the same period. A deferred tax asset arises if temporary differences give rise to a future tax deduction. The tax expense for the year comprises changes in deferred tax liabilities and deferred tax assets as well as tax payable for the financial year, adjusted for possible errors in previous years' calculations.

Cash flow statement

The cash flow statement has been prepared using the indirect method. Cash and cash equivalents consist of cash, bank deposits and other short-term, liquid investments.

Note 1 Financial market risk

Ekornes AS owns 100 % of the shares in the company. IMG Group AS owns 100 % of the shares in the IMG factories and sales companies either directly or indirectly through other subsidiaries. The company also functions as the distribution channel for IMG merchandise World Wide. The company bears most of the currency risk in the combined IMG with purchases in USD, and sales in local currencies to subsidiaries and customers. The USD exposure is partial hedged by sales to end customers in the same currency. No financial instruments are used to reduce the currency risk. The company debtor risk is limited. To the majority of the external customers have cash against documents as payment term, i.e. no goods are delivered before payment is received.

The company is fully funded by its owner, Ekornes AS, through equity and intra-group loans.

Note 2 Sales revenues

(Figures in NOK 1 000)	2019	2018
Skandinavia	59 698	70 163
Australia	69 262	63 511
New Zealand	20 512	18 799
USA/Canada	188 300	174 175
Asia	65 640	28 515
Europe	17 493	7 383
Other	247	483
Total sales revenues	421 152	363 029



Note 3 Payroll expenses

Payroll expenses (Figures in NOK 1 000)	2019	2018
Salary	13 569	10 267
Bonus	492	393
National insurance contributions	1 284	1 328
Pension costs	369	408
Other personell expenses	933	843
Total	16 648	13 239

Average number of full-time employees 14 13

Salaries to general manager (Figures in NOK 1 000)	2019	2018
The general manager has received the following benefits*:		
Salary	2 439	2 062
Bonus	160	110
Pension costs	389	43
Other personell expenses	62	109
Total	3 050	2 324

Remuneration to auditor (excl. VAT):	2019	2018
Audit fee	228	222
Tax advisory services		2
Total	228	224

None of the board members received any remuneration.

There is no bonus arrangement with the board members. The general manager has a bonus arrangement limited up to 25 % of his annual salary. Neither the managing director nor the board has any arrangement which entitles special remuneration should the working relationship end.

Mandatory pension scheme

The company must, according to Norwegian law, establish a pension scheme for its employees. The company has pension schemes that are in compliance with Norwegian law. 12 people are included in these pension schemes. The recorded pension expense of 2019 was TNOK 369 (excl. VAT).



Note 4 Property, plant, equipment and intangible assets

Acquisition cost and normal depreciations (Figures in NOK 1 000)	Goodwill	Customer- relations	Software / licences	Buildings / offices	Equipment / vehicles	Total
Acquisition cost 01.01	369 788	14 365	7 868	326	656	393 003
+ additions current year	0	0	5 547	0	1 380	6 927
- disposals current year	0	0	0	0	0	0
Acquisition cost 31.12	369 788	14 365	13 415	326	2 036	399 930
Accumulated depreciation 01.01	146 147	7 483	3 744	85	244	157 703
+ depreciation current year	36 979	1 796	2 010	45	241	41 070
Accumulated depreciation 31.12	183 126	9 278	5 754	130	484	198 772
Book value 31.12	186 662	5 087	7 661	196	1 551	201 157
Depreciation rate	10%	12,5%	30%	30%	15-20%	

Included in the goodwill is the conditional earn-out agreement of NOK 150 million, this was settled in 2017. A depreciation rate of 10 % is considered the best estimate of the economic life of goodwill estimated to be 10 years.

Note 5 Shares in subsidiaries

Shares in subsidiaries (Figures in NOK 1 000)	Business office	Shareholding	Voting share	Book value
Directly owned:				
IMG (Thailand) LIMITED	Chacheongsao	100%	100%	37 247
IMG Skandinavia AS	Sykkylven	100%	100%	27 993
IMG Holdco AS	Sykkylven	100%	100%	54 134
IMG AS	Sykkylven	100%	100%	3 774
IMG Australia Pty Ltd	Victoria	100%	100%	30 783
IMG USA Inc.	Corona	100%	100%	28 531
IMG Europe GmbH	Hamburg	100%	100%	0
IMG New Zealand LTD.	Auckland	100%	100%	1 642
Total shares in subsidiaries				184 105
Indirectly owned:				
IMGC Pty Ltd	Victoria	100%	100%	
IMG (Vietnam) CO., LTD	Binh Duong	100%	100%	
IMG Lituania UAB	Panevezys	100%	100%	

The company has provided NOK 6 974 million in group contribution to IMG Skandinavia AS and NOK 1 095 million to IMG AS. The net amount after tax has been booked as an increase in value of the shareholdings in the company. IMG Europe GmbH is valued at 0 in 2019.



Note 6 Intra-group balances and accounts

All intra-group balances are shown on separate lines on the balance sheet. As for non-current receivables with subsidiaries no specific repayment plan exist. The company owes MNOK 24 to other companies in the Group related to overdraft.

Transactions with subsidiaries

(Figures in 1 000 NOK)

	2019	2018
Sale of goods	324 431	261 165
Purchase of goods	281 513	216 558
Management fee	11 711	5 508
Interest income	960	719
Interest expense	0	0
Dividend income	3 672	10 565
Group contribution with tax effect	8 069	5 521

Transactions with other group companies

In 2019 IMG Group AS had sales transactions with Qumei Group for amount 43,3 MNOK and Ekornes Group for amount 7,4 MNOK.



Note 7 Tax and temporary differences

	2019	2018
This year's tax expense (Figures in NOK 1 000)		
Entered tax on ordinary profit/loss:		
Payable tax	12 131	16 209
Changes in deferred tax	-507	476
Tax expense on ordinary profit/loss	11 624	16 685
 Taxable income:		
Ordinary profit/loss before tax	52 545	84 617
Permanent differences	290	-9 687
Changes temporary differences	2 306	-4 457
Provided Group contribution	-8 069	-5 521
Taxable income	47 072	64 951
 Payable tax in the balance:		
Payable tax on this year's result	12 131	16 154
Payable tax on provided Group contribution	-1 775	-1 215
Total payable tax in the balance	10 356	14 939

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences:

	2019	2018	Difference
Tangible fixed assets	53 511	55 832	2 321
Stock	0	-15	-15
Total	53 511	55 817	2 306
 Basis for calculation of deferred tax	53 511	55 817	2 306
 Deferred tax (22 %)	11 772	12 280	507
Effect of change in tax rate	0	-505	

Note 8 Shareholder's equity

The share capital of NOK 15 030 000 consist of 15 030 shares with a nominal value of NOK 1 000 each.

Ekornes AS owns all shares in the company

	Share capital	Share premium reserve	Other equity	Total equity
(Figures in NOK 1 000)				
Equity at 01.01.2019	15 030	90 000	207 905	312 935
Result for the year	0	0	40 935	40 935
Equity at 31.12.2019	15 030	90 000	248 840	353 870



Note 9 Cash and cash equivalents

At the end of 2018 the company changed bank from Handelsbanken to DnB. Subsequent to the change to DnB, the long-term loan with Ekornes AS was repaid and the company now obtain its financing through the overdraft facility in place for the Ekornes Group. The total size of this facility is NOK 500 million.

At year end the company's bank holdings were TNOK 551, whereas TNOK 24 382 is classified as current liability to Ekornes Group. All the Norwegian subsidiaries are included in a global cash pool solution with DnB.

The bank deposits of TNOK 551 are restricted to the payment of employee tax deductions.

Note 10 Purchase of subsidiaries and intangible assets

As of 1.11.2014 Ekornes AS bought the IMG Group AS, now organized as a fully owned sub-group of Ekornes. The transaction consisted of both purchase of stocks in subsidiaries and asset purchase. Ekornes AS established IMG Group AS to serve as the parent company in the IMG Group AS. The purchase was settled in cash, in addition to the seller received an additional payout NOK 150 million paid in 2017.

Note 11 Subsequent events

COVID-19

Our employees first

IMG and Ekornes Group work hard to deal with the effects of the Corona virus. Our highest priority is the safety of our employees, in addition to our suppliers, customers and other partners, and as of 28 August, no cases of infection have been detected among our employees.

Operational operation

Operating operations were affected for a period in March and April, but were back to normal from the end of May. All IMG-factories were affected with reduced capacity in line with order levels.

Layoffs, redundancies and temporary wage reductions

On 19 March, Ekornes sent a notice of redundancies until the end of May to all its employees in Norway. The redundancies took effect from 25 March for employees of IMG Group AS. All employees were 100% back from mid-June.

All employees who have not been laid off have entered into agreements on temporary wage reductions of 5-10 per cent in April and May. Also, Ekornes Group management entered into temporary agreements for a 20 percent salary reduction for April and May, as well as to waive the bonus for 2020. In addition to cost cuts, the company is in close dialogue with customers to ensure follow-up of outstanding receivables.

The Asian factories experienced layoffs representing about 1/3 of all employees in the same period, but gained normal working stock as demand in most markets escalated quickly.

For more information about Ekornes' efforts with COVID19 see Ekornes Group annual report.



Board of directors' report – IMG Group AS 2019

IMG Group AS ("the company") is the parent company in the IMG Group of companies. The purchase and subsequent establishment of the IMG Group was performed at 1.11.2014. In addition to be the parent in the IMG Group of companies, the company also sell furniture to subsidiaries and directly to customers. Ekornes AS owns all shares in IMG Group AS. For more information, please refer to the board of directors' report for Ekornes AS.

The company's new office address is Industrivegen 1, 6230 Sykkylven, after relocating in the summer 2020. The company has 14 employees.

The company had net operating revenues of NOK 421,1 million in 2019 vs. NOK 363,0 million in 2018. The profit before tax was NOK 52,5 million in 2019 vs. NOK 84,6 million in 2018. The equity at December 31st is NOK 353,9 million, which comprise 77 % of the total balance. The result after tax is NOK 40,9 million. Current year's earnings are proposed transferred to other equity.

The cash flow from operations are positive with NOK 62,6 million. Solid revenues and lean cost management set forth an acceptable profit. Worth mentioning there was a significant change in the cash pool set-up in Ekornes Group 2018.

The company has given NOK 8,1 million in group contributions to subsidiaries. The net amount after tax has been booked as an increase in value of the shareholdings in these companies.

IMG Group AS does not prepare consolidated financial statements, and are included in the consolidated financial statements of Ekornes AS. They are located at Ikornnes Industrivegen 1, 6222 Sykkylven. The consolidated financial statements of Ekornes AS can be obtained at www.ekornes.com.

The board of directors confirm that the financial statements are prepared presuming that the company is a going concern.

Health, safety and environment

At our factories in Thailand, Vietnam and Lithuania there were registered in total 3 injuries with absence in 2019. There is a continued focus to reduce this figure to zero. Apart from this, there has been no serious health, safety or environment incidents in the company or its subsidiaries in 2019. As for IMG Group AS' business, this has little effect on the environment.

Organization and staff

At the end of 2019 the company has 13 employees, most of them located at the head office in Sykkylven, Norway. The company has in 2019 had limited sick leave with no one on extended leave.

The IMG Group had at the end of the year 961 employees, the majority are located at IMGs production facilities in Thailand, Vietnam and Lithuania. Equality of the 13 employees in the company, 5 are woman. The managing director of the company is male. The board of directors consist of 3 people, amongst whom 1 is a woman. Both the board of directors and management are aware that society expects measures implemented to promote equality in the workplace, and it is the objective of the company and



the board to meet those expectations in the long term. The company place great emphasis on meeting the objective of the Anti-Discrimination and Accessibility Act.

For more information relating to this subject, please refer to the board of directors' report of Ekornes AS.

Financial risk

The company bears most of the currency risk in the combined IMG Group with purchases in USD, and sales in local currencies to subsidiaries and customers. The USD exposure is partial hedged by sales to end customers in the same currency. No financial instruments are used to reduce the currency risk. The company's debtor risk is limited. Most of the external customers have cash against documents as payment term, i.e. no goods are delivered before payment is received.

The business going forward

Going into 2020 the order situation is satisfactory. The board expects further growth in 2020 based on market potentials and the order situation at the start of the year. However, there is normally uncertainty when assessing future events. IMG has successfully launched a European factory in Panevėžys, Lithuania. This factory is a vital step in making IMG more attractive in the European and Scandinavian furniture markets, reducing both lead time and entry barriers. The financial situation for IMG in general and the company is good. The company is funded through an overdraft facility in DNB guaranteed by Ekornes AS.

Events after balance sheet date

COVID-19

Our employees first

IMG and Ekornes Group work hard to deal with the effects of the Corona virus. Our highest priority is the safety of our employees, in addition to our suppliers, customers and other partners, and as of 28 August, no cases of infection have been detected among our employees.

Operational operation

Operating operations were affected for a period in March and April, but were back to normal from the end of May. All IMG-factories were affected with reduced capacity in line with order levels.

Layoffs, redundancies and temporary wage reductions

On 19 March, Ekornes sent a notice of redundancies until the end of May to all its employees in Norway. The redundancies took effect from 25 March for employees of IMG Group AS. All employees were 100% back from mid-June.


All employees who have not been laid off have entered into agreements on temporary wage reductions of 5-10 per cent in April and May. Also, Ekornes Group management entered into temporary agreements for a 20 percent salary reduction for April and May, as well as to waive the bonus for 2020. In addition to cost cuts, the company is in close dialogue with customers to ensure follow-up of outstanding receivables.

The Asian factories experienced layoffs representing about 1/3 of all employees in the same period, but gained normal working stock as demand in most markets escalated quickly.

For more information about Ekornes' efforts with COVID19 see Ekornes Group annual report.



Sykkylven, 28th August 2020


Roger Lunde,
chairman of the board


Mette Toft Bjørgen,
member of the board


James Tate,
general manager



Minutes from board meeting in IMG Group AS

Date/time: 28.08.2020/12:00

Place: Teams

Participating: Roger Lunde, Mette Toft Bjørgen, James Tate, Trond Vadset Veibust

1. Approval of summons

Summons was approved.

2. Review of 2019 financial results, including review of HSE and internal control

Trond took the board through the 2019 financial results of the company. The board noted that operating cash flow was positive in 2019 mainly due to strong revenues. The board expects a positive operating cash flow for 2020 as well.

There are no reported, health, safety or environmental incidents in the company in 2019, neither is the board aware of any such incidents in 2020.

The board noted that several steps have been taking towards improving the internal control in the company – and for the whole of IMG Group - in 2019. A production system was also introduced in 2019, and dual authorization for bank has been set up in all subsidiaries.

3. Orientation of status of IMG and the expectations for 2020

James updated the board on order intake by market year-to-date. The board is satisfied that IMG recovered quickly after COVID19's drop in demand, with order receipts being up 19 % YTD vs LY. The board expects further growth in 2020 based on markets potentials and current order situation. However, it should be noted that the pandemic is still with us and therefore we need to be aware of the uncertainty for the coming months.

Approval of the annual accounts and board of director report

The board reviewed the board of directors' report and annual accounts for 2019. The board approved the annual accounts for IMG Group AS for 2019.

4. Summon of annual general meeting of IMG Group AS according to the Norwegian Companies Act § 5-7


The board summon to annual general meeting the 28th of August 2020, the meeting will take place at the company's new location in Industrivegen 1, Sykkylven (and via Teams).


5. Other

No other items on the agenda and the meeting was concluded.



Sykkylven 28th of August 2020


Roger Lunde
chairman of the board


Mette Toft-Bjergen
member of the board


James Tate,
member of the board



GENERALFORSAMLINGS PROTOKOLL
for generalforsamling i IMG Group AS organisasjonsnummer 913 499 980

Generalforsamling ble avholdt i selskapets lokaler den 28. August 2020 kl. 13:00.

1. Åpning av møte ved styreleder og opptak av fortegnelse over møtende aksjeeiere

Navn:	Antall aksjer/stemmer:	Avgitt ved fullmektig - navn:
Ekornes AS	100 %	Roger Lunde

Således var 100 % av aksjekapitalen representert.

2. Valg av møteleder og protokollunderskriver

Til å undertegne protokollen med møteleder ble Roger Lunde valgt.

3. Godkjenning av innkalling og dagsorden

Det fremkom ingen bemerkninger til innkalling og dagsorden. Daglig leder møtte ikke på Generalforsamling, det ble heller ikke utpekt stedfortreder da samtlige aksjeeier samtykket at dette ikke var nødvendig.

Generalforsamlingen ble erklært for lovlig satt.

4. Godkjenning av årsregnskap, årsberetning og revisjonsberetning for 2019

Styreleder la fram årsregnskapet og årsberetningen samt styrets forslag til anvendelse av overskudd. Revisjonsberetningen ble gjennomgått. Årsregnskap og årsberetning ble enstemmig godkjent.

5. Godtgjørelse til styrets medlemmer

Styreleder og øvrige styremedlemmer mottar ikke godtgjørelse.

6. Godtgjørelse til revisor

Generalforsamlingen godkjente at godtgjørelsen til revisor dekkes etter regning.

7. Valg til styret

Det sittende styret ble gjenvalgt.

Flere saker forelå ikke til behandling og generalforsamlingen ble hevet klokken 13:30.

Sykkylven (via teams), 28/8-20


Styrets leder

Roger Lunde


Styremedlem

Mette Toft Bjørgen



PricewaterhouseCoopers AS
Attn: Fredrik Gabrielsen
Sandviksbodene 2a
Bergen

28. August 2020

Management representation letter

This representation letter is provided in connection with your audit of the financial statements of IMG Group AS, IMG Skandinavia AS og IMG Holdco AS for the year ended 31 December 2019 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view, in all material aspects, in accordance with the framework(s) for financial reporting that is (are) established in the financial statements.

We confirm to the best of our ability and belief, that:

Financial statements and bookkeeping

- We have fulfilled our responsibilities to ensure that the company's financial statements and the management of the company's financial affairs are subject to satisfactory control, including such internal control that we find necessary to enable the preparation of financial statements that do not contain material misstatement, whether due to fraud or error. We have also fulfilled our responsibilities, as set out in the terms of the audit engagement, for the preparation of the financial statements and believe that the financial statements give a true and fair view of the company's financial position in accordance with the framework(s) for financial reporting that is (are) established in the financial statements.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the framework(s) for financial reporting that is (are) established in the financial statements.
- All events subsequent to the date of the financial statements and circumstances that require adjustment or disclosure, have been adjusted or disclosed.
- We have fulfilled our responsibilities to ensure a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway and have provided the auditor with all relevant information in that respect.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.

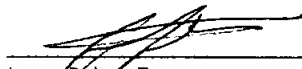
Information provided

- We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters,
 - Additional information that you have requested from us for the purpose of the audit; and

MULTR. PÅ SYKKELSVESJE + 25 4210 SYKKELVEIEN NORWAY
Phone +47 7 27 11 40 Email office@imgconfort.com www.imgconfort.com



- Unrestricted access to persons within the company from whom you considered it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the company and involves:
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the company's financial statements communicated by employees, former employees, analysts, regulatory authorities or others.
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- We have disclosed to you the identity of the company's related parties and all the related party relationships and transactions that we are aware of.
- We have appropriately recorded or disclosed all obligations, including litigations, both actual and contingent, and have disclosed all information about all guarantees granted to third parties in the notes to the financial statements.
- The Company has satisfactory title to all assets and there are no liens or encumbrances on the company's assets, except for those that are disclosed in the notes to the financial statements.


James Robert Tate


Trond Vadset Veibust

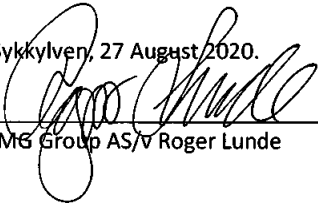
Attachment 1 : Summary of Corrected and Uncorrected Misstatements



Fullmakt

Vi gir med dette fullmakt til Trond Vadset Veibust til kunne å stemme for våre aksjer på generalforsamling i IMG Skandinavia AS den 28.08.2020.

Sykkylven, 27 August 2020.



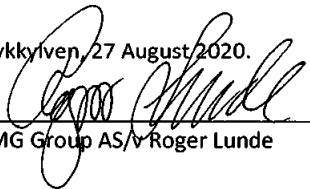
IMG Group AS/V Roger Lunde



Fullmakt

Vi gir med dette fullmakt til Trond Vadset Veibust til kunne å stemme for våre aksjer på generalforsamling i IMG AS den 28.08.2020

Sykkylven, 27 August 2020.



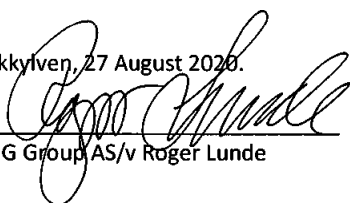
IMG Group AS/v Roger Lunde



Fullmakt

Vi gir med dette fullmakt til Trond Vadset Veibust til kunne å stemme for våre aksjer på generalforsamling i IMG Holdco AS den 28.08.2020

Sykkylven, 27 August 2020.



IMG Group AS/v Roger Lunde