Glamox

Annual report 2021

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The Glamox Group

Glamox is a Norwegian industrial group that develops, manufactures and distributes professional lighting solutions for the global market. The Glamox Group is a leading supplier to the world’s marine and offshore markets, and a significant supplier to the professional building market in Europe. The Group is organized with Glamox AS as the parent company.

The Glamox Group is a global organization, with around 2,200 employees within sales and production in several European countries, as well as Asia, North and South America. The turnover is NOK 3.4 billion. The Group owns a range of quality lighting brands including Glamox, Aqua Signal, Luxo, Norselight, LINKSrechts, Küttel, Luxonic, ES-SYSTEM, LiteIP, Luminell and Wasco. Glamox is committed to meeting customer needs and expectations by providing quality products and solutions, service and support.

Main points and key figures

- Order intake ended at NOK 3,758m (NOK 3,484m), an increase of 7.9%. This has led to an all-time high order stock level by year-end.
- Revenue was NOK 3,377m (NOK 3,490m), a decrease of 3.2%
- Operating result/margin of NOK -7m/-0.2% down from NOK 218m/6.2% in 2020
- Adjusted operating result/margin of NOK 275m/8.2% compared to NOK 338m/9.7% in 2020
- Net loss for the year was NOK 104m compared to net profit of NOK 141m in 2020
- The operating result in 2021 was charged with NOK 282m as net special items. The corresponding figure in 2020 included net special items of NOK 120m
- Positive operating cash flow of NOK 174m in 2021 compared with NOK 416m in 2020
- Proposed ordinary dividend of NOK 1.67 per share

Key figures

		2021	**2020**	**2019**	**2018**	**2017**
		IFRS	**IFRS**	**IFRS**	**IFRS**	**IFRS**
Total revenue	MNOK	3 377.4	3 489.5	3 097.6	2 772.7	2 614.5
Operating profit	MNOK	-7.0	218.1	307.3	273.1	292.7
Adjusted Operating profit	MNOK	275.3	337.7	379.2	364.6	337.0
Profit before tax	MNOK	-70.7	178.9	309.1	270.3	302.8
Profit after tax	MNOK	-104.0	140.9	238.5	212.6	258.2
Cash flow from activities	MNOK	-164.4	334.4	-143.5	109.7	173.1
Total profitability	%	2.0	12.4	20.3	20.3	23.6
Equity ratio	%	21.5	31.0	31.7	42.1	45.6
Earnings per share	NOK	-1.58	2.14	3.62	3.22	3.91

The lighting company

Our quality brands

The Glamox Group owns eleven international product brands.

Glamox

Glamox is a leading lighting brand for professional markets, onshore and offshore, established in 1947. The wide assortment of Glamox products is of superior technical quality, and available for a wide range of applications – including challenging environments.

aqua signal

Aqua Signal has been delivering top-of-the-line marine lighting solutions since before the age of electricity, providing lighting products designed and manufactured to meet all relevant standards for quality and performance at sea.

NORSElight

Norselight delivers added safety and security by providing quality search light systems that work reliably even under the most extreme conditions.

LUXO

For more than 75 years Luxo has designed mainly arm-based innovative, ergonomic lighting products. Luxo products improve lighting conditions, taking particular care of individual needs.

LINKSrechts

LINKSrechts offers a comprehensive range of naval LED lighting systems, including design, integration and programming. The product range consists of specialized lighting products for all naval applications, including naval aviation.

WASCO

LED-Hallen-Lichtband

Wasco offers trunking systems with innovative solutions that significantly reduce product and installation costs compared to conventional trunking systems. In the production of our LED trunking systems, we only use products from world market leaders to be able to always supply our quality products in line with customer requirements.

ES-SYSTEM

Light is Life

ES-SYSTEM's mission is to deliver energy- efficient, innovative and comprehensive lighting solutions while minimizing its negative impact on the natural environment and maximizing care for the users' comfort and health.

KÜTTEL

Küttel is a leading supplier of professional lighting solutions, based in Kriens in Switzerland. Products from Küttel combine quality, up-to-date technology and contemporary design.

LUXONIC

Since 1986, Luxonic has excelled in the design and manufacture of energy efficient, aesthetically pleasing lighting products, for the education, healthcare, commercial, retail and industrial sectors.

LITE iP

LiteIP provides modern lighting control systems that are easy to specify, easy to install and easy to operate. The company offers planning, programming and commissioning of lighting control systems. Commercial lighting control systems save energy, and help create indoor environments that are comfortable and pleasant to live and work in.

luminell®

Light Matters

Established in 2010, Luminell is as a high-quality developer and supplier of floodlights, searchlights and lighting controls in the marine and offshore lighting market. Luminell is known for being user-focused and developing excellent and appreciated visibility solutions for demanding use.

Vision

Creating light for a better life

Our mission

We provide sustainable lighting solutions that improve the performance and well-being of people.

Our values

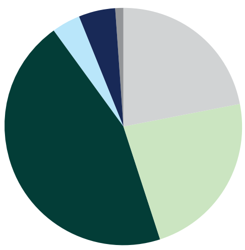
/ **Competent**
We are on top of developments in our industry and translate this into value for our customers.

/ **Committed**
We take pride in keeping what we promise with a winning team spirit.

/ **Connected**
We work closely with each customer to understand and meet their needs, and join forces with colleagues to bring out the full potential of Glamox.

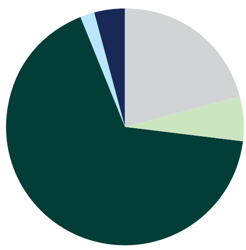
/ **Responsible**
We treat everyone with respect, hold ourselves to high ethical standards and provide solutions that benefit society and the environment.

Revenues by market: 3 377 MNOK



22 % Norway
23 % Nordic Region ex. Norway
45 % Europe ex. Nordic Region
4 % North-America
5 % Asia
1 % Others

Man-years (average) by market: 2 221



21 % Norway
6 % Nordic Region ex. Norway
67 % Europe ex. Nordic Region
2 % North-America
4 % Asia

Group organisation

The Group's operations are divided between three operational divisions: Professional Building Solutions, Global Marine & Offshore, and Sourcing, Production and Logistics. Each division is responsible for its group of companies.

Professional Building Solutions
Professional Building Solutions concentrates on the European market for non residential lighting. The division offers the market complete solutions, including luminaires, systems and services, for office and commercial buildings, industrial buildings, educational establishments, retail and shopping centres, hotels and restaurants and health institutions.

Global Marine & Offshore
Global Marine & Offshore is one of the world's leading suppliers of light fittings to the global marine and offshore market. The division offers the market total solutions within the following segments: Commercial Marine, Cruise & Ferry, Navy, Offshore Energy, Onshore Energy and Recreational boats.

Sourcing, Production and Logistics
Sourcing, Production and Logistics has a key role in the Glamox value chain. Responsibilities include order handling, procurement, manufacturing of goods, warehousing and distribution.
The division operates production units in eight different locations in Europe and China. Its prime objective is to serve the sales units and their customers with excellent services and products.

President & CEO
Rune Marthinussen

Business Development, Group IT and Digitalisation
Viktor Söderberg
Director

Finance and Administration
Geir Haukedal
CFO

HR & Legal
Monica Bårdseth
Director

Professional Building Solutions (PBS)
Knut Rusten
Senior Vice President

- **Norway** – Glamox AS BU Norway
- **Sweden** – Glamox AB BU Sweden
- **Denmark** – Glamox A/S
- **Finland** – Glamox OY
- **The Baltic area** – AS Glamox BU Estonia
- **Germany** – Glamox GmbH
- **Germany** – Wasco GmbH
- **United Kingdom** – Glamox Luxonic Ltd. BU UK
- **United Kingdom** – LiteIP Ltd.
- **Ireland** – Glamox Ireland Ltd
- **The Netherlands** – Glamox B.V.
- **Switzerland** – O. Küttel AG
- **Poland** – ES-SYSTEM Sp. z o.o.
- **Global** – Glamox Distributor Sales

Global Marine & Offshore (GMO)
Håkon Helmersen
Senior Vice President

- **Norway** – Glamox AS BU Glamox Northern Europe
- **Norway** – Luminell Group
- **Germany** – Glamox Marine and Offshore GmbH BU Glamox Marine Germany
- **Germany** – Glamox Marine and Offshore GmbH BU LINKSrechts
- **The Netherlands** – Glamox B.V.
- **USA** – Glamox Aqua Signal Corporation
- **Canada** – Glamox Inc.
- **China** – Glamox Trading Co.Ltd.
- **Singapore** – Glamox PTE. Ltd
- **South-Korea** – Glamox Co. Ltd.
- **Brazil** – Glamox Brasil Iluminacao LTDA

Sourcing, Production and Logistics (SPL)
Meelis Peterson
Senior Vice President

- **Norway** – Glamox AS BU Production Molde
- **Norway** – Glamox AS BU Production Kirkenær
- **Estonia** – AS Glamox BU Production Estonia
- **Germany** – Glamox Marine and Offshore GmbH BU Production Germany
- **China** – Glamox (Suzhou) Lighting Co. Ltd.
- **Poland** – ES-SYSTEM Wilkasy Sp. z.o.o
- **Poland** – ES-SYSTEM NT Sp. z.o.o
- **United Kingdom** – Glamox Luxonic Ltd BU Production UK

Main points from the divisions

Professional Building Solutions (PBS)

The PBS division provides a broad range of sustainable lighting solutions that improve the performance and well-being of people.

Office and commercial buildings

Industrial buildings

Educational establishments

Health institutions

Retail and shopping centers

Hotels and restaurants

The main target for the division is to make complete lighting solutions for the following market segments: Office and commercial buildings, industrial buildings, educational establishments, health institutions, retail and shopping centers, hotels and restaurants.

The Professional Building Solutions division has sales and marketing responsibilities toward defined market segments, the division is responsible for product development, testing and certification and product management of own products. These products are manufactured by production units organized in Division SPL.

PBS develop and sells lighting

solutions for non-residential construction market. The most important markets served by this division are Central- and Northern-Europe. PBS has seven strong brands: Glamox, Luxo, Luxonic, Küttel, ES-System, LiteIP and Wasco.

PBS has expanded its product range and geographical representation in recent years through acquisitions and product development. The Division offers a wide range of products and solutions for non-residential buildings including interior lighting, architectural lighting and industrial lighting, as well as customized luminaries and arm-based tasks lights and illuminated magnifiers. PBS is offering complete lighting solutions, including both systems and service in addition to the luminaires. This includes luminaires, system-components and services such as commissioning and maintenance. The acquisitions during 2021, LiteIP and Wasco, strengthens the position in supplying complete lighting solutions. Over the last years the development and sales of Human Centric Lighting solutions has contributed significantly to the business within the Division.

PBS has its own sales companies in Norway, Denmark, Sweden, Finland, Estonia, Great Britain, Ireland, Germany, the Netherlands, Switzerland and Poland. Glamox is represented through distributors in other markets. Glamox is the market leader in professional lighting in Norway and holds strong market positions in the other Nordic countries, as well as Estonia and Poland. PBS partners with building owners and users, architects and electrical consultants, main and electrical contractors as well as electrical wholesalers. PBS shall be the preferred project partner by offering a superior customer experience.

In 2021, PBS has total revenues of NOK 2 638m compared to NOK 2 679m in 2020, a decrease of -1.5%. At year-end 2021, the number of man-labour years in PBS was 604, of which 82% were employed in businesses outside Norway.

Main points from the divisions

Global Marine & Offshore (GMO)

The Global Marine & Offshore (GMO) division offers lights- and light solutions towards the Commercial Marine, Cruise & Ferry, Navy, Offshore Energy, Onshore Energy and Recreational boats segments.

Commercial marine

Cruise & ferries

Navy

Recreational boats

Offshore Energy

Onshore Energy

The division is responsible for product development and distribution of products to end objects. Our products are being manufactured at production units organized in the SPL division and in production units in Canada and Sweden part of the GMO division. GMO is one of the world's leading suppliers of lighting solutions to the global marine and offshore markets. The division offers brands recognized worldwide within our industry segments such as Aqua Signal, Glamox, Luminell, Norselight and LINKSrechts.

The division is represented on all continents via own sales companies, agents and distributors.

The division has own sales units in Norway, Germany, UK, the Netherlands, Singapore, China, South Korea, United States, Canada and Brazil. During 2021, Glamox acquired the Luminell group, being a leading provider of marine flood- and searchlights in the Nordic market and selected export markets.

All products offered are mainly LED-technology based satisfying all marine- and other harsh environment requirements. Market wise, we are world leading when it comes to the reach and total package offers within the Commercial marine segment, while we are world leading in terms of a complete lighting range within the Navy segment in accessible markets we offer to. In the offshore segment, GMO has a strong position in the North Sea MRO after-market working closely with offshore owners and operators and the servicing parties often handling the specification and light installations. In the fast growing Offshore Wind area, GMO are positioned with light- and light systems that satisfies rule requirements on fixed- and floating foundation objects as well as the seagoing support fleet.

With global new build contracting having increased in 2021, this volume will be important for our growth next years along with a further strengthening of the after-market were we offer LED-solution upgrades on ships and offshore installations. With world defense spending on a rise due to the geopolitical situation, the demand from the Navy segment is also set to increase.

In 2021, GMO had a total revenue of NOK 737m compared with NOK 813m in 2020, a decrease of 9.3 %. At year-end 2021, the number of man-years in GMO was 219 of which 77% of this are employees in business units outside Norway.

Main points from the divisions

Sourcing, Production and Logistics (SPL)

The division operates production units in eight different locations, and is responsible for procurement, manufacturing, warehousing and distribution within the Glamox Group.

The division has a key role in the Glamox value chain. Responsibilities include order handling, procurement, manufacturing of goods, warehousing and distributions. The division operates production units in seven different locations in Europe and one in China. Its prime objective is to serve the sales units and their customers with competitive products, good delivery capability, high quality and good technical support.

The production units within SPL are product owners of our Group developed products. They are responsible for the production of six product brands in the Glamox Group: Aqua Signal, Glamox, Norselight, Luxo, Luxonic and ES-System.

The Glamox Group is a leading supplier of lighting solutions, providing products of superior technical quality that work reliably even under challenging conditions. The products are manufactured and certified in accordance with relevant quality and standards. Glamox Group operates modern testing laboratories in Norway, Germany, UK and Poland for the simulation of a wide variety of environmental conditions and tests required to meet the various standards.

As part of the Group's business concept, Glamox will position itself as an environmental company through systematic and long-term efforts. The Group's production units in Molde, Kirkenær, Sweden, Estonia, Poland and UK are certified in accordance with EN ISO 14001. At year-end 2021, the number of man-labour years in Sourcing, Production and Logistics was 1300, of which 80% were employed in businesses outside Norway.

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Main points and key figures

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- Revenue was NOK 3,377m (NOK 3,490m), a decrease of 3.2%
- Operating result/margin of NOK -7m/-0.2% down from NOK 218m/6.2% in 2020
- Adjusted operating result/ margin of NOK 275m/8.2% compared to NOK 338m/9.7% in 2020
- Net loss for the year was NOK 104m compared to net profit of NOK 141m in 2020
- The operating result in 2021 was charged with NOK 282m as net special items. The corresponding figure in 2020 included net special items of NOK 120m
- Positive operating cash flow of NOK 174m in 2021 compared with NOK 416m in 2020
- Proposed ordinary dividend of NOK 1.67 per share

About Glamox
Glamox is a Norwegian industrial group that develops, manufactures and distributes professional lighting solutions for the global market. Our mission is to provide sustainable lighting solutions that improve the performance an well-being of people. Glamox has approximately 2,200 employees and the Group's operations is divided between three operational divisions: Professional Building Solutions (PBS), Global Marine & Offshore (GMO), Sourcing Production Logistics (SPL). Glamox operates production units in nine different locations in Europe, Canada and China, and an extensive network of sales offices and agents in Europe as well as in Asia, USA, Canada and Brazil to ensure access to attractive markets. The head office is in Oslo, Norway.

Financial results
In 2021, Glamox had order intake of NOK 3,758m compared to NOK 3,484m in 2020, an increase of 7.9%. Revenues were NOK 3,377m compared to NOK 3,490m in 2020, a decrease of 3.2%. The comparable year-on-year order intake, adjusted for acquisitions, special items, and currency effects, increased by 8.4% while comparable revenue decreased by 3.2% in 2020.

Market development within the land-based business area (PBS) is governed by activities within new-build and modernisation of non-residential buildings. Almost all markets in the PBS division experienced stronger market conditions in 2021, especially from the second half of the year, due to an increase in activity levels and higher economic growth. The business area managed to increase the market share in most of the target markets during 2021.

Market trends within the maritime and offshore-related business area (GMO) are dictated by the level of activity within new build, refurbishment, and rehabilitation of all types of maritime vessels and offshore installations. The activity level in the largest segments, Commercial Marine, has improved during 2021 as there has been a strong increase in newbuild orders, supported by an increased demand for shipping capacity. The Offshore Energy segment and Navy segment have also had a good development during 2021 driven by higher activity and larger navy projects in our core markets respectively.

Also in 2021, the COVID-19 pandemic situation has been challenging for Glamox's operations and employees. In this environment, the organization has performed well and safety and health of our employees and partners has been put first. A high delivery capability from all our production facilities has been maintained, and the Group has managed to increase its market share in most of its target markets. However, indirect consequences such as supply chain disruptions due to shortage of and longer lead times of components and raw materials have had an impact on the Group's operations and revenues. Especially in the second half of the year, this has been the case. Combined with a strong order intake development, this has led to an all-time high order stock level by year-end. Further, we have experienced increased logistical, raw material and component costs, and the impacts of these have been, and will further be, mitigated by higher sales prices.

The Group's operating result was NOK -7m in 2021 compared to NOK 218m in 2020. Operating margin in 2021 was -0.2% compared to 6.2% in 2020. The accounts in 2021 were charged with special items with

Photo: Swan Hellenic

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a negative effect of NOK 282m, compared to NOK 120m in 2020. Special items mainly consist of restructuring cost related to the discontinuation of the production facility in Målilla, Sweden and provisions made connected to the planned relocation of production from Germany to Poland and Norway. A new central distribution centre has been established in Poznan, Poland and operations in the USA have been relocated and consolidated to one site. Further, the special items include acquisition and integration costs including ERP integration. The restructuring, integration and relocation activities are carried out to further enhance the long-term competitiveness of the Glamox Group, and will have a positive profit effect from 2022 onwards. Adjusted for special items, the Group's operating result in 2021 was NOK 275m compared to NOK 338m in 2020, representing a decrease of 18.5%. Adjusted operating margin was 8.2% compared to 9.7% in 2020.

The decrease in adjusted operating result is mainly explained by lower volume, increased raw material and components prices, increase in logistic cost in addition to slightly higher operating cost due to ramp up of activities. Increased depreciations and amortisations also had a negative impact on adjusted operating profit compared to 2020.

The Group had net financial cost of NOK 64m in 2021 compared to net financial cost of NOK 39m in 2020. The increase in net financial cost is mainly explained by earn-out of NOK 25.5m related to the acquisition of Wasco. Net loss before tax was NOK 71m in 2021 compared to profit before tax of NOK 179m in 2020. Net loss after tax was NOK 104m in 2021 compared to profit after tax of NOK 141m in 2020.

As of 31.12.2021, the Group has a tax deficit carry forward of NOK 349m (NOK 155m), and an untaxed profit of NOK 320m (NOK 276m).

The Group generated a negative cash flow of NOK 171m in 2021, compared with a positive cash flow of NOK 188m in 2020. Cash flow from operations was NOK 174m, compared with NOK 416m in 2020. Lower cash flow from operations is explained by lower operating profit, increased depreciation and amortisation and reduced positive effect from changes in working capital compared to last year. Investments in tangible fixed assets and intangible assets totalled NOK 99m in 2021 compared to NOK 54m in 2020. The investment level is back at a normalized level in 2021 after investments was depressed in 2020 due to the covid-19 pandemic. Strategic investments in digitization initiatives and the implementation of a new ERP system have continued as planed in 2021. Acquisition of subsidiaries totalled NOK 243m and is related to the acquisitions of LiteIP, Luminell and Wasco. Net cash flow from financing activities was negative by NOK 7m including NOK 224m of net proceeds from new debt, a dividend distribution of NOK 129m, lease payments of NOK 56m and interest paid of NOK 37m, and other financial items with a negative effect of NOK 8m.

The Board wishes to thank all Glamox employees for their continued strong efforts in 2021.

The Glamox Group has performed well under challenging conditions and has managed to keep a high delivery capability and managed to increase its market share in most of its target markets. With an all-time high order stock the Group has a strong position going into 2022.

Financial position
At the end of the year, the Group's total equity was NOK 585m. The equity ratio was 21.5%, down from 31.0% in 2020. Covenant leverage ratio increased from 0.8x adjusted EBITDA at the end of 2020 to 2.8x adjusted EBITDA at the end of 2021. The net interest-bearing debt was NOK 877m as of 31 December 2021, compared to NOK 476m as of 31 December 2020. The Group does not have any material debt maturities in 2022. Cash and cash equivalents amounted to 306m while the total liquidity reserve in the Group was NOK 719m at the end of 2021, compared with NOK 1,106m in total liquidity reserve at the end of 2020. In addition to cash and cash equivalents, the liquidity reserve mainly consists of the undrawn portion of the Group's revolving credit facility with Danske Bank and DNB.

The Board of Directors confirms that the accounts have been prepared on a going concern basis and that this assumption is appropriate at the date for the accounts, and that the Group, after the proposed dividend of NOK 1.667 per share, has sufficient equity and liquidity to fulfil its obligations.
Financial risk

The Group is exposed to credit risk, interest risk and exchange risk in its day-to-day business operations and aims to keep risk at an acceptable level in these areas. The underlying loan contracts are instrumental for managing interest risk. Currency risk is managed through internal invoicing rules, matching income against expenses in the same currency and loans against equity in the same currency, as well as the

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use of financial instruments. For further details, see note 5.5 in the Annual Accounts.
Development by business areas and divisions

The Group has two business areas - Professional Building Solutions (PBS) and Global Marine & Offshore (GMO). They operate in strategically different markets, have different sales channels, marketing strategies and risks. Each of the two business areas represent a complete value chain and are supported by the Sourcing, Production and Logistics (SPL) division implying that all cost of the SPL division is distributed between the two operating segments based on the products sold. See note 1.1 and 2.1 for more details.

Professional Building Solutions (PBS)
Professional Building Solutions (PBS) is a leading supplier of lighting solutions to the European non-residential building market. PBS develops and supplies complete lighting solutions for educational and healthcare institutions, commercial and industrial buildings. PBS achieved an order intake of NOK 2,944m in 2021, an increase of 7.8% from NOK 2,730m in 2020. In the same period, total revenue was NOK 2,638m, a decrease of 1.4% from NOK 2,676m in 2020. The comparable year-on-year order intake, adjusted for acquisitions and currency effects, increased by 10.1% while comparable revenue decreased by 0.1% in 2021. The business area achieved an adjusted EBITDA result in 2021 of NOK 340m (12.9%) compared to NOK 359m (13.4%) in 2020. The main explanation for the fall in adjusted EBITDA is lower total revenue partly offset by slightly higher sales margins.

The most important markets for PBS are Northern- and Central-Europe. The market demand across almost all geographies in the PBS business has had a positive development in 2021. The PBS business area has also managed to continue to increase its market share in most target markets.

Global Marine & Offshore
The GMO division is responsible for lighting solutions for the maritime and offshore-related markets, plus onshore petrochemical industry. GMO achieved an order intake of NOK 814m in 2021, an increase of 8.0% from NOK 754m in 2020. In the same period, total revenue was NOK 737m, a decrease of 9.3 % from NOK 813m in 2020. The comparable year-on-year order intake, adjusted for acquisitions and currency effects, increased by 2.2% while comparable revenue decreased by 13.3% in 2021. The

adjusted EBITDA result in 2021 was NOK 50m (6.7%) compared to NOK 78m (9.5%) in 2020. Lower revenue is the main explanation for the fall in EBITDA. Higher operating expense due to a ramp up activity levels also has a negative effect, while the product mix and a general increase in market prices has increased sales margins slightly.

The development in the largest segment, Commercial Marine, was strong in 2021 and the main driver for the increase in order intake. The Navy segment also continue to show a positive development. After strong order intake in 2021, the order book is now at an all-time high level.

Sourcing, Production and Logistics
The SPL division is operational responsible for the purchase of raw materials and trading products, production own Glamox products, and for logistics throughout the Group. In 2021 it operated production units at eight different sites in Europe and one in China. Two of the European sites are in Norway, two are in Poland, one in Germany, one in Sweden, one in Estonia, and one in the UK.

The production unit in Målilla, Sweden was discontinued end of first quarter 2021 as part of the Group's ongoing strategic review of production capacity and necessary facility infrastructure. Further, the move of production operations from Germany in 2022 was announced end of third quarter and negotiations with local work councils were initiated. The move includes a planned discontinuation of the factory site in Teterow, Germany, and supporting factory functions in Bremen, Germany. The production and other functions are planned to be relocated to Dobczyce, Poland and to Ålesund and Molde in Norway. The decline in relevant markets, particularly for vessel newbuilds, caused by the reduced oil prices and the corona pandemic led to overcapacity and inefficient production. The relocation is expected to have a positive effect on margins in the Group towards the end of 2022 and onwards.

Glamox AS
Glamox AS is the parent company of the Glamox Group. The company's accounts have been presented in accordance with the Norwegian Accounting Act and generally accepted accounting practices in Norway. Revenue in Glamox AS was

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NOK 1,431m in 2021, compared to NOK 1,414m in 2020. Operating result was NOK 36m in 2021 compared to NOK 45m in 2020. The decrease in the operating result is due to higher operating expenses. Operating expenses increased mainly due to higher payroll and related cost. Depreciations and amortisations increased slightly compared to 2020. Profit before tax was NOK 255m in 2021, compared to NOK 141m in 2020. The profit before tax is positively impacted by an increase in net financial income. In accordance with the Group's currency policy, the parent company takes currency exchange positions to hedge exchange rate exposure arising at group level, primarily as a result of equity values in subsidiary companies.
Net change in cash and cash equivalents amounted to NOK -147m. Glamox AS' equity was NOK 689m at the end of 2021, an increase from NOK 552m at the end of 2020. The equity ratio was 33% at the end of 2021, up from 30% at the end of 2020. Cash and cash equivalents amounted to NOK 53m.

Acquisitions
The Glamox Group has an ambitious growth strategy supported by both organic growth initiatives and acquisitions. The Group made three important value accretive acquisitions during 2021.

- LiteIP is located in the UK and designs, manufactures and supplies wireless lighting control systems. The acquisition of Lite IP will provide Glamox with a strong platform to strengthen its offering within the Lighting Control Systems market. The acquisition was closed on 2nd March 2021. LiteIP will operate as part of the PBS division.
- Luminell is a Norwegian company which has achieved a strong position as a high-quality developer and supplier of floodlights, searchlights, and lighting controls in the marine and offshore lighting market. Luminell is known for being user-focused and developing excellent lighting solutions for demanding applications. Glamox signed an agreement to acquire Luminell on 19th April 2021 and the transaction was closed on 29th April 2021. Luminell will be part of the GMO division.

- Wasco is located in Lower Saxony, Germany and specializes in continuous line luminaires. The acquisition of Wasco will provide the Glamox

Group with a leading lighting solution range for logistics buildings and warehouses. Wasco has attractive and proven lighting solutions that are in particular suitable for such warehouses and highly valued by its customers. The innovative solutions significantly reduce product cost and installation cost compared to conventional continuous lighting system. The growth in eCommerce has led to an increased demand for warehouses. The acquisition of Wasco was closed on 1st September 2021. Wasco will operate as part of the PBS division.

See note 8.2 Business combinations for more details on the acquisitions.

Environment, Social and Governance
ESG is increasingly important among our stakeholders and the Glamox Group has further strengthened its focus on ESG during 2021. The ambition is to be in the forefront in our industry. The Group has an established ESG program with a target to secure focus on compliance and risk management as part of the value protection of our business and align to ESG market expectations to allow further value creation. We have a compliance management system in place which we are continuously developing. This system incorporates, amongst other things, our existing Group's values, our policy for corporate social responsibility, code of conduct and a range of other policies including a responsible business partner policy, anti-corruption policy, privacy policy, whistleblowing policy, crisis management policy, sanctions and export control procedure and a health safety and environmental (HSE) policy.
Glamox AS included subsidiaries carries Director & Officers Insurance provided by AIG. The Insurance covers any past, present or future members of the board of Directors and company Officers. The Insurance covers personal legal liability including defence costs.

Sustainability
Glamox' sustainability strategy rests on four pillars to deliver on its own ambitions and stakeholder expectations; enabling sustainability for clients, environmental excellence in operations, responsible leadership, and light up people and society.

The Glamox sustainability strategy is based upon a thorough materiality assessment and created together with sustainability experts and in dialogue with our key stakeholders. The aim is to build on the existing programs and expand it to create value both for our business as well as for our customers and other stakeholders, via operational efficiencies, sustainable products and solutions, and other targeted actions.

Key highlights in 2021 include environmental and energy efficiency progress such as circular design criteria for new products, LED luminaires now making up more than 95% of the luminaires delivered, 35% of our energy is sourced from renewable energy sources, and our Kirkenær factory achieved net zero emissions.

Responsible business partner
The Group is committed to responsible business practices and conducting business with the highest ethical standards. The ethical guidelines for Glamox and our suppliers are set out in the Glamox Code of Conduct with supporting policies and instructions, such as our Responsible Business Partner Policy and our Anti-corruption policy.

We communicate our expectations regarding respect for human rights, decent working conditions and ethical business conduct to our suppliers, and qualify and monitor our suppliers in an open and transparent way by using digital tools. Through this work we can be transparent, while at the same time contributing to change globally through our requirements and by sharing our knowledge with suppliers.

The Group wants all our business partners to view us as their preferred business partner. As such, we strive to achieve a positive reputation in all aspects of our business. We respect the laws, cultures, dignity, and rights of individuals in all countries where we operate. Compliance with national, regional, and international rules, laws and conventions is compulsory and business ethics extend beyond simple compliance. We conduct our business with integrity which makes our employees and business partners proud to work for and with us.

Environment, health and safety
The Group's goal is to produce energy-efficient products, manufactured through energy-

Annual statement

efficient and environmentally friendly processes. The company supports a precautionary approach to environmental challenges, undertakes initiatives to promote greater environmental responsibility, and encourages the development of environmentally friendly technologies.

The environmental aspects are an important part of our product development. Through energy-efficient products and solutions we contribute to the green shift. Glamox continuously works towards creating more energy efficient solutions. By replacing conventional luminaires with high-quality LED luminaires, we can reduce energy consumption by 40 to 50 %. By also adding a smart light management system the total energy reduction can be up to 90 %. More than 95 % of the luminaires we deliver are now LED, and more than 35 % of our turnover comes from connected lighting.

The Group's production unit in Poland (Wilkasy), Norway (Molde and Kirkenær), and the UK is certified in accordance with EN ISO 14001, while the production unit in Keila, Estonia is certified in accordance with EN ISO 50001.

The Group has a zero-accident ambition and focus on a safe working environment is a continuous process. The Group has an established reporting routine for lost time accidents and require all lost time accidents to be reported, investigated and mitigated. Nineteen lost time accidents were reported in 2021. This gave an accident ratio in the Group (H-value) of 5.1 accidents per 1 million worked hours, which is an increase from 4.5 in 2020.

Absenteeism due to illness in the Group was 2.2% in 2021, compared to 2.7% in 2020. In Glamox AS it was 4.6% in 2021, compared to 4.5% in 2020.

Equal opportunities and working environment

The Group is committed to an inclusive work culture and shall provide equal opportunities and treat all employees fairly. Glamox recognize that every individual is unique and valuable and should be appreciated based on his or her individual skills and abilities. Glamox does not accept any form of harassment or discrimination on the basis of race, colour, religion, gender, sexual orientation, national origin, age, disability, or veteran status. This is clearly stated in our code of conduct and supported by our whistle-blower policy.

Being an attractive workplace is a key part of our strategy. We truly believe that engaged employees deliver better results, and that being a great workplace for all who work for us is an important contribution to a brighter tomorrow. Feeling welcome, safe and respected at work is the right of every employee. Our employees are proud of working for Glamox and our global employee engagement survey in 2021 showed that; i) 80% state that Glamox is a great place to work, ii) 88% state they have interesting and challenging tasks, and iii) 86% state that working in Glamox makes them want to do the best work they can.

Glamox received one report from employees, safety representative or union representatives concerning discrimination in the work place. The report was handled in accordance with local legal requirements, and adequate measures was implemented. We support the principles of freedom to association and protecting the right to organize, and we have a long and strong tradition for cooperation with representatives of our employees through formal forums. This will continue in 2021 with a specific focus on equality and discrimination.

The Group's policy is that the same skills and length of service are rewarded on an equal basis regardless of gender. Women and men in all job categories are given the same opportunities to qualify for all types of assignments and career prospects. Female employees made up 40.0% of the Group's workforce at the end of 2021. In Glamox AS, the number of female employees was 33.7% and the number of women in leadership positions was 25.4%. The female share of part time employees in Glamox AS was 63.0% and the female share of temporary hires was 31.0%. The percentage of women among board members elected by shareholders was 14%, while the percentage of women among employee-elected board members was 33%.

Photo: Arthur Bruinen, Sleipnir 3

Glamox AS

We have performed an analysis of the equality of pay between the employees in Glamox AS ("likelønnskartlegging") in accordance with the requirements in the law on Equality of opportunity and treatment ("Likestillings- og diskrimineringsloven"). The categorisation of the positions has been discussed with representatives for the employees, and the number of female vs male employees in each level are as follows:

	2021	
	Gender distribution (woman/men)	Women's earnings in relation to men's
Level 1 - Apprentice	0/7	*)
Level 2 - Production and warehouse worker	78/92	98 %
Level 3 - Area and shift manager	3/5	*)
Level 4 - Clerk (Higher education)	46/121	78 %
Level 5 - Manager, senior engineer	12/40	89 %
Level 6 - Extended mangement group	6/17	103 %
Level 7 - Top management	1/5	*)
All employees in Glamox AS	146/287	76 %

* Not included for privacy reasons

There is equal remuneration for men and women in level 2 and 3. The differences in level 4 and 5 positions are a consequence of different requirements for competence, responsibility, effort and market situations for certain positions that are included in the categories. There is predominance of men in the positions where these requirements results in higher salaries and where bonuses are a part of the salary.
The average salary for female employees in Glamox AS was 76% of the average salary for male employees.

Glamox AS' annual salary adjustment follows a standardized process based on negotiations with union and employee representatives, and individual salary determination based on established criteria. This process ensures a fair and consistent salary adjustment based on competence and job performance. There is no involuntary part time workers in Glamox AS. Parental leave is only tracked in Glamox AS for 2021, eligible women took on average 33 weeks leave, and men took on average 15 weeks leave.

The number of full-time employee equivalents (FTEs) was 2,212 at the end of 2021, an increase from 2,174 at the end of 2020. In Glamox AS the number of full-time employee equivalents increased from 434 at year-end 2020 to 448 at the end of 2021.

Shareholder situation
Please see note 5.7 in the Annual Accounts for information on the shareholder situation.

Proposal for allocation of profit
The Board proposes that the year's profit in Glamox AS of NOK 249m is allocated as follows:

Proposed ordinary dividend of (NOK 1.667 per share): NOK 110m

Transferred to other equity capital: NOK 139m

The parent company has interest cost obligations related to its bond that match the dividend amount to be received.

Outlook
The Glamox Group's fundamental long-term growth prospects are positive. The growth is supported by increased global focus on energy efficiency and digitalization. The transfer to LED technology and the developments in Light Management Systems create new opportunities for the lighting industry.

Short term, we expect the instability and shortage in the components supply to continue affecting the product delivery times somewhat. However, as the pandemic recovery continues, we expect a gradual normalization. The positive market development is expected to continue in both business areas although the unfolding Ukraine crisis adds some uncertainty to the general market development. The Group expects to see increased positive effects in 2022 from actions to increase efficiencies in the value chain and the implementation of general market price increases. With an all-time high order book, good cost control and a positive market development in both our business areas the Group expects to see improved profitability in 2022.

The Glamox Group's fundamental long-term growth prospects remain strong and positive. The growth is supported by increased global focus on energy efficiency and digitalization. The transfer to LED technology and the developments in Light Management Systems create new opportunities for the lighting industry which the Group is well positioned to benefit from.

Oslo, 28 April 2022

Mikael Aro
Chairman of the Board

Gustaf Backemar
Board member

Joachim Espen
Board member

Torfinn Kildal
Board member

Arild Nysæther
Board member

Helene Egebøl
Board member

Lars Ivar Røiri
Board member

Sigmund Monrad Johansen
Board member

Henny S. Eidem
Board member

Espen Ytterstad
Board member

Rune E. Marthinussen
CEO & President

Glamox – Consolidated statement of profit and loss

Profit and loss

For the years ended 31 December

NOK 1000	Notes	2021	2020
Revenue	2.1, 2.2	3 333 553	3 435 506
Other operating income	2.2	43 831	54 042
Total revenues		**3 377 384**	**3 489 548**
Raw materials and consumables used		1 643 215	1 673 305
Payroll and related costs	2.4	1 226 860	1 124 175
Depreciation and amortisation	3.1, 3.3, 4.2	174 586	159 617
Impairment of non-current assets	3.1, 3.2	6 412	7 996
Other operating expenses	2.5	333 310	306 404
Total operating expenses		3 384 383	3 271 497
Operating profit		**-7 000**	**218 051**
Financial income	5.11	60 047	96 044
Financial expenses	5.11	123 783	135 184
Net financial items		-63 736	-39 140
Profit before tax		**-70 736**	**178 911**
Taxes	6.1	33 237	38 013
Profit for the year		**-103 972**	**140 898**
Profit/loss attributable to equity holders of the parent		-103 972	140 898
Profit/loss attributable to non controlling interests		-	-
Other comprehensive income			
Profit for the year		**-103 972**	**140 898**
Items that subsequently will not be reclassified to profit or loss:			
Gain/loss from remeasurement on defined benefit plans	7.2	25 927	-3 509
Tax effect on remeasurements on defined benefit plans	7.2	-3 152	517
Total items that subsequently will not be reclassified to profit or loss		22 775	-2 993
Items that subsequently may be reclassified to profit or loss:			
Currency translation differences		-35 349	51 038
Net gain/loss on hedge of foreign subsidiaries	5.5	38 776	-51 026
Tax effect from hedge of foreign subsidiaries	6.1	-8 531	11 226
Total items that subsequently may be reclassified to profit or loss		-5 103	11 237
Other comprehensive income for the period		**17 672**	**8 245**
Total comprehensive income for the period		**-86 300**	**149 142**
Total comprehensive income attributable to equity holders of the parent		-86 300	149 142
Total comprehensive income attributable to non controlling interests		-	-
Earnings per share attributable to equity holders of the parent			
Weighted average number of ordinary shares outstanding (in thousands):			
Basic		65 989	65 989
Diluted		65 989	65 989
Per ordinary share in NOK:			
Basic		-1.58	2.14
Diluted		-1.58	2.14

Glamox – Consolidated statement of financial position

NOK 1000	Notes	31.12.2021	31.12.2020
ASSETS			
Intangible non-current assets			
Goodwill	3.2	254 782	115 650
Intangible assets	3.3	291 581	190 091
Total intangible non-current assets		**546 364**	**305 741**
Tangible non-current assets			
Land, buildings and other property	3.1	195 958	200 712
Machinery and plant	3.1	85 790	89 595
Fixtures and fittings, tools, office equipment etc.	3.1	68 644	67 225
Right-of-use assets	4.2	216 147	198 091
Total tangible non-current assets		**566 539**	**555 622**
Deferred tax assets	6.1	59 929	72 345
Other non-current assets		33 034	15 472
Total non-current assets		**1 205 867**	**949 181**
Current assets			
Inventories	2.3	663 217	611 045
Trade receivables	5.9	449 224	431 801
Other receivables	5.9	93 876	87 304
Cash and cash equivalents	5.8	306 454	500 347
Total current assets		**1 512 771**	**1 630 497**
TOTAL ASSETS		**2 718 638**	**2 579 677**
EQUITY AND LIABILITIES			
Equity			
Share capital	5.7	65 989	65 989
Share premium		27 253	27 253
Retained earnings and other reserves		492 142	707 443
Non-controlling interests		-	-
Total equity		**585 384**	**800 684**
Non-current liabilities			
Pension liabilities	7.2	45 104	74 233
Interest bearing liabilities to financial institutions	5.1, 5.2	948 392	744 878
Long-term lease liabilities	4.2	169 669	148 115
Other long-term loans	5.1	-	288
Deferred tax liabilities	6.1	107 819	89 188
Provisions and other liabilities	4.1	44 964	47 788
Total non-current liabilities		**1 315 947**	**1 104 490**
Current liabilities			
Trade payables	5.10	306 917	264 719
Income tax payable	6.1	9 949	15 106
Other payables	5.10	108 840	116 469
Short-term interest bearing liabilities	5.1, 5.2	8 698	14 781
Short-term lease liabilities	4.2	56 871	51 204
Provisions and other liabilities	4.1,5.1,7.2	326 032	212 224
Total current liabilities		**817 307**	**674 503**
Total liabilities		**2 133 254**	**1 778 993**
TOTAL EQUITY AND LIABILITIES		**2 718 638**	**2 579 677**

Oslo, 28 April 2022

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Chairman of the Board

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Board member

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Board member

Espen Ytterstad
Board member

Rune E. Marthinussen
CEO & President

Glamox – Consolidated statement of cash flows

For the years ended 31 December (NOK 1000)

Cash flows from operating activities	**Notes**	**2021**	**2020**
Profit before tax		-70 736	178 911
Taxes paid		-35 790	-61 580
Depreciation, amortisation and impairment	3.1, 3.3, 4.2	180 999	167 613
Profit from sale of assets	3.1	-854	423
Changes in inventory	2.3	-19 325	-23 801
Changes in accounts receivable	5.9	8 147	93 244
Changes in accounts payable	5.10	25 949	-19 938
Changes in pension scheme assets/liabilities	7.2	-29 129	6 176
Changes defined benefit plan recognized directly in equity	7.2	25 927	-3 509
Net financial items		33 373	39 587
Changes in other balance sheet items		55 806	38 625
Net cash flows from operating activities		**174 368**	**415 750**
Cash flows from investing activities			
Interests received		3 559	8 920
Proceeds from sale of tangible fixed assets and intangible assets		-	1 282
Purchase of tangible fixed assets and intangible assets	3.1, 3.3	-99 448	-54 220
Acquisition of subsidiary, net of cash acquired	8.2	-243 067	-37 850
Payment (-) / proceeds (+) on long term receivables		-	514
Payment (-) / proceeds (+) on other investments		168	-
Net cash flow from investing activities		**-338 788**	**-81 354**
Cash flow from financing activities			
Proceeds from issuance of debt	5.2	238 260	350 000
Lease principal	4.2	-56 473	-54 895
Lease interest paid	4.2	-5 010	-5 492
Interests paid		-31 757	-35 924
Repayment of long-term debt	5.2	-14 518	-250 547
Payment of dividends to shareholders	5.7	-129 000	-141 059
Other cash flow from financing activities		-8 293	-8 531
Net cash flow from financing activities		**-6 790**	**-146 447**
Net change in cash and cash equivalents		-171 211	187 949
Cash and cash equivalents, beginning of period		500 347	324 571
Effect of change in exchange rate		-22 682	-12 173
Cash and cash equivalents, end of period		**306 454**	**500 347**

Glamox – Consolidated statement of changes in equity

NOK 1000	Share capital	Share premium reserve	Retained earnings	Currency translation differences	Net investment hedge reserve	Total share-holders equity	Non-controlling interests	Total equity
Balance as of 31 December 2019	**65 989**	**27 253**	**674 333**	**70 462**	**-45 435**	**792 602**	**67**	**792 668**
Profit (loss) for the year			140 898			140 898	-	140 898
Other comprehensive income			-2 993	51 038	-39 801	8 245		8 245
Total comprehensive income			137 905	51 038	-39 801	149 142	-	149 142
Changes in non-controlling interests							-67	-67
Dividends			-141 059			-141 059		-141 059
Balance as of 31 December 2020	**65 989**	**27 253**	**671 179**	**121 500**	**-85 237**	**800 684**	**0**	**800 684**
Profit (loss) for the year			-103 972			-103 972	-	-103 972
Other comprehensive income			22 775	-35 349	30 246	17 672		17 672
Total comprehensive income			-81 197	-35 349	30 246	-86 300	-	-86 300
Changes in non-controlling interests							-	-
Dividends			-129 000			-129 000		-129 000
Balance as of 31 December 2021	**65 989**	**27 253**	**460 982**	**86 151**	**-54 991**	**585 383**	**0**	**585 384**

Notes

1.1 Corporate information

Glamox AS is a company incorporated and domiciled in Norway. The registered address is Birger Hatlebakksvei 15 in Molde. Glamox AS is a leading lighting supplier to the world's marine and offshore markets, and a significant supplier to the professional building market in Europe. The registered office is located in Molde, Norway. GLX Holding AS is the parent company with 76.17% ownership. Beneficial owner of Glamox AS is Triton fond IV, located at Jersey.

A consolidated financial statement is prepared for the GLX Holding Group, and it may be obtained by contacting Glamox AS.

The Glamox Group is organised with three divisions: Professional Building Solutions (PBS), Global Marine & Offshore (GMO) and Sourcing, Production and Logistics (SPL). ES-System operated as an independent division in 2020 and has been integrated in PBS- and SPL division from January 1st, 2021. The PBS division has the responsibility of developing, marketing and sale of lighting solutions for the land-based lighting segment, with focus on the European market. The GMO division has the responsibility of developing, marketing and sale of lighting solutions to the global marine and offshore market. The SPL division consist of the production units in the Glamox Group and has the responsibility of procurement, manufacturing, warehousing and distribution. The prime objective of the SPL division is to serve the sales units (within PBS and GMO division) and their customers. The sale from the SPL division is only internal to business units within PBS and GMO.

The two sales divisions, PBS and GMO, have to a large extent different products and solutions they provide to their markets. Further they operate in strategically different markets and therefore have different sales channels, marketing strategies and risk. To be able to monitor and follow up the profitability of the complete value chain of these two business areas, Glamox has an operating segment reporting where PBS and GMO each represents a complete value chain.

1.2 Basis of preparation

The consolidated financial statements of Glamox AS and subsidiaries comprise of consolidated statements of profit and loss, other comprehensive income, financial position, cash flows, changes in equity, and related notes. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by The European Union (EU).

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value. Further, the financial statements are prepared based on the going concern assumption.

The consolidated financial statements are presented in Norwegian kroner (NOK), which is also the functional currency of the parent company. All figures are rounded to the nearest thousand (000), except when otherwise specified. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

For presentation purposes, balance sheet items are translated from functional currency to presentation currency by using exchange rates at the reporting date. Items within total comprehensive income are translated from functional currency to presentation currency by applying monthly average exchange rates. If currency rates are fluctuating significantly, daily exchange rates are applied for significant transactions.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Glamox AS and its subsidiaries as at 31 December 2021. See note 8.1 for subsidiaries included in the consolidation.
The subsidiaries are consolidated when control is achieved, that is, when the Group is exposed, or has rights, to variable returns from

its involvement with an investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, Glamox' presumption is that a majority of voting rights results in control. The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Uniform accounting policies are applied to all group companies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

1.3 Estimation uncertainty, judgments and assumptions

The preparation of the consolidated financial statements in accordance with IFRS and applying the chosen accounting policies requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. The accounting policies applied by the Group in which judgments, estimates and assumptions may significantly differ from actual results are discussed below.

Sources of estimation uncertainty

Impairment of Goodwill
Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating units using a suitable discount rate in order to calculate present value. Details of recognised goodwill are provided in note 3.2, including sensitivity disclosures.

Warranties
Provisions for warranty-related costs are recognised when the product is sold to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually. Details related to warranty provisions are provided in note 4.1.

Deferred tax assets
Deferred tax assets are recognised when it is probable that the company will have a sufficient taxable profit in subsequent periods to utilise the tax asset. Assessment of future ability to utilise tax positions is based on judgements of the level of taxable profit, the expected timing of utilisation, expected temporary differences and strategies for tax planning.

Capitalised product development
Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. Further it is only cost related to development of products for a new application and/or with new technology that will be capitialized. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. The assessment of when product development are capitalised is highly subjective, as the outcome of these projects may be uncertain.

Economic life of property, plant and equipment and intangible assets
The useful life of each item, which is assessed at least annually, is

determined as the period over which the asset is expected to be available for use.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The depreciation or amortisation expense on assets with finite lives is recognised in the statement of comprehensive income.

Inventory
A provision for obsolescence is included in the inventory when necessary. The criteria for assessing the needs and level of the provision are based on objective calculations and management judgements. Turnover of the goods is the base of the objective calculation. Depending on the turnover rate (3 months, 6 months or 12 months) the Group has set specific obsolesce rates to be used.

1.4 Adjusted profit and special items

The table below gives an overview of special items included in profit and loss for 2021 and 2020.

	2021	**2020**
Total revenues	3 377 384	3 489 548
Total revenues - Adjusted	3 374 892	3 488 654
EBITDA [1]	173 999	385 664
EBITDA margin	5.2 %	11.1 %
Adjusted EBITDA [2]	449 865	497 290
Adjusted EBITDA margin	13.3 %	14.3 %
Operating profit (EBIT)	-7 000	218 051
Operating profit (EBIT) margin	-0.2 %	6.2 %
Adjusted Operating profit (EBIT)	275 279	337 672
Adjusted Operating profit (EBIT) margin	8.2 %	9.7 %
Special items:		
Restructuring cost	189 745	48 489
Claim cost related to specific products	12 359	4 057
Acqusition and integration cost	18 521	29 708
ERP Integration	31 541	16 894
ESG Compliance	1 732	3 544
Other	21 968	8 933
Total Special items	**275 866**	**111 625**
Adjusted EBITDA	**449 865**	**497 290**
Impairment of non-current assets	6 412	7 996
Total Special items	**282 279**	**119 621**
Adjusted Operating profit (EBIT)	**275 279**	**337 672**

[1] Operating profit/loss before income taxes, net financial items, depreciation, amortisation and impairment charges.

[2] Operating profit/loss before income taxes, net financial items, depreciation, amortisation and impairment charges adjusted for special items.

Special items reprecents profit and loss items that are material and outside ordinary business of Glamox Group. The table give an overview of the profit adjusted for the special items, in order to present the profit of the ordinary business of the Group.

2.1 Segment information

Operating segments within Glamox Group

In 2021, Glamox has the following operating segments (business areas);

- Professional Building Solutions (PBS)
- Global Marine & Offshore (GMO)

Each of these segments represents a complete value chain. For the two segment PBS and GMO all cost of goods sold (COGS) and administration cost of the SPL division is distributed between the two operating segments, based on the products sold. Group functions are also distributed between the two operating segments, based on allocation keys. ES-System operated as an independent segment in 2020 and has been integrated in the PBS segment from January 1st, 2021.

The segments offer different products, operate in strategically different markets and therefore have different sales channels and marketing strategies, including risks. PBS offers products to office, industry, health, education, retail, hotels and resturants mainly in Europe. Their main sales channels are direct to installers and wholesalers. GMO offers its products in the global market within commercial marine, energy (offshore and onshore), navy, recreational, cruise and ferry. The customer base of GMO consist of vessel owners, yards, electrical installers, engineering companies and oil companies.

Segment performance is evaluated based on EBITDA (operating profit /loss before income taxes, net financial items, depreciation, amortisation and impairment charges)*. Management believes this information is the most relevant in evaluating the results of the respective segments. Reconciliation from EBITDA to operating profit according to the statement of total comprehensive income is shown below. The Group's financing activities (including finance costs and finance income) and income tax expense are managed on a Group basis and are not allocated to the operating segments.

The internal managment reporting of operating segments does not include any balance sheet items. Consequently, the overview of financial information per operating segment does not include assets and liabilites. None of the operating segments had sales to a single customer that exceeded 10 % of revenues in 2021.

Year ended 31 December 2021	**Professional Building Solutions (PBS)**	**Global Marine & Offshore (GMO)**	**Other**	**Total**
Revenues	2 637 919	736 973	2 492	**3 377 384**
EBITDA	339 827	49 641	-215 468	**173 999**
in %	12.9 %	6.7 %		5.2 %

Year ended 31 December 2020	**Professional Building Solutions (PBS)**	**Global Marine & Offshore (GMO)**	**ES-System**	**Other**	**Total**
Revenues	2 245 137	812 697	432 607	-894	**3 489 548**
EBITDA	321 000	77 509	38 395	-51 239	**385 664**
in %	14.3 %	9.5 %	8.9 %		11.1 %

EBITDA for PBS, GMO and ES-System, presented in the table above is adjusted for special items.
Other item refers to special items and IFRS 16 effects.

Reconciliation of profit	**2021**	**2020**
EBITDA	173 999	385 664
Depreciation, amortisation and impairment	180 999	167 613
Operating profit	**-7 000**	**218 051**

Geographic information	**2021**	**2020**
Nordics	1 547 489	1 563 165
Europe, excl. Nordics	1 525 184	1 616 682
North America	127 030	131 055
Asia	154 844	148 812
Other	22 837	29 834
Total revenues from external customers	**3 377 384**	**3 489 548**

The geographic split is based on the location of the customer.
The Group's definition of EBITDA may differ from other definitions of EBITDA in certain other jurisdictions.

2.2 Revenues from contracts with customers

The group derives revenue from sale of goods at a point in time, see note 2.1 for disaggregation of revenues by segments and geographical regions.

The group is a global provider of lighting solutions for a wide variety of applications, on land and offshore. All significant revenue streams relates to production and sales of goods. Glamox`s main performance obligation is related to sale of goods where the performance obligations are the delivery of an agreed volume of products within the agreed specification. The accounting policies for the group`s revenue from contracts with customers are explained in note 10.1.

Revenues from sales	**2021**	**2020**
Sale of goods	3 333 553	3 435 506
Total revenues from sales	**3 333 553**	**3 435 506**

Other operating income	**2021**	**2020**
Other operating income	43 831	54 042
Total other operating income	**43 831**	**54 042**

Other operating income mainly consist of freight invoiced to customers.

2.3 Inventories

Inventories	**31.12.2021**	**31.12.2020**
Raw materials	383 126	335 512
Work in progress	53 954	44 133
Finished goods	226 137	231 400
Total inventories	**663 217**	**611 045**

Provision for obsolete inventories	**2021**	**2020**
At January 1	**106 688**	**98 561**
Currency effect	-3 151	2 879
Provision used	-14 470	-23 128
Provision reversed	-6 630	-2 634
Addition through acquisition of subsidiary	663	-
Additonal provision	22 493	31 010
At December 31	**105 593**	**106 688**

The provision for obsolete inventories covers all inventory classifications (Raw material, Work in progress and Finished goods). The provision is primarily a consequence of the objective calculation based on stock turn at component level. Additional provision is mainly related to phase out of many product families produced in Germany and the closing of the factory in Germany. Provision used mainly relates to the closing of the factory in Sweden and moving of the warehouses for finished goods from Germany to Poland.

Note 5.2 shows that part of the Group’s inventory is pledged as security for secured liabilities.

2.4 Employee benefit expenses

Payroll and related costs	2021	2020
Salaries	1 005 638	893 869
National insurance	146 108	148 224
Pension costs	41 273	45 209
Other remuneration	33 841	36 873
Total payroll and related costs	**1 226 860**	**1 124 175**
Average number of Full Time Employee (FTE)	2 221	2 208

In 2021, salaries and national insurance include special items of NOK 143.8 million. Of this, NOK 127.7 million is related to restructuring, NOK 3.8 million is related to business integration, NOK 12.3 milion is related to ERP integration.

In 2020, salaries and national insurance include special items of NOK 43 million. Of this, NOK 23.0 million is related to restructuring, NOK 7.8 million is related to business integration, NOK 8.5 milion is related to ERP integration and NOK 3.7 million related to other items.

See note 7.1 for management remuneration.

2.5 Other operating expenses

Other operating expenses	2021	2020
Sales and marketing expenses	17 584	18 807
Energi and housing	76 067	74 199
Repair and maintenance	25 290	23 135
Travel and transport	40 139	36 210
Claims	14 623	18 340
Special items	94 453	63 430
Other	65 444	66 438
Bad debts	-291	5 845
Total other operating expenses	**333 310**	**306 404**

Auditor	2021	2020
Fee for statutory audit	5 946	4 944
Audit-related fees	1 385	1 676
Tax compliance services	282	476
Other fees	1 428	429
Total	**9 040**	**7 524**

Special items

Total operating expenses for 2021 includes special items of total NOK 94.4 million. Of this, NOK 37.5 million is related to restructuring, NOK 14.6 million is related to business integration, NOK 19.4 milion is related to ERP integration, NOK 4.3 million relates to claim for a specific product, NOK 1.6 million relates to ESG implementation and NOK 17.0 million related to other items.

Total operating expenses for 2020 includes special items of total NOK 63.4 million. Of this, NOK 20.0 million is related to restructuring, NOK 22.6 million is related to business integration, NOK 6.4 milion is related to ERP integration, NOK 4.0 million relates to claim towards specific products and NOK 10.4 million related to other items.

Audit fee:

The amounts above are excluding VAT.

3.1 Property, plant and equipment

	Land/ Buildings	Machinery	Fixtures and Fittings	Total
Acquisition cost 31.12.2019	**365 386**	**428 480**	**233 712**	**1 027 578**
Additions	1 964	7 739	9 767	19 470
Disposals	188	-7 072	-1 330	-8 214
Reclassifications	-259	-1 837	-15 696	-17 793
Currency translation effects	5 976	9 120	8 862	23 958
Acquisition cost 31.12.2020	**373 255**	**436 430**	**235 315**	**1 044 999**
Additions	20 378	20 020	16 773	57 171
Disposals	-45 826	1 543	-30 572	-74 856
Additions through acquisition of subsidiary	-	3 482	2 680	6 162
Reclassifications	-4 333	-287	2 272	-2 348
Currency translation effects	-4 755	-5 690	-3 919	-14 364
Acquisition cost 31.12.2021	**338 719**	**455 497**	**222 548**	**1 016 764**
Accumulated depreciation and impairment 31.12.2019	**147 664**	**309 873**	**163 786**	**621 323**
Depreciation for the year	13 710	33 459	19 507	66 676
Impairment for the year	7 996	-	-	7 996
Disposals	199	-6 990	-4 305	-11 096
Reclassifications	193	4 635	-16 519	-11 691
Currency translation effects	2 782	5 857	5 622	14 260
Accumulated depreciation and impairment 31.12.2020	**172 543**	**346 834**	**168 090**	**687 468**
Depreciation for the year	15 120	27 396	18 871	61 388
Impairment for the year*	-	3 336	-	3 336
Disposals	-43 078	-4 212	-30 412	-77 702
Reclassifications	-	34	331	365
Currency translation effects	-1 824	-3 682	-2 977	-8 483
Accumulated depreciation and impairment 31.12.2021	**142 761**	**369 707**	**153 904**	**666 372**
Carrying amount 31.12.2020	**200 712**	**89 595**	**67 225**	**357 531**
Carrying amount 31.12.2021	**195 958**	**85 790**	**68 644**	**350 392**

Economic life	Up to 20 yrs.	Up to 10 yrs.	Up to 10 yrs.
Depreciation plan	Straight-line	Straight-line	Straight-line

The Group assess, at each reporting date, whether there is an indication that property, plant and equipment may be impaired. Furthermore, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased.

*In 2021, the Group recorded an impairment of NOK 3.3 million related to machinery at the Swedish site, Målilla. No other indicators were identified in 2021 for property, plant and equipment.

In 2020, the Group recorded an impairment of NOK 8.0 million related to the factory building at the Swedish site, Målilla. No other indicators were identified in 2020 for property, plant and equipment.

3.2 Goodwill

	Goodwill
Acquisition cost 31.12.2019	**134 641**
Acquisitions	-
Adjustment of purchase price allocation	-2 248
Currency translation effects	3 217
Acquisition cost 31.12.2020	**135 611**
Acquisitions	140 100
Adjustment of purchase price allocation	-
Currency translation effects	-968
Acquisition cost 31.12.2021	**274 743**

Accumulated Impairment 31.12.2019	**19 961**
Impairment for the year	-
Currency translation effects	-
Accumulated Impairment 31.12.2020	**19 961**
Impairment for the year	-
Currency translation effects	-
Accumulated Impairment 31.12.2021	**19 961**

Carrying amount 31.12.2020	**115 650**
Carrying amount 31.12.2021	**254 782**

Carrying amount of goodwill allocated to the cash-generating units	Goodwill
PBS (Luxo)	8 688
LINKSrechts	5 466
Glamox BV	7 752
O. Küttel AG	39 921
Luxonic	54 426
ES-System	7
LiteIP	17 500
Wasco	51 272
Luminell	69 751
Total goodwill – carrying amount 31.12.2021	**254 782**

The Group tests goodwill for impairment annually or more frequently if there are indications that goodwill is impaired. Recognised goodwill in the Group as of 31st of December 2021 is NOK 254.8m and is derived from acquiring of Luxo in 2009, Glamox B.V. in 2015, LINKSrecht in 2016, Küttel in 2018, Luxonic and ES-System in 2019, LiteIP, Wasco and Luminell in 2021. The recoverable amounts of the CGUs have been determined based on value-in-use calculations.

The Group perform its annual impairment test at reporting date. There are no impairment loss in 2021 or 2020.

For the 2021 impairment testing, the cash flows in the calculations are based on budgets for 2022 and assumption used in the strategy plan for the period 2023 to 2025 both approved by the Group Management. Cash flows after year 2025 have been extrapolated using a long-term growth rate. The calculations of terminal value are based on Gordon's formula.

Key assumptions used in value-in- use calculations

Based on an overall assessment, Glamox has identified the following assumtions as most sensitive to the value in use calculations:

Growth rate

The historical sales growth rate in Glamox differ between the two segments, PBS and GMO.

And within these two segments the growth rate differ between the sectors. In the strategy plan the growth rates are based on published industry research with management adjustments. In prediction of cash flow, management has utilized a conservative approach. The growth rate applied in the impairment test is equal to the rate utilized in the strategy plan.

Operating profit
Future operating profit is dependent on a number of factors, but primarily volume growth, cost of production and operating expenses. In the impairment test, Glamox has estimated operating profit using an operating profit rate that is based on managment's experience.

Discount rates
The discounts rates are based on the Weighted Average Cost of Capital (WACC) formula derived from the CAPM model. The discount rate is set individually for each CGU and is post-tax between 6.6 % and 10.2 %.

Cash generating units and assessments made by management

LINKSrechts
LINKSrecht was acquired by Glamox in June 2016. The company produces and distribute advanced LED lighting system for the military marine sector all over the world. It supplies Helicoper Visual Landing Aid Systems (HVLAS), Advanced Submarine Lighting Systems (ASLS) and Advanced Naval Lighting Systems (ANLS) for naval surface ships. The main customers are military marine in differenct countries around the world.

Glamox B.V.
Glamox B.V was acquired by Glamox in January 2015. Glamox B.V had been an independent distributor of Glamox products for over 30 years. The company operates both witin the PBS and GMO segment in the Netherlands. In the impairment test calculation, the terminal growth rate is assumed to be 1.5% and a WACC of 6.6% has been utilized. The sensitivity analysis show that if revenue for the whole period were reduced by over 50%, and the profit margin reduced by 2.0%-p an impairment loss would occur.

PBS (Luxo)
Luxo was acquired by Glamox in 2009. Luxo was a company that developed, produced and distributed lighting products and solutions to the professional land-based lighting market. Luxo consisted of sales units and production units that where located in differenct countries. Luxo company and Glamox company in the same market/country where merged. The CGU related to goodwill of this acqusition is the PBS division. In the impairment test calculation, the terminal growth rate is assumed to be 2.0% and a WACC of 8.5 % has been utilized. The sensitivity analysis show that an increase in WACC of 6.4 %-p would lead to an impairment loss. A decrease in revenues for the whole period of 50% would lead to an impairment loss.

O. Küttel AG
O. Küttel AG was acquired in April 2018. The company is a leading Swiss provider of lighting for the professional building market in Switzerland. In the impairment test calculation, the terminal growth rate is assumed to be 2.0% and a WACC of 9.8% has been utilized. The sensitivity analysis show that an increase in WACC of 9.3 %-p would lead to an impairment loss. A decrease in revenues for the whole period of 25% combined with a decrease in profit margin og 4.0%-p would lead to an impairment loss.

Glamox Luxonic
Luxonic was aquired by Glamox in April 2019. The company was established in 1986 and is a UK based lighting company with a strong brand and its own manufacturing plant located in Basingstoke, UK. In the impairment test calculation, the terminal growth rate is assumed to be 2.0 % and a WACC of 8.5 % has been utilized. The sensitivity analysis show that an increase in WACC of 1.7 %-p would lead to an impairment loss. A decrease in revenues for the whole period of 21.5 % would lead to an impairment loss, or a decrease in revenue of 3% combined with a decrease of profit margin of 1.2 %-p would lead to an impairment loss.

3.3 Product development and other intangible assets

	Product Development	Other intangible assets	Total
Acquisition cost 31.12.2019	**52 433**	**309 597**	**362 030**
Additions	2 896	31 854	34 751
Adjustment of purchase price allocation	-1 694	-9 068	-10 762
Disposals	-	-19 293	-19 293
Reclassifications	-	18 066	18 066
Currency translation effects	106	5 302	5 408
Acquisition cost 31.12.2020	**53 741**	**336 458**	**390 199**
Additions	5 836	36 442	42 278
Additions through acquisition of subsidiary	15 818	100 324	116 142
Disposals	-	-69	-69
Reclassifications	160	1 638	1 799
Currency translation effects	-1 172	-4 707	-5 879
Acquisition cost 31.12.2021	**74 383**	**470 087**	**544 470**
Accumulated amortisation and impairment 31.12.2019	**9 209**	**159 649**	**168 858**
Amortisation for the year	7 029	30 027	37 056
Disposals	-	-19 293	-19 293
Reclassifications	-	11 803	11 803
Currency translation effects	-23	1 706	1 683
Accumulated amortisation and impairment 31.12.2020	**16 215**	**183 892**	**200 107**
Amortisation for the year	11 888	43 070	54 959
Impairment for the year*	484	-	484
Disposals	-484	-68	-551
Reclassifications	-	-	-
Currency translation effects	-144	-1 965	-2 110
Accumulated amortisation and impairment 31.12.2021	**27 959**	**224 929**	**252 888**
Carrying amount 31.12.2020	**37 526**	**152 565**	**190 091**
Carrying amount 31.12.2021	**46 424**	**245 157**	**291 581**

Economic life	Up to 3-5 yrs.	Up to 10 yrs.
Amortisation plan	Straight-line	Straight-line

Net Capitalised development costs as of the year ended December 31, 2021 were NOK 46 424 thousand. Of this amount, NOK 10 006 thousand relates to aqcuired product developement through the acquisition of Glamox Luxonic, NOK 10 657 thousand relates to acquired product developement through the acquisition of ES-System, NOK 15 337 thousand relates to acquired product developement through the acquisition of Luminell Group. The rest of capitialised product development related to internal development projects. Internal projects that results in products with a new application or new technology is capitalised given that the criteria in IAS 38 is fulfilled. The Group directly expensed NOK 31 540 thousand related to research and development activities in 2021 (2020: NOK 31 842 thousand).

Carrying amount of other intangible assets per 31.12.2021 is NOK 245 157 thousand and consist of trademarks of NOK 71 530 thousand and customer relations of NOK 47 743 thousand from the acquisition of LINKSrechts, Küttel, Luxonic, ES-System LiteIP, Wasco and Luminell, and technology of NOK 32 569 thousand from the acqusition of LINKSrechts, LiteIP, Wasco and Luminell and the rest of NOK 93 315 thousand is related to software investments. The trademark from the aquisition of Küttel are well incorporated in the Swiss market and there are no plans of rebranding. Based on this, the trademark is assessed to be indefinite and therefore not amortised. The trademark is tested for impairment annually, see note 3.2. Except for this, other intangible assets are amortised over 5-10 years based on the useful economic life.

*In 2021, the Group recorded an impairment of NOK 0.5 million related to one product in Luminell Norway that was not commercialised.
No other indicators were identified in 2021 for intangible assets.

4.1 Provisions and other liabilities

Provisions and other liabilities	Note	31.12.2021	31.12.2020
Non-current provisions and other liabilities			
Warranties		37 231	38 470
Other liabilities		7 732	9 318
Total non-current provisions and other liabilities		**44 964**	**47 788**
Provision for warranties		**2021**	**2020**
At January 1		**38 470**	**34 132**
Currency effect		-674	1 025
Addition through acquisition of subsidiary		764	-
Provision used		-8 879	-4 665
Provision reversed		-2 095	-2 721
Additional provision		9 645	10 699
At December 31		**37 231**	**38 470**
Current provisions and other liabilities			
Derivatives		3 379	1 960
Prepayments from customers		9 438	20 246
Restructuring/Severance payment		92 006	5 276
Accruals for employee benefits		104 218	110 279
Product claim		10 625	25 659
Contingent liabilities		55 011	1 312
Pension liabilities	7.2	388	1 202
Other liabilities		50 967	46 290
Total current provisions and other liabilities		**326 032**	**212 224**

Warranties relates to product warranty obligations to customers. Standard warranty time is between 2-5 years. The warranty time differs among the different markets that Glamox operates in, and between the different products sold.

Product claim relates to two product families sold to the energy area (GMO segment) over several years. The provision is expected to cover cost involved in rectifying received and potential claims.

The contingent liabilities relates to acquisition of LiteIP Ltd. and Wasco GmbH. The contingent consideration relates to future financial key figures, integration and development of technology during 2021-2024 for LiteIP and 2021-2023 for Wasco GmbH.

Other liabilities contains accrued fee and general accrued expenses.

4.2 Leases

This note provides information for leases where the group is a lessee.

Right-of-use assets	Buildings	Machinery	Fixtures and Fittings	Total
Carrying amount 31.12.2019	**146 153**	**28 351**	**5 147**	**179 652**
Additions	50 265	15 478	72	65 815
Remeasurement	7 879	-369	9	7 519
Depreciations	-38 732	-15 543	-1 611	-55 886
Termination	-1 707	-1 377	-35	-3 120
Currency translation effects	2 963	915	233	4 111
Carrying amount 31.12.2020	**166 821**	**27 455**	**3 815**	**198 091**
Additions	33 201	16 272	263	49 736
Additions through acquisition of subsidiaries	7 359	635	1 061	9 055
Impairment*	-2 593	-	-	-2 593
Remeasurement	29 553	-372	340	29 521
Depreciations	-41 120	-15 467	-1 652	-58 240
Termination	-1 905	-1 704	-5	-3 614
Currency translation effects	-5 050	-749	-11	-5 809
Carrying amount 31.12.2021	**186 265**	**26 070**	**3 811**	**216 147**

*In 2021, the Group recorded an impairment of NOK 2.6 million related to lease of two office facilities in Germany due to the ongoing restructuring.

Amounts recognised in profit and loss	2021	2020
Depreciation from right-of-use assets[1]	58 240	55 886
Interest expense from lease liabilities[2]	5 010	5 492
Expenses relating to short term leases and leases of low-value assets[3]	3 535	4 992
Variable lease payments not included in the measurement of lease liabilities	0	0
Total	**66 785**	**66 369**

1) Presented as Depreciations and amortisations
2) Presented as Interest expenses
3) Presented as Other operating expenses

Amounts recognised in cash flow	2021	2020
Principal portion of lease payments on lease liabilities[1]	56 473	54 895
Interest portion of lease payments on lease liabilities[1]	5 010	5 492
Payments relating to short term leases and leases of low-value assets[2]	3 535	4 992
Total payments on lease liabilities	**65 018**	**65 378**

1) Presented as cash flow from financing activities.
2) Presented as cash flow from operating activities.

Lease liabilities	2021	2020
Lease liabilities, non-current	169 669	148 115
Lease liabilities, current	56 871	51 204

Maturity schedule lease liabilities - contractual undiscounted cash flows	2021	2020
0-1 years	58 828	52 923
1-5 years	149 077	112 237
5 years and later	35 237	49 124
Total undiscounted lease liabilities as of 31.12.	**243 142**	**214 284**

Amounts does not include lease liabilities for short term leases and leases of low-value assets.

5.1 Financial instruments

The Group has the following financial instruments:

Financial assets/liabilities at amortised cost:
Financial assets: Trade receivables, other current receivables (notes: 5.9) and cash and cash equivalents (note 5.8)
Financial liabilities: Includes most of the Group's financial liabilities including debt to credit institutions, trade payables and other current and non-current financial liabilities (notes: 5.2 and 5.10).

Financial assets/liabilities at fair value through profit and loss (FVTPL):
Derivative instruments – Forward contracts (see below))

Derivates and hedging

The Group applies hedge accounting related to its hedges of net investments in foreign subsidiaries. Loans and bank overdrafts in the same currency as the underlying investments are designated as hedging instruments. As of 31 December 2021 NOK 646.0 millions of the interest bearing liabilities have been designated as hedging instrument (2020: NOK 575.0 millions). In the Group accounts, the underlying currency effects related to the hedging instruments are presented in the statement of OCI, to the extent that the hedging relationship is effective. At the end of the period, the hedging relationship is effective.

Furthermore, the Group holds forward contracts to secure its sales and purchases in foreign currency. Hedge accounting is not applied related to these arrangements, and the derivatives are measured at fair value through profit and loss.

For further information, see note 5.5 and 10.1.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVTOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.The table below shows the various financial assets and liabilities, grouped in the different categories of financial instruments according to IFRS 9.

31.12.2021	Amortised cost	Fair value through profit or loss (FVTPL)	Total
Financial assets			
Trade receivables (note 5.9)	449 224		449 224
Other receivables (note 5.9)	93 876		93 876
Cash and cash equivalents (note 5.8)	306 454		306 454
Total financial assets	**849 554**	**-**	**849 554**

31.12.2021			Total
Financial Liabilities			
Derivatives		3 379	3 379
Interest bearing liabilities to financial institutions (non-current and current, note 5.2)	959 806		959 806
Lease liabilities (non-current and current, note 4.2)	226 540		226 540
Trade payables (note 5.10)	306 917		306 917
Total financial liabilities	**1 493 263**	**3 379**	**1 496 642**

31.12.2020			
Financial assets			
Trade receivables (note 5.9)	431 801		431 801
Other receivables (note 5.9)	87 304		87 304
Cash and cash equivalents (note 5.8)	500 347		500 347
Total financial assets	**1 019 452**	**-**	**1 019 452**

31.12.2020			
Financial liabilities			
Derivatives		1 960	1 960
Interest bearing liabilities to financial institutions (non-current and current, note 5.2)	762 453		762 453
Lease liabilities (non-current and current, note 4.2)	199 319		199 319
Other long-term loans	288		288
Trade payables (note 5.10)	264 719		264 719
Total financial liabilities	**1 226 779**	**1 960**	**1 228 739**

5.2 Interest bearing liabilities to financial institutions

Non-current Interest bearing loans and borrowings	Interest rate	Maturity	31.12.2021	31.12.2020
Revolving facility - utilised amount (NOK)	NIBOR + margin	2023	300 500	165 500
Revolving facility - utilised amount (EUR)	EURIBOR + margin	2023	319 642	230 347
Revolving facility - utilised amount (PLN)	WIBOR + margin	2023	326 152	344 675
Other long term loans (GBP)	LIBOR + margin	2023-2024	4 814	7 151
Total non-current interest bearing loans and borrowings			**951 108**	**747 671**

Change of non-current Interest bearing loans and borrowings	2021	2020
Opening balance	747 671	637 958
Acquired debt due to acquisition of subsidiary	12 041	-
Increase of utilised amount	238 260	350 000
Repayment	-14 518	-250 547
Effect of changes in foreign exchange rates	-32 346	10 261
Closing balance	**951 108**	**747 671**

Current Interest bearing loans and borrowings	31.12.2021	31.12.2020
Other long term loans (GBP) - current part	2 663	2 783
Other short term interest bearing liabilities*	6 036	11 998
Total current interest bearing loans and borrowings	**8 698**	**14 781**

* Some subsidiaries can withdraw cash based on outstanding accounts receivable.

Change of current Interest bearing loans and borrowings	2021	2020
Opening balance	14 781	22 770
Acquired debt due to acquisition of subsidiary	1 952	-
Increase of utilised amount	4 084	-
Repayment	-12 176	-8 008
Effect of changes in foreign exchange rates	57	19
Closing balance	**8 698**	**14 781**

Revolving facility

Glamox holds a multi-currency revolving facility. The multi-currency revolving facility has a credit limit of NOK 1,400 million.

In Q2-2021 the utilized amount was increased by NOK 135 million. and in Q3-2021 the utilized amount was increased by NOK 103 million. An arrangement fee related to the financing, is booked against non-current interest bearing liablities and will be expensed over the availability period of the facility.

Covenant requirements:

Glamox' loan agreements includes the following financial covenants requirements on Group level:
- Equity ratio minimum 20%
- Net interest bearing debt (NIBD)/ EBITDA Adjusted (Last Twelve Months) less than 4.0.

There have been no breaches of covenants in 2021 or 2020 for Glamox.

Assets pledged as security and guarantee liabilities	31.12.2021	31.12.2020
Secured balance sheet liabilities:		
Interest bearing liabilities to financial institutions	946 294	740 521
Secured pension liability	13 820	13 820
Balance sheet value of assets pledged as security for secured liabilities:		
Land, buildings and other property	25 722	31 297
Machinery and plant	33 498	32 641
Fixtures and fittings, tools, office equipment etc.	12 770	15 776
Inventories	148 031	134 905
Account receivable	249 321	191 399
Total	**469 342**	**406 018**

5.3 Ageing of financial liabilities

31.12.2021	Less than 12 months	1 to 3 years	Over 3 years	Total
Derivatives	3 379			3 379
Interest bearing liabilities to financial institutions (note 5.2)*	35 710	978 105	-	1 013 815
Trade payables (note 5.10)	306 917			306 917
Totals	**346 006**	**978 105**	**-**	**1 324 111**

31.12.2020	Less than 12 months	1 to 3 years	Over 3 years	Total
Derivatives	1 960			1 960
Interest bearing liabilities to financial institutions (note 5.2)*	27 292	757 799	2 384	787 474
Other long-term loans	288	-	-	288
Trade payables (note 5.10)	264 719			264 719
Totals	**294 258**	**757 799**	**2 384**	**1 054 441**

* figures inclued estimated interest payable.

5.4 Fair value measurement

The table below discloses information about all financial instruments that are either measured at fair value or where information about fair value is disclosed. There were no transfers between the levels during 2021 and 2020. For related accounting policies, reference is made to note 10.1.

	Carrying amount at	Date of valuation	Carrying amount	Fair value	Level 1	Level 2	Level 3
Liabilities measured/disclosed at fair value							
Interest-bearing loans and borrowings	31.12.2021	31.12.2021	959 806	959 806		x	
Interest-bearing loans and borrowings	31.12.2020	31.12.2020	762 453	762 453		x	
Derivative financial liabilities	31.12.2021	31.12.2021	3 379	3 379		x	
Derivative financial liabilities	31.12.2020	31.12.2020	1 960	1 960		x	

Fair value of financial instruments

Management assessed that the fair values of cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Forward contracts are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing models using present value calculations (hierarchy level 2). The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies and currency basis spreads between the respective currencies. All derivative contracts are fully cash collateralised, thereby eliminating both counterparty risk and the Group's own non-performance risk. As at 31 December 2021, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on measurement of financial instruments recognised at fair value. Glamox applies input from its respective bank relations in performing the fair value calculations.

The fair values of the Group's interest-bearing loans and borrowings are assessed to be in all material aspects similar to carrying amount.

5.5 Financial risk management

Glamox Group is exposed to a range of risks affecting its financial performance, currency risk, interest rate risk, liquidity risk and credit risk. The Group seeks to minimise potential adverse effects of such risks through sound business practices, risk management and use of derivative financial instruments. Risk management is carried out by senior management under policies approved by the Board of Directors.

Interest rate risk

The Group aims to follow the general long-term development in the money market interest levels. The effects of short-term fluctuations in money market interest levels can be reduced by managing the loan portfolio's average interest and the timing of the interest payments. Underlying loan agreements is used to manage the interest risk.

The main part of the deposit is organised in a Multi Currency Cash pool. The interest-bearing liability relates to a Revolving Credit Facility (RCF). As of 31.12.2021 it is utilised NOK 300.5 millions, EUR 32.0 millions and PLN 150.1 millions of the RCF. The interest of the utilised amount of the RCF is payable at a rate of NIBOR/EURIBOR/WIBOR plus a margin, dependent on Glamox's NIBD/EBITDA ratio.

The following table demonstrates the sensitivity to a possible change in interest rates, with all other variables held constant, on the Group's profit before tax:

Interest rate sensitivity	**Increase / decrease in basis points**	**Effect on profit before tax**
31.12.2021	+/- 100	- 6.4 mNOK / +3.5 mNOK
31.12.2020	+/- 100	- 2.4 mNOK / -0.1 mNOK

Foreign currency risk

Glamox is exposed to transaction risk by purchasing and selling in different currencies. Purchase and production expenses are mainly in NOK, SEK, EUR, GBP and PLN, with sales mainly in NOK, EUR, SEK, DKK, GBP, SGD, CAD, CHF, PLN and USD. Glamox aims to minimise the risk of changes in the value of net cash flows arising from the short-term fluctuations in exchange rates. Transaction risk is controlled by means of internal invoicing rules, matching of income and expenses in the same currency and by using financial instruments (forward contracts).

Glamox uses forward contracts as an economic instrument to hedge cash flow. As of 31.12.2021, the Group hold forward contracts for both sale and purchase of currencies. Forward contracts as of 31.12.2021 amounts to NOK 151 million in currency sales and NOK 183 million in currency purchase based on 31.12.2021 exchanges rates. The Group's forward contracts had a market value of NOK -2.0 million as of 01.01.2021 and NOK -3.4 million as of 31.12.2021. Glamox has not applied hedge accounting in accordance with IFRS 9 for cash flow hedging.

Glamox is exposed to currency changes related to carrying amounts of equity in foreign subsidiaries. Changes in the value of equity of foreign subsidiaries are offset/ hedge by loans and overdrafts in the same currency. The following tables demonstrates Glamox' total exposure to foreign currency risk related to its net debt and equity in foreign subsidiaries:

	Equity in foreign subsidiaries		**Net debt and overdraft in foreign currency**	
Currency (in currency million)	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
EUR/DKK	34.5	36.8	30.0	34.7
SEK	59.8	118.0	55.0	127.7
GBP	19.5	12.2	19.7	11.7
CHF	10.3	15.9	10.7	16.3
PLN	132.5	149.4	143.3	155.3
SGD	5.3	4.9	5.7	5.0
CAD	5.8	4.0	5.1	4.4
USD	4.7	6.7	4.2	6.2

Without the hedge of the net investment in foreign subsidiaries, a 10 percent weakening/strengthening in the value of NOK would have increased/decreased equity by NOK 113.8 million as of 31.12.2021, where equity in EUR represents NOK 33.8 million of this increase/decrease. Such changes in value would have limited impact on P/L, as they are mainly booked as translation differences against equity. Because of the hedge, the impact on equity is also limited.

Liquidity risk

Liquidity risk is the risk that Glamox will not be able to meet its financial obligations as they fall due. Glamox has a limited exposure to liquidity risk on the basis of a strong cash flow in addition to a solid balance sheet, as of 31.12.2021 the equity rate is 21.5%. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

See note 5.3 for an overview of maturity profile on Glamox' financial liabilities and an overview about available credit lines, and note 5.8 for an overview of the liquidity reserve.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Glamox trades only with recognised, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures, which include an assessment of credit rating, short-term liquidity and financial position. The Company obtains sufficient collateral (where appropriate) from customers as a means of mitigating the risk of financial loss from defaults. In addition, receivable balances are monitored on an ongoing basis, with the result that the Company's exposure to bad debts is not significant.

Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance. See note 5.9 for comments regarding trade receivables ageing. With respect to credit risk arising from the other financial assets of the Company, which comprise cash and derivative financial assets, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group limits its counterparty credit risk on these assets by dealing only with financial institutions with credit ratings of at least A or equivalent.

5.6 Capital management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of Glamox' capital management is to ensure that it maintains a healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants related to the interest-bearing financial liabilities that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There has been no breaches of the financial covenants of any interest bearing loans and borrowing in the current period. Covenants calculations are not affected by IFRS16, as the loan agreement only take into account existing IFRS standards at the time of entering the loan agreement. Reference is made to note 5.2 for disclosed information regarding interest bearing liabilities and financial covenants.

	31.12.2021	**31.12.2020**
Interest bearing liabilities to financial institutions (non-current and current)	959 806	762 453
Other long term loans	-	288
Lease liabilities (non-current and current)	226 540	199 319
Less: interest bearing investments	-19 248	-
Less: cash and bank deposit excl. restricted cash	-289 615	-485 844
Net interest bearing debt/(deposit)	**877 483**	**476 216**
EBITDA last 12 months	173 999	385 664
Gearing ratio	**5.04**	**1.23**
Gearing ratio - covenant calculation	**2.76**	**0.76**
Total Assets	2 718 638	2 579 677
Total Equity	585 384	800 684
Equity ratio	**22 %**	**31 %**
Equity ratio - covenant calculation	**23 %**	**34 %**

5.7 Equity and shareholders

Share capital in Glamox AS at 31.12.2021	Number	Nominal Value	Balance Sheet
Shares	65 988 668	1	65 989
Total	**65 988 668**	**1**	**65 989**

All shares have the same voting rights.

There have been no changes in the number of shares in 2021 or 2020.

Dividends	2021	2020
Ordinary dividend paid in the period	129 000	141 059
Dividends per share in the period	1.95	2.14

Ownership structure:

The largest shareholders in Glamox AS at 31.12.2021	Total shares	Shareholding/ Voting
GLX Holding AS C/O Triton Advisers	50 260 492	76.17 %
Fondsavanse AS	14 558 635	22.06 %
Erik Must	639 388	0.97 %
Rebecka Must	100 000	0.15 %
Jonathan Must	100 000	0.15 %
Nora Must	100 000	0.15 %
Iben Must	100 000	0.15 %
Selma Must	100 000	0.15 %
Lege Fr Arentz Legat C/O DNT Oslo og omegn	15 000	0.02 %
Eva Marie Mittet	3 266	0.00 %
Total 10 largest shareholders	**65 976 781**	**99.98 %**
Others (119 shareholders)	11 887	0.02 %
Total number of shares	**65 988 668**	**100.00 %**

Shares and options owned by Board members and the Group Management:

Name	Position	Shares
Henny Eidem	Board member	14

Reconciliation of equity is shown in the statement of changes in equity.

5.8 Cash and cash equivalents

Cash and cash equivalents	31.12.2021	31.12.2020
Bank deposits, unrestricted	289 615	485 844
Bank deposit, restricted, employee taxes	16 840	14 503
Total cash and cash equivalents	**306 454**	**500 347**
Liquidity reserve	**718 897**	**1 106 068**

The liquidity reserve is the total overdraft and revolving facilites of all Group companies, minus all utilised overdraft and revolving facilities, and added all cash on hand and deposits.

The liquidity reserve for the Group is organised in a revolving facility and a Multi Currency Cash pool.

Legally, the parent company is the counter party towards the Bank regarding the Multi Currency Cash pool. The net position of the cash pool is presented as cash and cash equivalents.

Restricted deposits in Glamox AS and the Group amounted to NOK 16.8 million in 2021.

5.9 Trade and other receivables

Trade and other receivables	31.12.2021	31.12.2020
Trade receivables		
Trade receivables	449 224	431 801
Total trade receivables	**449 224**	**431 801**

Provision for impairment of receivables	2021	2020
At January 1	**30 884**	**31 146**
Currency effect	-32	-192
This years loss	-6 189	-5 154
Payments received against previous losses	-	-
Addition through acquisition	113	-
Provision this year	-3 579	5 084
At December 31	**21 197**	**30 884**

As at 31 December the ageing analysis of trade receivables is, as follows:

Ageing analysis of trade receivables	Total	Neither past due nor impaired	Past due but not impaired			
			< 30 days	31-60 days	61-90 days	> 90 days
2021	449 224	355 996	64 320	16 013	2 995	9 899
2020	431 801	348 368	58 765	10 713	4 664	9 291

Other receivables	31.12.2021	31.12.2020
Prepaid other expenses	33 872	19 581
VAT	28 417	20 960
Other - Retention fees due	-	1 143
Withholding tax	-	9 320
Prepaid tax	5 989	13 767
Other	25 598	22 534
Total other receivables	**93 876**	**87 304**

For details regarding the Group’s procedures on managing credit risk, reference is made to note 5.5.

5.10 Trade and other payables

Trade and other payables	31.12.2021	31.12.2020
Trade payables		
Trade payables	306 917	264 719
Trade payables to related parties	-	-
Total trade payables	**306 917**	**264 719**
Other payables		
Public duties payables	108 840	116 469
Total other payables	**108 840**	**116 469**

For trade and other payables ageing analysis, refererence is made to note 5.3.

5.11 Financial income and expenses

Financial income and expenses	2021	2020
Financial income		
Currency gain	56 373	83 666
Interest income	3 559	8 920
Other financial income	116	3 458
Total financial income	**60 047**	**96 044**
Financial expenses		
Currency loss	52 347	86 011
Interest expenses*	36 767	41 373
Unrealised loss financial derivates	1 419	1 194
Realised loss financial derivates	2 770	3 476
Other financial expenses	30 479	3 129
Financial expenses	**123 783**	**135 184**

* Interest expenses include interest on lease liabilities, see note 4.2.

The Group applies hedge accounting on net investments in foreign subsidiaries. Loans and bank overdrafts are applied as hedging instruments (see note 5.1). Currency effects from hedging instruments are presented in the statement of OCI, to the extent that the hedging is effective.

In 2021, other financial expenses include earn-out of NOK 25.5 million related to the acquisition of Wasco, see note 8.2 for more information.

In 2020, other financial income includes reversal of earn-out of NOK 2.8 million related to the acquisition of Luxonic Ltd, due to key financial assumption related to the contingent consideration were not achieved.

6.1 Taxes

Current income tax expense:	**2021**	**2020**
Tax payable	47 817	45 055
Change deferred tax/deferred tax assets	7 667	-22 758
Currency effects	-3 641	2 642
Deferred tax charged to OCI	-11 683	11 743
Tax related to previous years	-6 925	1 332
Total income tax expense	**33 237**	**38 013**
Deferred tax related to items recognised in OCI during the year:		
Net gain/loss on hedge of foreign subsidiaries	8 531	-11 226
Tax effect on remeasurements on defined benefit plans	3 152	-517
Deferred tax charged to OCI	**11 683**	**-11 743**
Total tax for the year on group level:		
Norwegian companies	4 795	-6 017
Foreign companies	28 442	44 031
Total tax for the year	**33 237**	**38 013**

	31.12.2021	**31.12.2020**
Current tax liabilities consist of:		
Income tax payable for the year as above	47 817	45 055
- of which paid in fiscal year	-37 351	-46 853
- tax on group contribution to subsidiaries	-725	
- payment of withholding tax	-1 501	-777
- tax provosion related to previous years	-5 837	2 057
Current tax liabilities 31.12	**2 402**	**-517**

Deferred tax liabilities (assets):	**31.12.2021**	**31.12.2020**
Property, plant and equipment	1 638	14 843
Intangible assets	158 568	117 364
Other current assets	-3 815	-25 522
Liabilities	-50 108	-67 170
Restricted interest deduction carried forward	-15 717	-17 556
Net pension reserves/commitments	-42 250	-69 123
Losses carried forward (including tax credit)	-349 041	-154 852
Untaxed profit [2]	319 758	276 186
Basis for deferred tax liabilities (assets):	**19 033**	**74 169**
Calculated deferred tax assets	**122 901**	**85 726**
- Deferred tax assets not recognised	-62 972	-13 381
Net deferred tax assets recognised in balance sheet	**59 929**	**72 345**
Deferred tax liabilities recognised in balance sheet	**107 819**	**89 188**

[2] Untaxed profit relates to profit in Estonia, that is taxed when dividend is distributed.

6.1 Taxes (cont.)

The Group's operations are subject to income tax in various foreign jurisdictions. The statutory income tax rates vary from 15% to 31%, which results in a difference between the statutory income tax rate in Norway and the average tax rate applicable to the group. A reconciliation of the differences between the theoretical tax expense under the rate applicable in Norway and the actual tax expense is as follows:

Reconciliation of income tax expense	2021	2020
Profit before taxes	**-70 736**	**178 911**
Tax expense (Norway tax rate)	-15 562	39 360
Permanent differences	12 358	3 010
Effect of deferred tax asset not recognised	49 590	217
Tax related to previous years	-6 925	1 332
Effects of changes in tax rate	-	-
Effects of foreign tax rates	-9 744	-5 906
Other taxes	3 519	-
Recognised income tax expense	**33 237**	**38 013**
Effective tax rate	**-47.0 %**	**21.2 %**

7.1 Management remuneration

Benefits for CEO – agreements on severance pay, bonuses, etc.
The CEO is a member of a defined contribution pension scheme for salaries up to 12G (approx NOK 1.2 million). In addition, the CEO is entitled to a salary compensation of 23.95% of fixed salary for amounts exceeding 12G. The CEO also has a performance based bonus agreement.

For 2021, the CEO has a performance related bonus agreement, which can give up to seven months' additional salary. The financial statements of 2021 have been charged with NOK 542 thousands related to the performance related bonus agreement. For 2022, the CEO has a performance related bonus agreement, which can give up to ten and a half months' additional salary.

As announced 29 October 2021, CEO Rune Marthinussen will retire from the role as CEO of Glamox simultaneously with Astrid Simonsen Joos starting as CEO 1 August 2022. Rune Marthinussen will continue as special advisor for the new CEO until 31 December 2022 and further be available during his notice period until 30 June 2023. In accordance with his employment contract, he will receive an 18 months' severance pay from 1 July 2023 until 31 December 2024.

Remuneration to CEO		Salary	Performance-related bonus	Pension	Other remuneration
Rune Marthinussen - CEO	2021	3 716	542	54	127
Rune Marthinussen - CEO	2020	3 601	1 764	52	126

Remuneration to Board members		Directors' fees
Remuneration to Board members	2021	2 494
Remuneration to Board members	2020	1 814

The board members are not subject to agreements for severence pay, bonuses or profit-sharing. No loans or pledges have been provided to the board members or senior management of the Group.

7.2 Post-employment benefits

Glamox AS is legally obliged to have occupational pension arrangements under the Norwegian Mandatory Occupational Pension Act. The Norwegian pension arrangements satisfy the requirements of this act.

Defined contribution plan

The majority of the Group's employees are covered by defined contribution pension schemes. Contributions to these schemes are recognised as pension expense as they occur. Total costs related to the Groups contribution plans were NOK 38.1 million in 2021 (2020: NOK 37.2 million).

Defined benefit pension plan

The Group also has defined benefit pension plans in Glamox AS and in four subsidiaries of Glamox AS. The defined benefit plans in O. Küttel AG accounts for approximately 40% of the net liability in the Group, Glamox AS accounts for approximately 34% of the net liability in the Group and ES-System accounts for approximately 17% of the net liability in the Group. The remaining 9 % of the net liability consist of several minor defined benefit pension plans in other subsidiaries.

On Group level, total net pension liabilities were NOK 45.5 million (net of the pension liability of NOK 145.3 million and reserve of NOK 99.8 million) as at 31 December 2021. As of 31.12.2020 total net pension liabilities were NOK 75.4 million (net of the pension liability of NOK 162.8 million and reserve of NOK 87.4 million). Actuarial gains/losses recognised in the net pension liabilities amounted to NOK -25.9 million in 2021 (2020: NOK 3.5 million).

Risks related to defined benefit plans

The defined benefit plans expose the company to various demographic and economic risks, such as longevity, investment, currency and interest rate risks and in some cases, inflation risk.

Components of defined benefit cost in profit and loss	**2021**	**2020**
Net Service Cost	6 586	6 998
Prior Service Cost	-4 272	-
Interest cost inluding tax	603	820
Interest income	-146	-217
Administration expenses	388	399
Total recognized in profit and loss	**3 159**	**8 000**

Changes in pension plan assets during the year	**2021**	**2020**
Pension plan assets (fair value) 1 January	87 409	73 723
Contributions and benefits paid during the year	400	10 442
Interest income	197	291
Administration expenses	-388	-399
Return on assets excl. interest income	12 712	-842
Currency translation	-510	4 194
Pension plan assets (fair value) 31 December	**99 821**	**87 409**

Changes in the present value of pension obligations during the year	**2021**	**2020**
Pension obligations 1 January	162 843	140 282
Additions through acquisitions of subsidiaries	-	-
Net service cost	6 586	6 998
Contributions and benefits paid during the year	-5 787	5 109
Past Service Cost	-4 272	-
Interest cost inluding tax	654	894
Actuarial gains and losses	-13 216	2 668
Currency translation	-1 497	6 893
Pension obligations 31 December	**145 313**	**162 843**
Net pension obligations 31 December	**45 492**	**75 434**

7.2 Post-employment benefits (cont.)

Reconciliation of net defined benefit liability/(asset)	2021	2020
Net defined liability/(asset) , 1 January	75 434	66 559
Additions through acquisitions of subsidiaries	-	-
Defined benefit cost recognized in P&L	3 159	8 000
Defined benefit cost recognized in OCI	-25 927	3 509
Contributions and benefits paid during the year	-6 187	-5 333
Currency translation	-987	2 699
Net defined liability/(asset) , 31 December	**45 492**	**75 434**

O. Küttel AG

The net pension liabilities consists of a defined benefit plan for 53 employees. The pension plan are organized as “contribution-based” schemes as per Art. 15 of the Swiss Federal Law on Vesting in Pension Plans. Under these plan arrangements, retirement benefits of active participants accrue over a notional account as the sum of retirement credits (retirement credit rate multiplied with pensionable salary) and interests. Average age of the participants in the pension plan was 43.81 as of 31 December, 2021.

Financial conditions:	2021	2020
Mortality table	BVG 2020 GT	BVG 2015 GT
Discount rate	0.40%	0.20%
Expected return on plan assets	1.00%	1.00%
Salary increase	0.60%	0.70%
Pension increase	0.00%	0.00%

Sensitivity analysis of pension obligations	Change (NOK 1000)	Change %
DBO end of period discount rate + 0.25%	-3 860	-4 %
DBO end of period discount rate - 0.25%	4 159	4 %
DBO end of period salary increase + 0.25%	893	1 %
DBO end of period salary increase - 0.25%	-867	-1 %

Currency rate (CHF/NOK) as of 31 December 2021 have been used in the sensitivity analysis.

Expected future contributions	NOK 1000
Expected employer contributions next year	2 978
Expected employee contributions next year	2 978
Expected benefits payments next year	-7 414

Currency rate (CHF/NOK) as of 31 December 2021 have been used to calculate expected future contributions and benefit payments.

7.2 Post-employment benefits (cont.)

ES-System

The pension liability in ES-System consists of retirements benefits, disability benefits and death severance pay. Disability benefits and death severance pay make up approximately 20 % of the pension liability, while 80 % relates to retirement benefits. On the basis of IAS 19 the profitability of 10-year treasury bonds amounting to 3.6% was used to determine the discount rate. The long-term annual salary growth rate was assumed to be from 3.5% to 5.5% depending on site location in nominal terms. When determining the pension liability, the probability of obtaining additional benefit entitlements was taken into account. The probability of achieving rights to severance pay and death severance pay is understood as the probability of invalidity and death of an employee before reaching retirement age, provided that they remain in an employment relationship with their current employer. Retirement age means the age of 60 for women and 65 for men.

Financial conditions:	**2021**	**2020**
Mortality table	PTTZ 2020 wg GUS	PTTZ 2019 wg GUS
Discount rate	3.6%	1.50%
Expected return on plan assets	n/a	n.a
Salary increase	3.50 - 5.50%	2.00 - 3.50%
Pension increase	n/a	n.a

Sensitivity analysis of pension obligations	**Change (NOK 1000)**	**Change %**
DBO end of period discount rate + 0.25%	-275	-3 %
DBO end of period discount rate - 0.25%	294	4 %
DBO end of period salary increase + 0.25%	158	2 %
DBO end of period salary increase - 0.25%	-93	-1 %

Currency rate (PLN/NOK) as of 31 December 2021 have been used in the sensitivity analysis.

Glamox AS

Glamox AS has defined benefit plans for 2 former employees and for some employees who have not been transferred from previous defined benefit plan when this was closed and replaced by a defined contribution plan.

Financial conditions:	**2021**	**2020**
Mortality table	K2013	K2013
Discount rate	1.90%	1.70%
Expected return on plan assets	1.90%	1.70%
Salary increase	2.50%	2.25%
Pension increase	2.50%	2.00%

8.1 Interests in subsidiaries

Name of company	Office	CUR	Share Capital	Shareholding in Glamox AS	Carrying amount in Glamox AS	Group's voting ownership share
Glamox A/S	Denmark	DKK	4 900	100.0%	8 045	100.0%
Glamox AB	Sweden	SEK	600	100.0%	1 681	100.0%
Glamox Oy	Finland	EUR	100	100.0%	6 082	100.0%
GSU (Borehamwood) Ltd.	England	GBP	4	100.0%	680	100.0%
Glamox Ireland Ltd.	Ireland	EUR	169	100.0%	1 787	100.0%
Glamox GmbH	Germany	EUR	683	100.0%	129 409	100.0%
Wasco GmbH	Germany	EUR	25	100.0%	-	100.0% 2)
Wasco Verwaltungs GmbH	Germany	EUR	25	100.0%	-	100.0% 2)
Wasco International GmbH & CO. KG	Germany	EUR	50	100.0%	-	100.0% 2)
AS Glamox	Estonia	EUR	166	100.0%	6 345	100.0%
Glamox Marine and Offshore GmbH	Germany	EUR	5 626	35.3%	64 602	100.0%
Glamox B.V.	The Netherlands	EUR	18	100.0%	20 346	100.0%
Glamox Aqua Signal Corporation	USA	USD	100	100.0%	443	100.0%
Glamox Inc.	Canada	CAD	2 208	100.0%	-	100.0%
Glamox Pte Ltd.	Singapore	SGD	6 100	100.0%	23 666	100.0%
Glamox (Suzhou) Lighting Co. Ltd	China	CNY	20 388	100.0%	4 050	100.0%
Suzhou Glamox Trade Co. Ltd	China	CNY	500	0.0%	-	100.0%
Glamox Co. Ltd.	South Korea	KRW	775 020	100.0%	4 483	100.0%
Luxo Corporation	USA	USD	0	100.0%	-	100.0%
Glamox Brasil Iluminacao LTDA	Brazil	BRL	50	100.0%	130	100.0% 1)
Birger Hatlebakks veg 15 AS	Norway	NOK	100	100.0%	1 373	100.0%
O. Küttel AG	Switzerland	CHF	200	100.0%	122 142	100.0%
Glamox Luxonic Ltd.	England	GBP	246	100.0%	128 238	100.0%
LiteIP Ltd.	England	GBP	0	100.0%	-	100.0% 2)
ES-System sp. z o.o.	Poland	PLN	14 145	100.0%	365 130	100.0%
ES-SYSTEM Wilkasy sp. z o.o.	Poland	PLN	45 000	0.0%	-	100.0%
ES-SYSTEM NT sp. z o.o.	Poland	PLN	24 050	0.0%	-	100.0%
ES-SYSTEM Lighting UK Ltd.	England	GBP	50	0.0%	-	100.0%
Luminell Group AS	Norway	NOK	48	100.0%	144 878	100.0% 2)
Luminell Norway AS	Norway	NOK	200	0.0%	-	100.0% 2)
Luminell Drone Light AS	Norway	NOK	60	0.0%	-	100.0% 2)
Luminell Sweden AB	Sweden	SEK	114	0.0%	-	100.0% 2)
Luminell US Inc.	USA	USD	0	0.0%	-	100.0% 2)
Total carrying amount of shares in subsidiaries					**1 033 510**	

1) Glamox Brasil Iluminacao LTDA owns 1 share of totally 50 000 shares, corresponding to non-controlling interest of 0.002%.
2) Aqcuired companies in 2021, see note 8.2. Wasco GmbH, Wasco Verwaltungs GmbH and Wasco International GmbH & CO. KG are 100% owned subsidiaries of Glamox GmbH. LiteIP Ltd. is a 100 % owned subsidiary of Glamox Luxonic Ltd.

All subsidiaries are included in the consolidated statement of financial position.

8.2 Business combinations

LiteIP Ltd.

On 1 of March 2021, the subsidiary of Glamox AS, Glamox Luxonic Ltd., aquired 100% of the shares in LiteIP Ltd. The company was established in 2012 and is a UK based lighting company that designs, manufactures and supplies wireless lighting control systems to four different segments; industrial, commercial, public sectorand retail. LiteIP had revenues of GBP 2.6million in 2020 and GBP 2.7 million in 2019.

The total purchase consideration was NOK 43.4million, consisting of cash consideration paid of NOK 30.8million and contingent consideration of NOK 12.6million. The contingent consideration relates to future financial key figures, and integration and development of technology.

The acquisition cost is allocated to identifiable assets and liabilities at fair value on the acquisition date. The excess amount is recognised as Goodwill. The below table illustrates the fair values of the identifiable assets and liabilities at acquisition.

All figures in tNOK	Book value	Fair value_Adj	Estimate FV	Adjustment	Fair value
Assets					
Goodwill		17 346	17 346		17 346
Other intangible non-current assets	3 629	14 911	18 540		18 540
Deferred tax asset			0		-
Tangible non-current assets	884		884		884
Inventories	3 093		3 093		3 093
Trade and other receivables	11 190		11 190	-3 535	7 655
Cash and cash equivalents	8 870		8 870	3 535	12 405
Total assets	**27 666**	**32 257**	**59 923**	**0**	**59 923**
Liabilities					
Deferred tax		2 833	2 833		2 833
Long term liabilities	3 535		3 535		3 535
Current liabilities	10 191		10 191		10 191
Total liabilities	**13 726**	**2 833**	**16 559**	**0**	**16 559**
Total identifiable net assets at fair value	**13 940**	**29 424**	**43 364**	**0**	**43 364**
Purchase consideration					
Cash consideration paid					30 765
Contigent consideration liability					12 598
Total consideration for the shares					**43 364**
Analysis of cash flows on acquisition					
Cash consideration paid					30 765
Net cash acquired with the subsidiary (included in the cash flows from investing activities)					12 405
Net cash flow on acquisition					**18 361**

The acquired goodwill is assumed to mainly relate to positive market development, possibilities for efficiency improvements and opportunities related to strategic growth. The acquired Other intangible non-current assets relates to Trademark, Customer relationship and product portefolio.

If the acquisition of LiteIP had occured 1 January 2021, revenues in 2021 for the Glamox Group would have been approximately GBP 0.9 million (NOK 10.3 million) higher and Profit before interest and tax would have been approximately GBP 0.2 million (NOK 2.0 million) higher.

8.2 Business combinations (cont.)

Luminell Group AS

On 29th of April 2021, Glamox AS aquired 100% of the shares in the Norwegian company Luminell Group AS. The company was established in 2010 and is a high-quality developer and supplier of floodlights, searchlights and lighting controls in the marine and offshore lighting market. Luminell reported total revenue of NOK 108. 5million and EBITDA of NOK 16.5 million in 2020. Luminell Group AS is the parent company of Luminell Norway AS, Luminell Drone Light AS, Luminell Sweden AB and Luminell US Inc.

The total purchase consideration was NOK 136.7 million, consisting of cash consideration paid of NOK 133.4 million and a Promisorry note to Luminell Team AS of NOK 3.3 million.

The acquisition cost is allocated to identifiable assets and liabilities at fair value on the acquisition date. The excess amount is recognised as Goodwill. The below table illustrates the fair values of the identifiable assets and liabilities at acquisition.

All figures in tNOK	**Book value**	**Fair value_Adj**	**Estimate FV**	**Adjustment**	**Fair value**
Assets					
Goodwill		66 311	66 311	3 441	69 751
Other intangible non-current assets	18 112	49 704	67 815	-3 433	64 383
Tangible non-current assets	7 453		7 453	-8	7 445
Inventories	18 782		18 782		18 782
Trade and other receivables	13 435		13 435		13 435
Cash and cash equivalents	5 125		5 125		5 125
Total assets	**62 907**	**116 014**	**178 921**	**0**	**178 921**
Liabilities					
Deferred tax	299	10 935	11 234		11 234
Long term liabilities	12 290		12 290		12 290
Current liabilities	18 672		18 672		18 672
Total liabilities	**31 261**	**10 935**	**42 196**	**0**	**42 196**
Total identifiable net assets at fair value	**31 646**	**105 080**	**136 725**	**0**	**136 725**

Purchase consideration	
Cash consideration paid	133 400
Promissory note	3 325
Total consideration for the shares	**136 725**
Analysis of cash flows on acquisition	
Cash consideration paid	133 400
Net cash acquired with the subsidiary (included in the cash flows from investing activities)	5 125
Net cash flow on acquisition	**128 275**

The acquired goodwill is assumed to mainly relate to positive market development, possibilities for efficiency improvements and opportunities related to strategic growth. The acquired Other intangible non-current assets relates to Trademark, Customer relationship and product portefolio.

If the acquisition of Luminell Group had occured 1 January 2021, revenues in 2021 for the Glamox Group would have been approximately NOK 35.8million higher and Profit before interest and tax would have been approximately NOK 0.3 million higher.

Wasco GmbH

On 1 of September 2021, the subsidiary of Glamox AS, Glamox GmbH, aquired 100% of the shares in Wasco GmbH, including Wasco Verwaltungs GmbH and Wasco International GmbH & Co. KG. Wasco is located in Lower Saxony, Germany and specializes in continuous line luminaires. Wasco will provide Glamox Group with a leading lighting solution range for logistics buildings and warehouses. Wasco had revenues of EUR 4.6 million (app. NOK 47.5 million) in 2020.

The total purchase consideration was NOK 128.2 million, consisting of cash consideration paid of NOK 110.8 million and contingent consideration of NOK 17.4 million. The contingent consideration relates to future financial key figures and development of technology.

All figures in tNOK	Book value	Fair value_Adj	Fair value
Assets			
Goodwill		53 003	53 003
Other intangible non-current assets		31 799	31 799
Tangible non-current assets	21 640		21 640
Inventories	11 028		11 028
Trade and other receivables	5 272		5 272
Cash and cash equivalents	15 733		15 733
Total assets	**53 672**	**84 802**	**138 474**
Liabilities			
Deferred tax		9 540	9 540
Long term liabilities	220		220
Current liabilities	511		511
Total liabilities	**731**	**9 540**	**10 270**
Total identifiable net assets at fair value	**52 942**	**75 262**	**128 203**
Purchase consideration			
Cash consideration paid			110 836
Contingent consideration liability			17 367
Total consideration for the shares			**128 203**
Analysis of cash flows on acquisition			
Cash consideration paid			110 836
Net cash acquired with the subsidiary (included in the cash flows from investing activities)			15 733
Net cash flow on acquisition			**95 103**

The acquired goodwill is assumed to mainly relate to positive market development, possibilities for efficiency improvements and opportunities related to strategic growth. The acquired Other intangible non-current assets relates to Trademark, Customer relationship and product portefolio.

If the acquisition of Wasco Group had occured 1 January 2021, revenues in 2021 for the Glamox Group would have been approximately EUR 3.2 million (NOK 32.3 million) higher and Profit before interest and tax would have been approximately EUR 0.9 million (NOK 8.8 million) higher.

Glamox Group profit and loss for 2021 includes a loss of NOK 25.5 million related to the contingent consideration for Wasco. In preparing the prichase price allocation, best estimate is used to calculate the potensial liability of the contingent consideration. At year end the estimate has changed as a higher share of the key financial assumtion related to the contingent consideration seemes to be achieved.

9.1 Earnings per share

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by
the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

As Glamox does not have any share options or convertible preference shares as of 31 December 2021 there are no differences between basic and diluted EPS.

The following table reflects the income and share data used in the basic and diluted EPS computations:

	2021	2020
Attribution of profit for the year		
Total profit for the year attributable to equity holders of the parent	-103 972	140 898
Total profit for the year attributable to equity holders of the parent for basic earnings	**-103 972**	**140 898**
Interest on convertible preference shares	-	-
Total profit for the year attributable to equity holders of the parent adjusted for the effect of dilution	**-103 972**	**140 898**
Earnings per ordinary share attributable to shareholders:		
Weighted average number of ordinary shares outstanding used for calculation:		
Basic	65 989	65 989
Diluted	65 989	65 989
Earnings per share in NOK (basic)	**-1.58**	**2.14**
Earnings per share in NOK (diluted)	**-1.58**	**2.14**

9.2 Related party transactions

Related parties are Group companies, major shareholders, board and senior management in the parent company and the group subsidiaries. Note 8.1 provides information about the Group's structure, including details of the subsidiaries and the holding company. The agreements on remuneration for CEO appear in note 7.1

All transactions within the Group or with other related parties are based on the principle of arm's length.

No loans have been made, or security provided for loans, to any member of Group management, the Board or any of their related parties.

9.3 Covid-19

The Covid-19 pandemic has also in 2021 affected the demand in most of the Group's markets negatively. However, we have seen a gradual improvement of the market conditions following the easing of implemented infection-reducing measures by governments. Still the market conditions are not back to pre-Covid levels in most segments and geographies. In the PBS business area, the negative market impact has been largest in the geographies with the strictest government measures like the UK, Ireland, the Netherlands, and Poland. In the GMO business area, the cruise and ferry segment has particularly been hit hard. However, in second half of the year, the Group experienced a significant increase in order intake and an all-time high order book, due to an increase in activity levels and higher economic growth.

During 2021, the Group has taken action to offset the negative impact of reduced demand by further adjusting capacity and related cost both on a permanent and temporary basis. Travel restrictions in 2021 have led to reduced travel, sales and marketing cost compared to a normal year.

The Covid-19 pandemic situation has been challenging for Glamox's operations and employees. In this environment, the organization has performed well and safety and health of our employees and partners has been first priority. A high delivery capability from all our production facilities has been maintained, and the Group has managed to increase its market share in most of its target markets. However, indirect consequences such as supply chain disruptions due to shortage of and longer lead times related to components and raw materials have had an impact on the Group's operations and revenues. This has been the case in particular in the second half of the year. Further, we have experienced increased logistical, raw material and component costs and the impacts of these have been, and will further be, mitigated by higher sales prices.

Although we see an improved market situation in most geographies, there is still a high degree of uncertainty related to the effects of the development of the pandemic. Supply chain shortages for key components and materials continue to be a concern in 2022. We monitor the situation closely and will take further actions as needed. It is not expected that the pandemic will have a significant effect on the Group's operations or financial statements in the long term.

9.4 Events after the reporting period

The Ukraine war and the possible effects on the global economy, adds some uncertainty to the general market development. The Group has currently no business activities towards Russia and very limited business towards Ukraine. Glamox is closely monitoring the situation and have currently seen limited impact on the demand of our products.

Proposed dividend

After the reporting date the board has proposed a dividend distribution amounting to NOK 110.0 million. The board assesses the level of proposed dividend to be justifiable based on the liquidity and solidity situation of the company.

10.1 Significant accounting policies

Revenue recognition

IFRS 15 is based on the principle that revenue is recognised when control of goods or services is transfered to a customer. Recognition of revenues should represent the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

A five-step process must be applied before revenue can be recognised:
- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

The group is a global provider of lighting solutions for a wide variety of applications, on land and offshore. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

All significant revenue streams relates to production and sales of goods. Glamox`s main performance obigation is related to sale of goods where the performance obligations are the delivery of an agreed volume of products within the agreed specification. Linksrechts is the only company in the group that produces and delivers installations that are tailored through engineering and design. For each project, management assess if the projects consist of several distinct performance obligations and when the performance obligation(s) are satisfied. The company did not have any ongoing projects at year-end with material effect on the timing of the revenue recognition.

Sale of goods
Revenue are recognised when control of the products has transferred, being when the products are delivered to the customer and there is no unfulfilled obligation that could affect the customer´s acceptance of the product. The products are mainly sold in relation to seperately identifiable contracts with customers. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the group has objective evidence that all criteria for acceptance have been satisfied. Standard delivery terms for customers within the PBS segment is Delivered Duty Paid (DDP). DDP delivery terms inplies that delivery is completed when the goods are made available to the buyer at a specified location. Standard delivery terms to customers within the GMO segment is Ex Works (EXW). EXW delivery terms implies that delivery is completed when the goods are made available, suitably packaged at a specified loaction, often at Glamox factory or depot.

In some cases, Glamox offer to deliver freight as a service to the customer. In such cases, freight are considered to be a fullfilment of the delivery and not considered to be a distinct performance obilgation. Freight and delivery of goods are therefore considered as a common performance obligation and recognised when control of the products has transferred to the customer.

No element of financing is deemed present as the sales are made with a credit term up to 60 days, which is consistent with market practice. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The goods are normally sold with standard warranties that the goods comply with the agreed-upon specifications. These standard warranties are accounted for using IAS 37 Provisions, see note 4.1 for more information. Glamox does not have any other significant obligations for returns or refunds.

Inventories

In conjunction with implementation of a new ERP system in the group, the accounting principle for inventory was changed from standard cost to moving average unit cost (MAUC), except for the

the Polish units that use FIFO as accounting principle for inventory.

Inventories are valued at the moving average unit cost and net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost on a moving average unit cost (MAUC) basis
- Finished goods and work in progress using MAUC : including cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

Raw material mainly consist of metal parts, LED components, plastic modules, cables, electronic parts and packaging. The basic calculation of inventory is based on moving average unit cost (MAUC). The MAUC is the average value for each unit of the current inventory. Inventory is valued against the average receipt price. For each new receipt, the MAUC is updated.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/ non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Property, plant and equipment

Tangible fixed assets such as plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The group considers equipment used in operations to be a tangible fixed asset if it has an economic life of more than three years.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, reference is made to note 3.1 for further guidance related to useful lives.

Business combinations and goodwill

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

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments: Recognition and Measurement, is measured at fair value with the changes in fair value recognised in the statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to each of the CGU's that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Reference is made to note 3.2 for an overview over goodwill, allocation of goodwill per CGU and impairment testing.

Intangible assets

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

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

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense related to the intangible assets is recognised in the statement of profit or loss.

Research and development costs
Research costs are expensed as incurred. Development expenditures on an individual project, which represents new applications/technology, are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Property, plant and equipment - Note 3.1
- Goodwill - Note 3.2
- Other Intangible assets - Note 3.3

At each reporting date, the Group assess whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired

Provisions

General
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provisions
Provisions for warranty-related costs are recognised when the product is sold to the customer. Initial recognition of the warranty provision is based on previous years turnover and management judgment. The length of the warranty time may differ between the markets. The initial estimate of warranty-related costs is revised annually. Reference is also made to note 1.3 and 4.1 for further details.

Restructuring provisions
Restructuring provisions are recognised only when the Group has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline, and the employees affected have been notified of the plan's main features. Reference is also made to note 4.1 for further details.

Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group applies its incremental borrowing rate at the time of initial application. The group have used interest rates from the cash pool facility and intercompany loans for determining the incremental borrowing rate (IBR) for each subsidiary. The length of the agreement is an additional element that has been taken into consideration when calculating the IBR for a specific lease.

Glamox has assessed the general guidance on portfolio accounting and the practical expedient upon transition as discussed above. Glamox has decided that we will not utilize the portfolio approach, and instead we will determine separate discount rate for each lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee.

Glamox has not applied the practical expedient in IFRS 16.15 which allows lessees to combine non-lease and lease components in lease arrangements and account for the total arrangement as a lease. As such, non-lease components will be identified and accounted for separately from the lease components in all arrangements.

Options should be taken into account if management is reasonably certain to exercise the option. For the Group`s lease arrangements the vast majority of the options have exercise date many years down the line. As such, management has limited insight and they are not reasonable certain to exercise and no options have been taken into consideration.
Options should be taken into account if management is reasonably certain to exercise the option. For the Group`s lease arrangements the vast majority of the options have exercise date many years down the line. As such, management has limited insight and they are not reasonable certain to exercise and no options have been taken into consideration.

Dividend distribution to shareholders

Glamox recognises a liability to make distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws of Norway, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification of financial instruments
Glamox' financial instruments are grouped in the following categories:

- Fair value through profit or loss (FVTPL)
- Amortised cost (AC)

The classification is dependent on the type of instrument and the purpose for which the investments were acquired or originated.

Fair value through profit or loss is the classification of instruments that are held for trading or for which the entity`s business model is to manage the financial assets on a fair value basis i.e. to realise the asset through sales as opposed to holding the asset to collect contractual cash flows.

Amortised cost applied to instruments for which an entity has a business model to hold the financial asset to collect the contractual cash flows. The characteristics of the contractual cash flows are that of solely payments of the principal amount and interest.

Financial assets and liabilities measured at amortised cost is the category most relevant to the Group. This category generally applies to trade and other receivables, interest-bearing loans, trade payables and other financial liabilities.

The Group has the following financial instruments:

FVTPL:
Derivative instruments – Forward contracts (note 5.1)

Financial assets (AC):
Trade receivables and other current receivables (notes: 5.1 and 5.9)

Financial liabilities (AC):
Includes most of the Group's

financial liabilities including debt to credit institutions, trade payables and other current and non-current financial liabilities. (notes: 5.1, 5.2 and 5.10)

Initial recognition and subsequent measurement

FVTPL:
Financial derivatives that are not designated as hedging instruments are categorized as held for trading and initially measured at their fair value. Subsequent changes in the fair value are recognised in the profit or loss (financial income or expense).

Financial assets (AC):
These assets are measured at the amount recognised at initial recognition minus principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount, and any loss allowance. Interest income is calculated using the effective interest method (EIR) and is recognised in profit and loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Financial liabilities (AC):
These liabilities are measured at the amount recognised at initial recognition minus principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount. Interest income is calculated using the effective interest method (EIR) and is recognised in profit and loss. Amortised cost.

Impairment of financial assets
Impairment of financial assets Under IFRS 9, financial assets valued at amortised cost are impaired based on the “Expected credit losses (ECL)” model. Expected credit losses are calculated by (a) identifying scenarios in which a loan or receivable defaults; (b) estimating the cash shortfall that would be incurred in each scenario if a default were to happen; (c) multiplying that loss by the probability of the default happening; and (d) summing the results of all such possible default events.

The Group recognised loss allowances for ECLs on financial assets measured at amortised cost. Furthermore, the Group measures loss allowances at an amount equal to lifetime ECLs for all financial assets.

Credit- impaired fianancial assets
At each reporting date, the Group assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occured.

Evidence that a financial asses is credit-impaired includes the following observable data:
- significant financial difficulty of the customer; or
- it is probable that the customer will enter bankruptcy or other financial reorganisation
- the customer is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write off
The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

Derecognition of financial instruments
A financial asset is derecognized when the rights to receive cash flows from the asset have expired; or the Group has transferred its rights to receive cash flows from the asset and either (i) the Group has transferred substantially all the risks and rewards relating to the instrument, or (ii) the Group has neither transferred nor retained substantially all the risks and rewards relating to the instrument, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, this is treated as derecognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of currency derivatives are recognised in the statement of comprehensive income as financial income or financial expense. Glamox does not apply hedge accounting related to its forward currency contracts.

Hedge of net investment in foreign operations
Glamox aims to hedge its net investments in foreign subsidiaries due to the risk of fluctuations in exchange rates. The net investments consist of equity and some group internal loans. The Group uses its overdraft facilities and long term debt in foreign currency as hedging instrument to hedge its exposure. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss. Reference is made to note 5.1 and 5.5 for more details.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Fair value measurement

The Group measures financial instruments such as derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

External valuers are involved for valuation of derivate financial instruments. Involvement of external valuers is decided upon annually. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarised in note 5.3 Fair value measurement.

Taxes

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity (OCI) and not in the statement of profit or loss.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Government Grants

Government grants, including the Norwegian Skattefunn tax incentive scheme, are recognized in the same year as the government grant are received. Grants are recognized as deductions against the cost that they are intended to compensate. Investment grants are capitalized and recognized systematically over the asset's useful life. Investment grants are recognized either as deferred income or as a deduction of the asset's carrying amount.

Pensions and other post-employment benefits

Remeasurements, comprising of actuarial gains and losses, are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Consolidated statements of cash flow

The consolidated statements of cash flows are prepared using the indirect method. Cash flows in foreign currencies have been translated into NOK using the exchange rate at the cash flow date.

10.2 Changes in accounting policies

The amendments listed below did not have any impact on the amounts in current period and are not expected to significantly affect future periods.

Effective for annual period beginning on or after 1 January 2021:

Interest Rate Benchmark Reform-Phase 2 - amendments to IFRS 4, IFRS 7 Financial Instruments: The Phase 2 amendments address issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The Interest Rate Benchmark Reform - Phase 2 have not affected the Group in 2021.

10.3 Standards issued but not yet effective

Standards and interpretations that are issued up to the date of issuance of the consolidated financial statements, but not yet effective, are disclosed below. The Group's intention is to adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval before the consolidated financial statements are issued.

No standards, interpretations or amendements published at the balance sheet date are expected to have significant effect on the group.

Glamox AS - Profit and loss account

NOK Thousands	Note	2021	2020
Sales revenue	2/16	1 258 738	1 272 060
Other operating revenue	2/3/16	172 002	142 160
Total revenue		**1 430 740**	**1 414 220**
Raw materials and consumables used	3/4	815 609	845 386
Payroll and related costs	3/5	397 548	359 277
Depreciation and amortisation	7	36 025	33 647
Other operating expenses	3/5	145 810	131 267
Operating profit/loss		**35 747**	**44 643**
Dividend and group contribution from subsidiaries	16	174 173	150 725
Interest income from other group companies		1 057	1 817
Other financial income	6	315 439	420 160
Other financial expenses	6	-271 763	-476 218
Profit/loss before tax		**254 653**	**141 125**
Tax	11	-5 578	6 017
Profit/loss after tax		**249 075**	**147 143**
Profit/loss for the year		**249 075**	**147 143**
Allocation of profit/loss for the year			
Proposed dividends	12	110 000	129 000
Distributed additional dividends	12	0	0
Transfered to (+)/from (-) other equity	12	139 075	18 143
Total allocation		**249 075**	**147 143**

Glamox AS - Statement of financial position

NOK Thousands	Note	31.12.2021	31.12.2020
ASSETS			
Intangible non-current assets			
Intangible assets	7	91 075	70 841
Total intangible non-current assets		**91 075**	**70 841**
Tangible non-current assets			
Land, buildings and other property	7/13	25 722	31 297
Machinery and plant	7/13	33 498	32 641
Fixtures and fittings, tools, office equipment etc.	7/13	12 770	15 776
Total tangible non-current assets		**71 990**	**79 714**
Deferred tax assets	11	18 458	19 851
Investments in subsidiaries	8	1 033 510	888 633
Loan to group companies	9/14	213 753	31 202
Other non-current assets		112	115
Total non-current assets		**1 428 898**	**1 090 357**
Current assets			
Inventories	4/13	148 031	134 905
Trade receivables	13/14	249 321	191 399
Other receivables	14	216 414	228 195
Cash and cash equivalents	14/15	52 906	199 776
Total current assets		**666 672**	**754 275**
TOTAL ASSETS		**2 095 570**	**1 844 631**
EQUITY AND LIABILITIES			
Equity			
Share capital	12	65 989	65 989
Share premium	12	27 253	27 253
Retained earnings and other reserves	12	596 076	458 734
Total equity		**689 317**	**551 975**
Non-current liabilities			
Pension liabilities	5	15 284	13 451
Interest bearing liabilities to financial institutions	10/13	943 578	737 728
Other long-term loans		100	100
Provisions and other liabilities		18 230	18 295
Total non-current liabilities		**977 191**	**769 574**
Current liabilities			
Trade payables	14	188 946	171 005
Income tax payable	11	2 425	1 280
Public duty payable		41 715	42 866
Dividends		110 000	129 000
Other current liabilities	14	85 975	178 931
Total current liabilities		**429 062**	**523 082**
Total liabilities		**1 406 253**	**1 292 656**
TOTAL EQUITY AND LIABILITIES		**2 095 570**	**1 844 631**

Oslo, 28 April 2022

Mikael Aro
Chairman of the Board

Gustaf Backemar
Board member

Joachim Espen
Board member

Torfinn Kildal
Board member

Arild Nysæther
Board member

Helene Egebøl
Board member

Lars Ivar Røiri
Board member

Sigmund Monrad Johansen
Board member

Henny S. Eidem
Board member

Espen Ytterstad
Board member

Rune E. Marthinussen
CEO & President

Glamox AS - Cash flow statement

NOK Thousands	Note	2021	2020
Cash flow from operating activities			
Profit before tax		254 653	141 125
Taxes paid		1 886	-18 927
Amortization and depreciation	7	36 025	33 647
Changes in inventory		-13 126	8 452
Changes in accounts receivables		-57 921	34 533
Changes in account payables		17 941	-2 930
Changes in pension scheme assets/liabilities		1 833	513
Changes defined benefit plan recognised directly in equity		-2 222	-779
Effect of change in exchange rate		-24 121	-12 901
Changes in other balance sheet items		20 330	4 824
Adjustment finance activities		-189 985	-127 410
NET CASH FLOW FROM OPERATING ACTIVITIES		**45 294**	**60 148**
Cash flow from investing activities			
Proceeds from sale of tangible fixed assets		-	-
Purchase of tangible fixed assets and intangible assets		-48 655	-34 952
Purchase of shares in subsidiary		-143 610	-37 752
Payment of loan to group-companies		-145 343	1 249
Interest received		-25 646	-32 978
Dividends received from subsidiaries		191 343	142 150
Net cash flow from investing activities		**-171 912**	**37 717**
Cash flow from financing activities			
Proceeds from issuance of new long-term debt		238 260	350 000
Repayment of long-term loans		-	-250 000
Payment of dividends to shareholders		-129 000	-141 059
Interest paid		4 250	9 664
Change in transfered cash from common cash pool arrangement within the Group		-133 763	26 295
Net cash flow from financing activities		**-20 252**	**-5 100**
Net change in cash and cash equivalents		**-146 870**	**92 765**
Cash and cash equivalents 01.01	**1/14/15**	**199 776**	**107 011**
Cash and cash equivalents 31.12	**1/14/15**	**52 906**	**199 776**

Notes
1. Accounting principles

Basic policies - incorporation and classification

The annual accounts, which are prepared by the Board and management, must be read in the context of the annual report and the auditor's report.

The annual accounts comprise the profit and loss account, balance sheet, cash flow statement and notes and are prepared in accordance with the Accounting Act and generally accepted accounting policy in Norway (NGAAP) applicable as at 31st of December 2021.

All figures in the annual accounts and notes are shown in NOK thousands unless otherwise specified.

The company is the parent company of the Glamox Group. A consolidated financial statement is prepared for the Glamox Group. The parent company of Glamox AS is GLX Holding AS. A consolidated financial statement is also prepared for the GLX Holding Group.

The consolidated financial statements may be obtained at Glamox AS, Molde - Norway.

The annual accounts are prepared based on the basic principles of historic cost, comparability, continued operation, congruency and prudence. Transactions are incorporated into the accounts at the value of the payment at the time of the transaction. Revenue is incorporated into the profit and loss account when it is earned and costs are grouped with accrued income. The accounting policies are explained in more detail below.

Subsidiaries and associated companies in parent company

'Subsidiaries' refers to companies in which Glamox normally has a shareholding of more than 50%, and in which the company has a controlling interest. Subsidiaries are incorporated into the company accounts at the lowest of cost price or actual value.

General policies
Assets/liabilities associated with the product cycle and items due within one year from the date of the balance sheet are classified as current assets/current liabilities. Current assets/current liabilities are valued at the lower/higher value of acquisition cost and actual value. Actual value is defined as anticipated future sale price minus anticipated sale costs. Other assets are classified as fixed assets. Fixed assets are valued at acquisition price. Fixed assets that deteriorate are depreciated. If a permanent change in value occurs, the fixed asset is written down. Similar policies are normally applied to liabilities.

Following principle is used to convert transactions and balance sheet items from foreign currency to Norwegian kroner; balance sheet items is converted at closing exchange rate and transactions are converted at the actual monthly rate.

When using accounting policies and presenting transactions and other conditions, emphasis is placed on financial reality, not just legal practice. Conditional loss that is significant and quantifiable is entered as expenditure. Division into segments is based on the company's internal management and reporting objectives, as well as risk and income. Figures are presented for business areas as well as geographical markets if geographical categorisation of activities is significant to the assessment of the company. The figures are reconciled with the profit and loss account and balance sheet.

The company uses forward currency contracts to hedge its foreign cash flow currency risk. Glamox does not apply hedge accounting related to its forward currency contracts.

Accounting policy for significant account items

Revenue recognition
Revenue from sale of goods ad services is reconised according the fair value of the payment, net after dedution of VAT, returns and discounts. Sale of goods are recognised as revenue when the goods are delivered to the customer and there are no more unfulfilled obligations that can affect the customers acceptance of the delivery. The delivery is fulfilled when the goods are transferred to the customer according to the delivery terms. Experience is used to estiamte provisions regarding discounts and returns on the time

of delivery. Provision for claims is made. Any sale of services is recognised according to the level of the completion rate of the service.

Dividend from subsidiary to parent company is recognised in Glamox AS in the same periode as the dividend is accrued.

Charging as expenditure/grouping
Expenses are grouped with and charged as expenditure at the same time as the income to which the expenses can be linked. Expenses that cannot be directly linked to income are entered as expenditure when they arise. In the case of restructuring and winding up of activities, all associated expenses are entered as expenditure, when the decision of restructuring and winding up is taken.

Unusual, sporadically and significant items
Items that are unusual, occur sporadically and are significant are specified in a separate note.

Intangible fixed assets
Intangible assets that are expected to generate income in the future, such as goodwill in subsidiaries, rights and IT systems, are capitalised. Depreciation is calculated on a straight-line basis over the financial life of the assets. Expenses associated with research and development are entered as expenditure on a continuous basis.

Tangible fixed assets
Tangible fixed assets are entered in the balance sheet at acquisition cost minus accumulated depreciation and write-downs. If the actual value of a piece of equipment is lower than its book value for reasons that are considered to be permanent in nature, the equipment is written down to actual value. Expenses associated with periodical maintenance and repairs to production equipment are periodized. Expenses associated with standard maintenance and repairs are continuously charged as expenditure. Expenses associated with large-scale replacements and updates that significantly extend the lifetime of the equipment are capitalised. Operating equipment is considered a tangible fixed asset if it has a financial life of more than three years. Operating equipment leased under conditions which to all intents and purposes transfer financial rights and obligations to Glamox (financial leasing) are capitalised as operating equipment and entered as a commitment under interest-bearing liabilities at the current value of the minimum current rent. Operational leasing is charged as expenditure at ordinary rental cost and classified as ordinary operating expenses.

Depreciation
Ordinary depreciation is calculated on a straight-line basis over the financial life of the operating equipment, based on historic cost. A similar policy applies to intangible fixed assets. Depreciation is classified as ordinary operating expenses. Leasing costs entered in the balance sheet are depreciated in accordance with the plan and liability is reduced by rent paid minus calculated interest.

Stock and raw materials and consumables
Stocks of products are valued at the lower of cost price on a ‘moving average unit cost’ basis and anticipated sale price. Cost price for manufactured goods comprises direct materials, direct salary plus a proportion of indirect manufacturing costs, whereas cost price for purchased goods is the acquisition cost. Raw materials and consumables used for the year consist of the cost price of sold goods with a supplement for write-downs in accordance with standard accounting practice at year-end.

Receivables
Receivables are entered at nominal value minus anticipated loss.

Pension commitments and pension expenses
The company has unfunded pension schemes for some former employees. The actuarial future obligations in connection with these agreements are included under pension liabilities in the balance.

Pension schemes are booked according to the IAS19R standard. Pension commitments are calculated on linear accrual based on assumed number of years worked, discount rate, future return on pension reserves, future adjustment of wages, pensions and national insurance provisions and actuarial assumptions regarding mortality, voluntary redundancy etc. Pension reserves are valued at actual value.

Net pension expense, which is the gross pension cost less the estimated return on pension reserves, are classified as ordinary operating expenses, and are presented along with salary and other benefits. Costs of defined contribution plans are expensed as incurred.

Changes in liabilities due to changes in pension plans, are recognized in profit and loss. Changes in liabilities and pension assets due to changes and deviations from assumptions (actuarial gains and losses) are recognized directly in equity.

Warranty provisions
Provisions for warranty-related costs are recognised when the product is sold to the customer. Initial recognition of the warranty provision is based on previous years turnover and management judgment. The length of the warranty time may differ between the markets. The initial estimate of warranty-related costs is revised annually.

Deferred tax and tax
Deferred tax is calculated on the basis of temporary differences between accounting and tax values at the end of the financial year. A nominal tax rate is used in the calculation. Positive and negative differences are valued against each other in the same time intervals. Certain items are still valued separately, including added value from acquisitions and pension commitments. Deferred tax asset occurs if there are temporary differences that create tax deductions in the future. Tax for the year consists of changes in deferred tax and deferred tax asset, together with tax payable for the year, adjusted for errors in the previous year's calculations.

Cash flow statement
The cash flow statement is prepared in accordance with the indirect method. Cash and cash equivalents includes cash, bank deposits and other current liquid resources that can immediately and with a minimal currency risk be converted into known cash amounts and with a due date of less than three months from the date of acquisition.

Note 2 - Segment information

Sales revenue and other operating revenue divided into geographical areas		**2021**	**2020**
Nordic region	MNOK	1 002	1 058
Europe, excl. Nordic region	MNOK	321	253
North America	MNOK	37	37
Asia	MNOK	65	61
Other	MNOK	6	5
Total	**MNOK**	**1 431**	**1 414**

Note 3 - Gain on sales of assets, other operating expenses, restructuring expenses and other special expenses

In 2021, Raw material and consumabel used, contains special items of NOK 0.5 million.

Payroll and related cost, includes special items of NOK 37.5 million, where NOK 32.6 million relates to restructuring and integration activities and NOK 1.6 million relates to ERP integration.

Other operating expenses includes special items of NOK 44.1 million, where NOK 17.5 million relates to restructuring and integration activities, NOK 6.9 million relates to ERP integration and NOK 3.2 million is claim cost related to a specific product.

In 2020, Raw material and consumabel used, contains special items of NOK 1.1 million.

Payroll and related cost, includes special items of NOK 19.4 million, where NOK 9.2 million relates to restructuring and integration activities and NOK 6.4 million relates to ERP integration.
Other operating expenses includes special items of NOK 36.7 million, where NOK 16.8 million relates to restructuring and integration activities, NOK 10.0 million relates to ERP integration, NOK 4.0 million is claim cost related to a specific product and NOK 3.5 millions relates to ESG Compliance.

Note 4 - Inventory

Inventory	**2021**	**2020**	**Change**
Raw materials	68 069	54 393	13 676
Work in progress	18 352	13 674	4 678
Manufactured goods	61 609	66 839	-5 230
Total inventory	**148 031**	**134 905**	**13 125**

Provision for obsolete inventory as of 31.12.2021 NOK 21.0 million (2020: NOK 23.0 million).

Note 5 - Salary costs / Number of man-years / Remuneration/ Loans to employees / Pensions etc.

Payroll and related costs	**2021**	**2020**
Salaries	326 424	297 320
National insurance	45 038	40 009
Pension costs	15 279	15 356
Other remuneration	10 807	6 592
Payroll and related costs	**397 548**	**359 277**
Average number of man-years	**451**	**422**

Benefits for CEO – agreements on severance pay, bonuses, etc.

The CEO is a member of the defined contribution pension schemes for salary up to 12G (approx NOK 1.2 million). The company has not a contribution pension scheme related to salary that exceeds 12G. In addition, the CEO is entitled to a salary compensation of 23.95% of ordinary fixed salary that exceeds 12G. The CEO also has a performance based bonus agreement.

For 2021, the CEO has a performance related bonus agreement, which can give up to seven months' additional salary. The financial statements of 2021 have been charged with NOK 542 thousands related to the performance related bonus agreement. For 2022, the CEO has a performance related bonus agreement, which can give up to ten and a half months' additional salary.

As announced 29 October 2021, CEO Rune Marthinussen will retire from the role as CEO of Glamox simultaneously with Astrid Simonsen Joos starting as CEO 1 August 2022. Rune Marthinussen will continue as special advisor for the new CEO until 31 December 2022 and further be available during his notice period until 30 June 2023. In accordance with his employment contract, he will receive an 18 months' severance pay from 1 July 2023 until 31 December 2024.

The board members are not subject to agreements for severence pay, bonuses or profit-sharing. No loans or pledges have been provided to the board members or senior management of the Group.

Remuneration to CEO		**Salary**	**Performance- related bonus**	**Pension vesting**	**Other remuneration**
Rune Marthinussen - CEO	2021	3 716	542	54	127
Rune Marthinussen - CEO	2020	3 601	1 764	52	126

Remuneration to Board members		**Directors' fees**
Total remuneration	2021	2 494
Total remuneration	2020	1 814

Auditor	**2021**	**2020**
Fee for statutory audit	1 157	1 060
Audit-related fees	1 127	1 453
Other fees	818	84
Tax advisory service	48	0
Total	**3 151**	**2 597**

Pensions and pension obligations

The company is obligated to keep an occupational pension scheme pursuant to the Mandatory Occupational Pensions Act. The company has a pension scheme that satisfies the requirements of this Act.

The AFP scheme is recognised as a defined contribution plan.

The pension schemes are handled in the accounts according to NRS6/ IAS19R. Estimated deviations from previous years is charged directly to equity.

The company has a contribution pension schemes that include all employees over the age of 20 years old and who hold more than a 20% position. The company has defined benefit pension schemes for former CEO and some former employees.

Pension expenses	**2021**	**2020**
Current value of this years pension accrual	0	0
Interest cost of pension commitments	216	280
Defined contribution pension scheme	15 064	15 076
Net pension expenses / (income)	**15 279**	**15 356**

Reconciliation of pension scheme's financed against sum in balance sheet:	**31.12.2021**	**31.12.2020**
Calculated pension commitments	-20 765	-18 932
Pension reserves	5 481	5 481
Net pension liabilities	**-15 284**	**-13 451**

Financial conditions:	**2021**	**2020**
Mortality table	K2013	K2013
Discount rate	1.90%	1.70%
Expected return on plan assets	1.90%	1.70%
Salary increase	2.50%	2.25%
Pension increase	2.50%	2.00%

Standard conditions used in the insurance industry form the basis of the actuarial preconditions for demographic factors and retirement. The discount rate as of 31.12.2021 is based on the rate of norwegian corporate bonds (Obligasjoner med fortrinnsrett - OMF).

Note 6 - Specification of financial items

	2021	**2020**
Other financial income	315 439	420 160
Other financial expenses	-271 763	-476 218
Total other financial items	**43 676**	**-56 059**
Of which:		
Net currency effect	31 365	-31 432

In 2021, other financial income includes reversal of writedown of loan to Glamox Inc.(Canada) of NOK 37.2 million. Based on assesment of current and forecasted results in Glamox Inc., 100 % of the write down was reversed.

In 2020, other financial income includes reversal of earn-out of NOK 2.8 million related to the acquisition of Luxonic Ltd, due to key financial assumption related to the contingent consideration were not achieved (2019: NOK 17.7 million).

Note 7 - Tangible fixed assets and intangible fixed assets

	Land / buildings	Machinery	Fixtures and Fittings	Total
Acquisition costs 31.12.2020	119 617	274 864	67 848	462 330
Additions	-	10 597	2 020	12 616
Reclassification	-	-1 918	542	-1 376
Disposals	-	-	-	-
Acquisition costs 31.12.2021	**119 617**	**283 543**	**70 409**	**473 570**
Accumulated depreciation 31.12.2020	88 321	242 223	52 072	382 616
This years depreciation	5 574	7 822	5 566	18 963
Reclassification depreciation	-	-	-	-
Accumulated depreciation 31.12.2021	**93 895**	**250 045**	**57 640**	**401 579**
Balance sheet value at 31.12.2020	**31 297**	**32 641**	**15 776**	**79 714**
Balance sheet value at 31.12.2021	**25 722**	**33 498**	**12 770**	**71 990**
Financial life	Up to 20 yrs.	Up to 10 yrs.	Up to 10 yrs.	
Depreciation plan	Straight-line	Straight-line	Straight-line	

Glamox AS has lease agreements on operating equipment and office facilities. These lease agreements are regarded as operational lease and annual lease payment in 2021 amounted to NOK 12.6 million (2020: NOK 12.3 million). The majority of the leasing contracts have a lease period of 3-5 years, while some office facilities have a lease period up to 10 years.

	Other intangible assets*	Total
Acquisition costs 31.12.2020	177 946	177 946
Additions	36 039	36 039
Reclassification	1 257	1 257
Disposals	-	-
Acquisition costs 31.12.2021	**215 242**	**215 242**
Accumulated depreciation 31.12.2020	107 104	107 104
This years depreciation	17 062	17 062
Reclassification depreciation	-	-
Accumulated depreciation 31.12.2021	**124 167**	**124 167**
Balance sheet value at 31.12.2020	**70 841**	**70 841**
Balance sheet value at 31.12.2021	**91 075**	**91 075**
Financial life	5 to 10 yrs.	
Depreciation plan	Straight-line	

*Other intangible assets mainly consist of software and this year additions mainly relates to an upgrade of the ERP system.

Note 8 - Subsidiaries

Name of company	Office	CUR	Share Capital	Shareholding in Glamox AS	Carrying amount in Glamox AS	Group's voting ownership share
Glamox A/S	Denmark	DKK	4 900	100.0%	8 045	100.0%
Glamox AB	Sweden	SEK	600	100.0%	1 681	100.0%
Glamox Oy	Finland	EUR	100	100.0%	6 082	100.0%
GSU (Borehamwood) Ltd.	England	GBP	4	100.0%	680	100.0%
Glamox Ireland Ltd.	Ireland	EUR	169	100.0%	1 787	100.0%
Glamox GmbH	Germany	EUR	683	100.0%	129 409	100.0%
Wasco GmbH	Germany	EUR	25	100.0%	-	100.0% 3)
Wasco Verwaltungs GmbH	Germany	EUR	25	100.0%	-	100.0% 3)
Wasco International GmbH & CO. KG	Germany	EUR	50	100.0%	-	100.0% 3)
AS Glamox	Estonia	EUR	166	100.0%	6 345	100.0%
Glamox Marine and Offshore GmbH	Germany	EUR	5 626	35.3%	64 602	100.0%
Glamox B.V.	The Netherlands	EUR	18	100.0%	20 346	100.0%
Glamox Aqua Signal Corporation	USA	USD	100	100.0%	443	100.0%
Glamox Inc.	Canada	CAD	2 208	100.0%	-	100.0%
Glamox Pte Ltd.	Singapore	SGD	6 100	100.0%	23 666	100.0%
Glamox (Suzhou) Lighting Co. Ltd	China	CNY	20 388	100.0%	4 050	100.0%
Suzhou Glamox Trade Co. Ltd	China	CNY	500	0.0%	-	100.0%
Glamox Co. Ltd.	South Korea	KRW	775 020	100.0%	4 483	100.0%
Luxo Corporation	USA	USD	0	100.0%	-	100.0%
Glamox Brasil Iluminacao LTDA	Brazil	BRL	50	100.0%	130	100.0% 1)
Birger Hatlebakks veg 15 AS	Norway	NOK	100	100.0%	1 373	100.0%
O. Küttel AG	Switzerland	CHF	200	100.0%	122 142	100.0%
Glamox Luxonic Ltd.	England	GBP	246	100.0%	128 238	100.0%
LiteIP Ltd.	England	GBP	0	100.0%	-	100.0% 4)
ES-System sp. z o.o.	Poland	PLN	14 145	100.0%	365 130	100.0%
ES-SYSTEM Wilkasy sp. z o.o.	Poland	PLN	45 000	0.0%	-	100.0%
ES-SYSTEM NT sp. z o.o.	Poland	PLN	24 050	0.0%	-	100.0%
ES-SYSTEM Lighting UK Ltd.	England	GBP	50	0.0%	-	100.0%
Luminell Group AS	Norway	NOK	48	100.0%	144 878	100.0% 2)
Luminell Norway AS	Norway	NOK	200	0.0%	-	100.0%
Luminell Drone Light AS	Norway	NOK	60	0.0%	-	100.0%
Luminell Sweden AB	Sweden	SEK	114	0.0%	-	100.0%
Luminell US Inc.	USA	USD	0	0.0%	-	100.0%
Total book value of shares in subsidiaries					**1 033 510**	

1) Glamox Brasil Iluminacao LTDA owns 1 share of totally 50 000 shares, corresponding to non-controlling interest of 0.002%.
2) In 2021, Glamox AS acquired 100 % of the shares in Luminell Group AS.
3) In 2021, Glamox GmbH (100 % owned subsidiary of Glamox AS) acquired 100 % of the shares in Wasco GmbH, Wasco Verwaltungs GmbH and Wasco International GmbH & CO. KG.
4) In 2021, Glamox Luxonic Ltd. (100 % owned subsidiary of Glamox AS) acquired 100 % of the shares in LiteIP Ltd.

Note 9 - Receivables due for payment later than one year

Balance sheet value of receivables due for payment later than one year:	31.12.2021	31.12.2020
Receivables, Group Companies	213 753	31 202
Other long term receivables	-	-
Total	**213 753**	**31 202**

Note 10 - Liabilities due for payment more than five years after the financial year end

	31.12.2021	31.12.2020
Liabilities to financial institutions	0	0

Note 11 - Tax

	2021	2020
Tax payable calculated as follows:		
Ordinary profit before tax	254 653	141 125
Permanent differences	-162 749	-164 145
Change in temporary differences	-6 201	25 746
Change in temporary differences not recognised	-35 804	-10 387
Change defined benefit plan recognised directly against equity	-2 222	-779
Basis for tax payable	**47 678**	**-8 439**
Tax rate	22 %	22 %
Tax payable on profit for the year	**10 489**	**-1 857**
Tax for the year is calculated as follows		
Tax payable on profit for the year	10 489	-1 857
Withholding tax	748	-
Change deferred tax/deferred tax assets in balance sheet	1 364	-5 664
Change in deferred tax booked directly against equity	489	171
Correction tax related to previous years*	-7 512	1 332
Total tax for the year	**5 578**	**-6 017**
*Amount relates to the tax treatment of bonus paid of Glamox AS to employees in subsidiaries for the years 2014, 2015, 2017 and 2018.		
Current tax liabilities consist of:		
Tax payable for the year as above	10 489	-1 857
- tax on group contribution to subsidiaries	-725	-
- payment of withholding tax	-1 501	-777
- tax provosion related to previous years	-5 837	2 057
Net current tax liabilities 31.12	**2 425**	**-577**

Specification of basis for deferred tax:	**31.12.2021**	**31.12.2020**
Offsetting differences:		
Fixed assets	-33 061	-26 659
Other current assets	-556	-12 635
Liabilities	-19 281	-19 755
Restricted interest deduction carried forward	-15 717	-17 556
Net pension reserves/commitments	-15 284	-13 628
Gross basis for deferred tax	**-83 899**	**-90 232**
Net deferred tax assets posted in balance	**18 458**	**19 851**

The Group Management and Board does a continuous evaluation of the amount they consider to be secured to book in the companies' balance sheet, based on the expected future income and realistic tax adaptation. Based on these evaluations, NOK 18.5 million have been booked as deferred tax assets in the balance sheet.

The company has write-down on receivables from its subsidiaries. These write-downs are done without any tax reduction effect, but are also not included in the above basis of deferred tax since there is uncertainty if or when the differences will be reversed.

Note 12 - Equity and shareholders

	Share capital	Other reserves	Other equity	Total
Equity 31.12.2020	**65 989**	**27 253**	**458 734**	**551 975**
Change in equity for the year:				
Profit for the year			249 075	249 075
Proposed dividends			-110 000	-110 000
Pension actuarial gain/loss recognized in equity			-2 222	-2 222
Tax on pension actuarial gain/loss recognized in equity			489	489
Equity 31.12.2021	**65 989**	**27 253**	**596 076**	**689 317**

Share capital and shareholder information:

Share capital in Glamox AS at 31.12.2021 consist of:	**Number**	**Nominal Value**	**Balance Sheet**
Shares	65 988 668	1	65 989
Total	**65 988 668**	**1**	**65 989**

All shares have the same voting rights.

Ownership structure:

The largest shareholders in Glamox AS at 31.12.2021 were:	**Total shares**	**Shareholding/ Voting**
GLX Holding AS C/O Triton Advisers	50 260 492	76.17%
Fondsavanse AS	14 558 635	22.06%
Erik Must	639 388	0.97%
Rebecka Must	100 000	0.15%
Jonathan Must	100 000	0.15%
Nora Must	100 000	0.15%
Iben Must	100 000	0.15%
Selma Must	100 000	0.15%
Lege Fr Arentz Legat C/O DNT Oslo og omegn	15 000	0.02%
Eva Marie Mittet	3 266	0.00%
Total 10 largest shareholders	**65 976 781**	**99.98%**
Others (119 shareholders)	11 887	0.02%
Total number of shares	**65 988 668**	**100.00%**

Shares and options owned by Board members and the Group Management:

Name	**Position**	**Shares**
Henny Eidem	Board member	14

Note 13 Assets pledged as security and guarantee liabilities

	31.12.2021	31.12.2020
Secured balance sheet liabilities		
Liabilities to financial institutions*	946 294	740 521
Secured pension liability	13 820	13 820

Balance sheet value of assets pledged as security for secured liabilities:	**Nominal Value**	**Balance Sheet**
Land, buildings etc.	25 722	31 297
Machinery and plant	33 498	32 641
Fixture and fittings	12 770	15 776
Inventory	148 031	134 905
Accounts receivable	249 321	191 399
Total	**469 342**	**406 018**

Glamox holds a multi-currency revolving facility. The multi-currency revolving facility has a credit limit of NOK 1,400m.
In Q2-2021 the utilized amount was increased by NOK 135m and in Q3-2021 the utilized amount was increased by NOK 103m.

*An arrangement fee related to the financing, is booked against non-current interest bearing liablities and will be expensed over the availability period of the facility.

The loan agreement states that the lenders also have demand to key figures as equity ratio, debt ratio etc.

Note 14 Outstanding accounts against Group companies

	31.12.2021	31.12.2020
Account receivables on Group companies	144 156	80 761
Short term receivables on Group companies	198 747	199 700
Long-term loans to Group companies	213 753	31 202
Total receivables on Group companies	**556 656**	**311 663**

Account payables to Group companies	63 660	71 264
Other short term liabilities to Group companies	3 295	108 898
Total payables to Group companies	**66 955**	**180 161**

Some subsidiaries participate in the Group's common cash pool arrangement. Legally, it is Glamox AS that is the counter part towards the Bank regarding all accounts included in this arrangement. Net cash deposits in subsidiaries are classified as liability in Glamox AS, while net overdraft in subsidiaries are classified as receivable.

In 2021, NOK 24.9 million of short term receivables on Group companies is the subsidiaries share of the parent's cashpool (net overdraft).

In 2020, NOK 108.9 million of other short term liabilities to Group companies is the subsidiaries share of the parent's cashpool (net deposit).

Note 15 Cash etc.

	31.12.2021	31.12.2020
Liquidity reserve	492 137	846 037

The liquidity reserve is the total overdraft and revolver facilites of all Group companies, less all utilised overdraft and revolver facilities, and added all cash on hand and deposits.

The liquidity reserve for the Group is organized in a Multi Currency Cashpool. This implies that the cash deposit of the subsidiaries formally are account receivables towards the parent company, and all participating group companies are jointly responsible for overdraft within the Cashpool.

Locked-up deposits in Glamox AS amounted to NOK 14.5 million.

Note 16 Related parties for parent company and Group

Related parties are Group companies, major shareholders, board and senior management in the parent company and the group subsidiaries. Agreements on remuneration for Management appear in note 5. All transactions with other related parties are based on the principle of arm's length.

No loans have been made, or security provided for loans, to any member of Group management, the Board or any of their related parties.

Transactions between Glamox AS and other group companies	**2021**	**2020**
Sales revenue	430 823	399 325
Services	144 912	115 879
Commision	-4 618	-5 651
Interest income	1 057	1 817
Dividend from subsidiaries	174 173	150 725
Cost of Goods	351 919	415 197
Personell expenses	27 437	24 718

There have been no transactions between related parties (outside the Group) for the relevant financial year 2021 and 2020.

Note 17 - Financial market risk

This note discusses the interest and currency risk the group is exposed to and the methods used in managing the risks.

a) Interest risk and control

Glamox AS aims to follow the general long-term development in the money market interest levels. The effects of short-term fluctuations in money market interest levels can be reduced by managing the loan portfolio's average interest and the timing of the interest payments.

Underlying loan agreements is used to manage the interest risk.

b) Currency risk and control

Operational cash flow (transaction risk)

Glamox is exposed to transaction risk by purchasing and selling in different currencies. Purchase and production expenses are mainly in NOK and EUR, with sales mainly in NOK, EUR, SEK, DKK, GBP, SGD, CAD and USD.

Glamox aims to minimize the risk of changes in the value of net cash flows arising from the short-term fluctuations in exchange rates.

Transaction risk is controlled by means of internal invoicing rules, matching of income and expenses in the same currency and by using financial instruments (forward contracts).

As at 31.12.2021, Glamox had forward contracts for both sale and purchase of currencies. Forward contracts as of 31.12.2021 amounts to NOK 151 million in currency sales and NOK 183 million in currency purchase based on 31.12.2021 exchanges rates.

As of 31.12.2021, unrealized loss on forward contracts is NOK 3.4 million (2020: 2.0 million).

Note 18 - Covid-19

The Covid-19 pandemic has also in 2021 affected the demand in most of the Company's markets negatively. However, we have seen a gradual improvement of the market conditions following the easing of implemented infection-reducing measures by governments. Still the market conditions are not back to pre-Covid levels in most segments and geographies.

During 2021, Glamox has taken action to offset the negative impact of reduced demand by further adjusting capacity and related cost both on a permanent and temporary basis. Travel restrictions in 2021 have led to reduced travel, sales and marketing cost compared to a normal year.

The Covid-19 pandemic situation has been challenging for Glamox's operations and employees. In this environment, the organization has performed well and safety and health of our employees and partners has been first priority. A high delivery capability from all our production facilities has been maintained, and the Company has managed to increase its market share in most of its target markets. However, indirect consequences such as supply chain disruptions due to shortage of and longer lead times related to components and raw materials have had an impact on the Company's operations. This has been the case in particular in the second half of the year. Further, we have experienced increased logistical, raw material and component costs and the impacts of these have been, and will further be, mitigated by higher sales prices.

Although we see an improved market situation in most geographies, there is still a high degree of uncertainty related to the effects of the development of the pandemic. Supply chain shortages for key components and materials continue to be a concern in 2022. We monitor the situation closely and will take further actions as needed. It is not expected that the pandemic will have a significant effect on the Comany's operations or financial statements in the long term.

Note 19 - Events after the reporting period

The Ukraine war and the possible effects on the global economy, adds some uncertainty to the general market development. The Company has currently no business activities towards Russia and very limited business towards Ukraine. Glamox is closely monitoring the situation and have currently seen limited impact on the demand of our products.

Proposed dividend

After the reporting date the board has proposed a dividend distribution amounting to NOK 110.0 million. The board assess the level of proposed dividend to be justifiable based on the liquidity and solidity situation of the company.

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To the General Meeting of Glamox AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Glamox AS, which comprise:

- The financial statements of the parent company Glamox AS (the Company), which comprise the statement of financial position as at 31 December 2021, the statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Glamox AS and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial

statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 28 April 2022
KPMG AS

Lone Frogner

Lone Brith Frogner
State Authorised Public Accountant

Photo: Kris Vangen

Sustainability report 2021

CEO statement on sustainability

We at Glamox aim to create light for a better life. Our mission is to create sustainable lighting solutions that improve the performance and well-being of people.

Light has a tremendous impact on people's lives, their health and well-being as well as their performance. This is our most important impact, created through our core business. However, our business as a provider of proffesional lighting solutions also comes with a footprint. That is why we at Glamox have worked with experts and stakeholders to develop our sustainability strategy and reporting. To be part of the solution, we are setting ambitious goals and tracking our ongoing progress on key topics such as environment and climate sustainability, human rights and labour rights as well as business ethics.

We work along four pillars to deliver on our own ambitions and stakeholders' expectations; enabling sustainability for clients, environmental excellence in operations, responsible leadership, and light up people and society.

Glamox is a Signatory and Participant to the UN Global Compact and I am pleased to confirm that Glamox reaffirms our support of its Ten Principles. In this annual report, which is also our annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication. We are committed to making the UN Global Compact and its principles part of the strategy, culture and day-to-day operations of our company. Glamox supports the UN Sustainable Development Goals (UN SDGs) with particular focus on goals number 7,8,9,12 and 13.

We have already seen progress on key areas for the group. Key highlights include environmental and energy efficiency progress such as circular design criteria for new products, LED luminaires now making up more than 95% of the luminaires we deliver, and sourcing 67% of our electricity from renewable energy sources. We have also focused on our people and being a responsible employer, and it makes me particularly proud to see that 80% of our surveyed employees say Glamox is a great place to work, and 88% of our employees say they have interesting and challenging tasks.

Going forward, we will continue to report on our sustainability efforts including our ambitions, actions implemented and the progress towards reaching our long-term goals.

Rune E. Marthinussen
CEO & President

About Glamox

The Glamox Group

Glamox is a Norwegian industrial group that develops, manufactures and distributes professional lighting solutions for the global market.

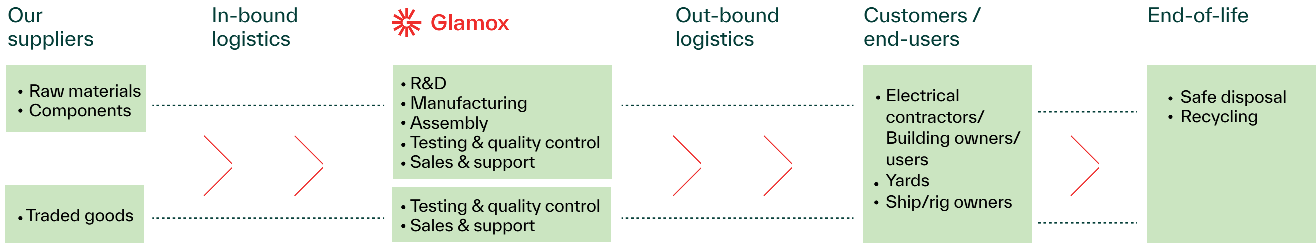
Our mission is to provide sustainable lighting solutions that improve the performance and well-being of people.

Technology and expertise

The Group owns a range of quality lighting brands including Glamox, Aqua Signal, Küttel, LINKSrechts, Luxo, Luxonic, Norselight, ES-SYSTEM, LiteIP, Luminell and Wasco. Our products and solutions are developed and tested by our engineers at our own research and testing facilities, and manufactured and certified in accordance with relevant quality and environmental standards such as ISO9001 and ISO14001.

The Glamox Group has two business areas - Professional Building Solutions (PBS) and Global Marine and Offshore (GMO). Each of the two business areas represent a complete value chain and are supported by the Sourcing, Production and Logistics (SPL) division, which operates production units and factories, and plays a central role in the procurement of components and finished goods.

Glamox' value chain



About Glamox' sustainability reporting

This report is prepared in accordance with the Global Reporting Initiative (GRI) Standards Core Level. We regard this report to be our Communication on Progress to the United Nations Global Compact (UNGC).

This is Glamox' second annual sustainability report. The report will be published annually as part of the Glamox annual report.

Glamox' sustainability reporting has been reviewed and approved by the Board of Directors. The claims and data in this report have not been audited by a third party.

We appreciate feedback from our stakeholders on our sustainability reporting. For comments, questions or suggestions, please contact Viktor Söderberg, Director Business Development & Sustainability, viktor.soderberg@glamox.com

Glamox' approach to sustainability

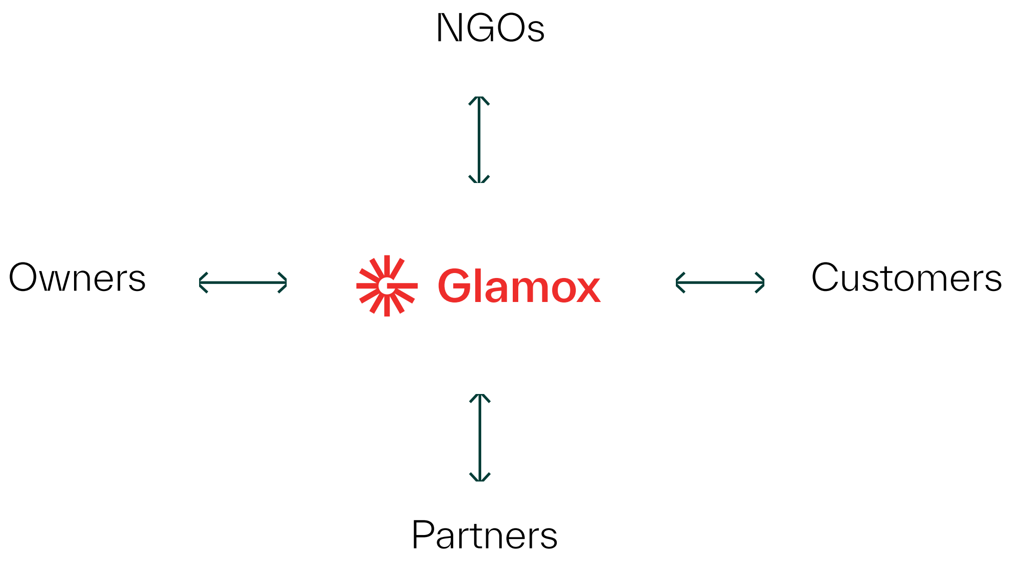
Stakeholder engagement and materiality assessment

The Glamox sustainability strategy is based on a thorough materiality assessment and created together with sustainability experts and in dialogue with our key stakeholders.

Since 2020, Glamox has worked together with external sustainability advisors to identify and map stakeholder expectations, our sustainability impact, as well as key topics for Glamox to focus on going forward as a group. A key element has been to align ongoing initiatives across the Group into a coherent approach by sharing knowledge and best practices. The stakeholder dialogue and materiality assessment guiding our strategy was undertaken in line with the GRI Standards principles for defining report content.

Ongoing dialogues with internal and external stakeholders to understand what the topics and issues that matters to them, are key to determining our sustainability priorities. Glamox key stakeholder groups include owners, NGOs, customers, and employees as well as governments and regulators.

Glamox's stakeholders



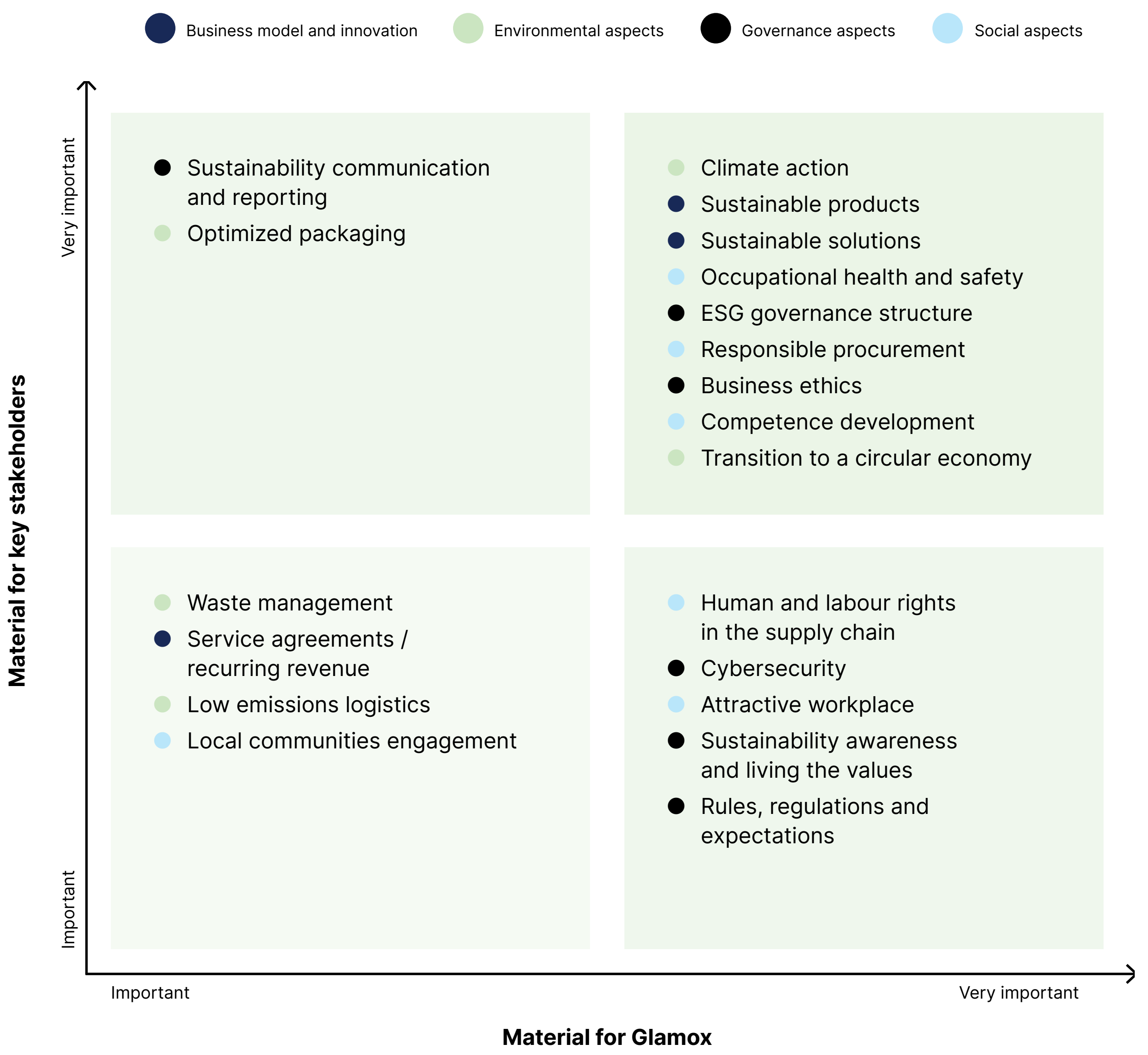
Stakeholder expectations were mapped through formal interviews with internal and external stakeholders, an analysis of Glamox business priorities and supply chains, as well as a big data analysis on emerging sustainability topics. The input was structured and systematized to help identify the topics discussed, which is summarized in the Glamox materiality assessment.

The illustration below is based on internal and external stakeholder dialogue and shows the most material sustainability topics for Glamox and our value chain.

A definition of each topic is included in the reporting on material topics on page 103-113.

Our materiality assessment was the first step towards defining our strategy. By identifying future trends and understanding stakeholders perspectives, we were able to identify risks and opportunities that could impact our business and the type of impact we have on our surroundings. The assessment guides us in our work and helps us to prioritise as to where our efforts can make the most impact.

Glamox materiality assessment



By undertaking a materiality assessment, Glamox defined the most material topics which formed the four pillars defining our sustainability strategy. The pillars are directly built on our mission and values, and will help us achieve our vision and ultimate goal: Creating light for a better life.

/ Vision
Reason for being

Creating light for a better life

/ Mission
Reason for doing

We provide sustainable lighting solutions that improve the performance and well-being of people

/ Values
How we do business at Glamox, what defines us as an organisation

Competent   Committed   Connected   Responsible

/ Sustainability pillars
Our focus areas for our sustainability work throughout the group

In addition to systematic stakeholder dialogue, we are active in several organisations and initiatives, including as a Participant to The UN Global Compact, the Science Based Targets Initiative (SBTi) and Triton network. In addition to this, we are in continuous dialogue with our owners and peer companies in ESG networking groups. To increase the available knowledge about light and its impact on well-being, we contribute to research projects with academic partners, such as the University in Bergen and International Commission on Illumination.

Glamox and the UN Sustainable Development Goals

Glamox supports the UN Sustainable Development Goals (SDGs). Each of the strategic pillars of material topics contributes to the following SDGs and targets:

Enabling sustainability for clients

- SDG 9 Industry, Innovation and Infrastructure
  - 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes
- SDG 13 Climate action

Environmental excellence in operations

- SDG 7 Affordable and clean energy
  - 7.3: Double the global rate of improvement in energy efficiency by 2030
- SDG 12 Responsible consumption and production
  - 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse

Responsible leadership

- SDG 12 Responsible consumption and production
  - 2.6: Encourage companies, especially large and trans-national companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

Light up people and society

- SDG 8 Decent work and economic growth
  - 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

Our ambitions

To make sure we deliver on our promise, we have set ambitious long-term goals for our sustainability work. Going forward we will work towards:

- Becoming a net-zero company by 2030
- Enable our customers to save CO2 emissions from their Scope 1 and Scope 2 activities through our products and solutions
- Increase the share of circular products in our portfolio
- Drive improvement of respect for fundamental human rights and decent working conditions by taking a systematic approach in our entire value chain
- Provide a safe and inspiring working environment for our employees

Glamox has committed to set near-term company-wide emission reductions in line with climate science with the SBTi.

Reporting on material topics

Key sustainability highlights 2021

67%
of electricity used at Glamox operations came from renewable sources

LED
95% of luminaires we delivered are energy efficient LED luminaires

More than **35%** of our turnover came from connected lighting

Our Kirkenær factory achieved
net zero emissions
Scope 1 and 2

Glamox established circular design criteria for new products

356
suppliers were screened using social and environmental criteria

80%
of our employees said Glamox is a great place to work

88%
our employees said they have interesting and challenging tasks

86%
of our employees said that working at Glamox makes them want to do the best work they can

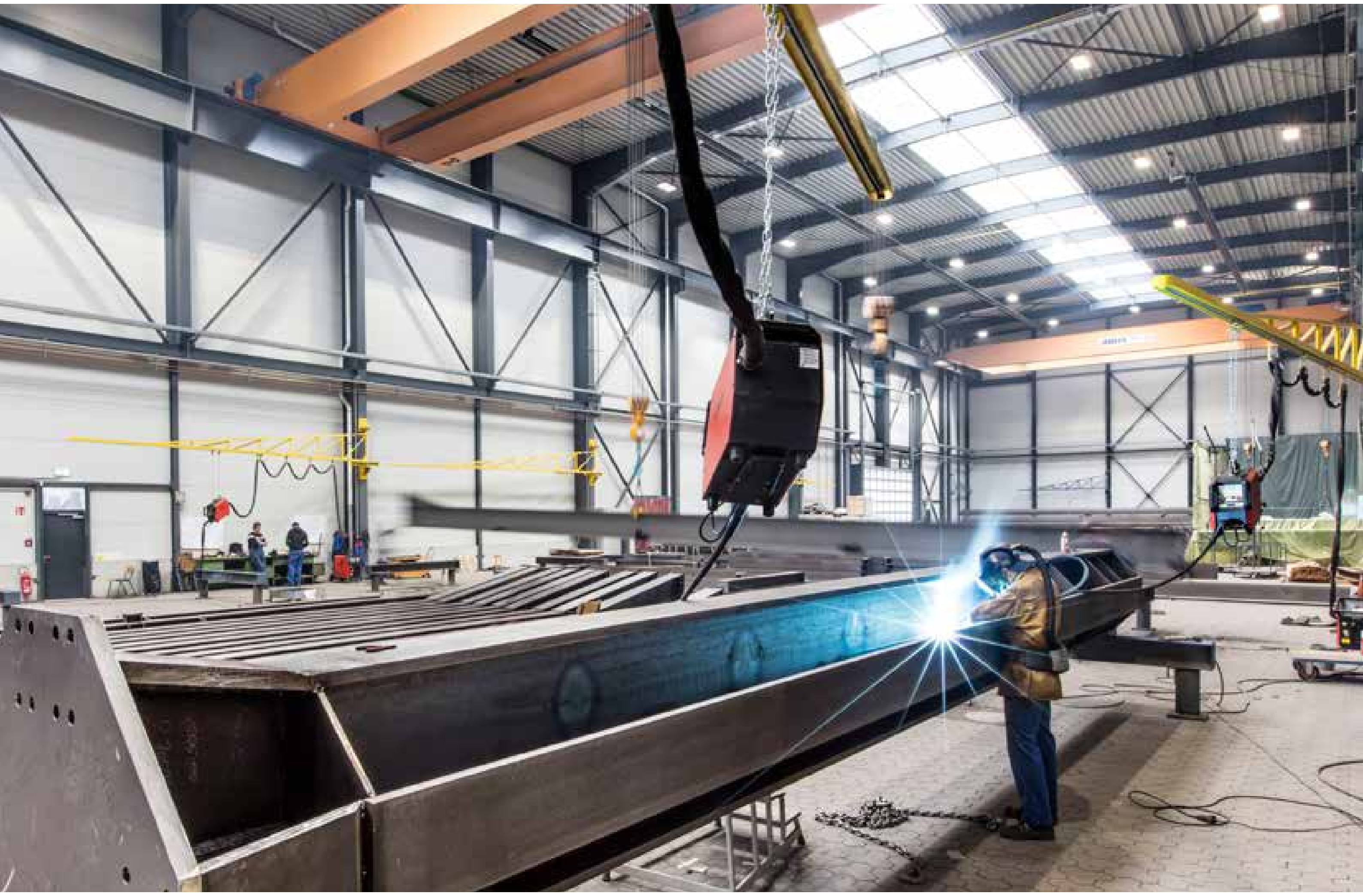
Our four strategic pillars

Enabling sustainability for clients

Environmental excellence in operations

Responsible leadership

Light up people and society



1. Enabling sustainability for clients

We are enabling sustainability for clients through sustainable products and solutions.

Sustainable products and solutions
Most of the environmental and climate impact from lighting solutions come from the use phase. We use our experience and expertise to find the most energy efficient and sustainable solution for every project in order to reduce emissions and help deliver on customers sustainability ambitions.

Glamox continuously works towards creating more energy efficient solutions. Our solutions based on light management technology can reduce energy consumption by 80-90% compared to conventional luminaries. However, it is possible to achieve savings of 40-50% by just replacing the conventional luminaries with high quality LED.

More than 95% of the luminaires we deliver are now LED, and more than 35% of our turnover comes from connected lighting, which means the luminaires are dimmable and/or addressable.

Lighting solutions from Glamox are designed to last, since the most sustainable solution is to use a LED lighting system for as long as possible. We deliver high mechanical and optical quality, and together with state-of-the-art LED modules and drivers, this ensures a long life for the lighting installation. At the end of their service life, our products can be taken apart and sorted in clean fractions to be recycled.

Up to 80% of all environmental impact is determined during the design phase of products. In 2021, Glamox established circular design criteria for the development of new products.

In 2021, there were no reported incidents of non-compliance from products in use concerning the health and safety impacts of Glamox's products and services.

The impact light has on the physiological and physical well-being of people is an important sustainability aspect for Glamox. The right light at the right time can influence everything from our sleep to how we feel and perform. Our human-centric lighting (HCL) solutions are therefore in use in schools, health facilities, offices and industrial buildings.

All our product families have available certificates, manuals and declarations documenting their performance. Glamox offer solutions that meets the requirements for BREEAM, WELL, LEED and other market-specific environmental standards.

Goals and targets set for 2022:

- Increase our share of turnover from connected lighting
- Increase the number of circular products in our portfolio
- Continue to increase the share of LED

2. Environmental excellence in operations

We deliver environmental excellence in operations by taking climate action and beginning the transition towards a circular economy.

Taking climate action
Because our footprint is part of the customer's footprint, we seek to reduce and minimize our negative environmental impact and maximize the positive effects of our solutions. In addition to reduced energy consumption when solutions are in use, we also need to make sure the emissions from the full product life cycle are as low as possible, and that our products are responsibly handled from material sourcing to product end-of-life. This includes taking steps to cut emissions and make better choices in our production.

Environmental and climate management at Glamox is governed by our Code of Conduct, the Glamox Corporate Social Responsibility Policy and the Glamox Environmental Policy. Environmental Management Systems are currently implemented at site level. The group's production units in Norway, Sweden, the UK and Estonia have been certified in accordance with ISO 14001. In 2020, the production unit in Wilkasy, Poland was certified with ISO 14001, and the production unit in Keila, Estonia, was certified in accordance with ISO 50001.

Through obligations to comply with local, global government and self-imposed requirements, we will contribute to a lower environmental impact. This implies objectives related to:
- reduce waste
- increase reuse
- as far as possible, use environmentally efficient transport solutions
- reduce energy consumption
- prevent emissions, and
- develop environmentally friendly products and systems

Glamox aims to become a net zero company by 2030. In 2020, the group reduced its climate impact by implementing energy efficiency measures, and offset unavoidable emissions through climate and sustainable development expert ClimateCare. During 2020, the group took action to ensure that the Norwegian and Estonian production units will have 100% renewable electricity supply from 2021. In 2021, the company increased the share of renewable electricity to 67%. The company reduced its GHG emissions from 5,443 tonnes CO_2 equivalents in 2020, to 4,606 tonnes CO_2 equivalents in 2021, mainly through increasing the share of renewable energy and through energy efficiency and emission reduction initiatives in our factories such as switching to biofuel for heating in the Molde factory and using LNG to heat Keila factory. Furthermore, Glamox decided to close down the die casting department in the Wilkasy factory (Poland).

Table 1: Energy consumption within the organization

Energy use	Units	2020	2021
Total energy usage	kWh	30,144,694	27,831,104
Energy usage from fuel (Scope 1)	kWh	11,861,524	13,218,088
Energy usage from utilities (Scope 2) (Electricity, heat, cooling and steam)	kWh	18,283,170	14,613,016
Renewable energy usage	kWh	6,760,734	9,798,948
% of electricity usage from renewable		37%	67%

Table 2: Scope 1 & 2 climate emissions

Climate emissions	Units	2020	2021
Greenhouse gas emissions – Scope 1 (Direct)	tonnes CO2-eq	2,103	2,868
Greenhouse gas emissions – Scope 2 (Indirect)	tonnes CO2-eq	3,340	1,739
Total GHG emissions	tonnes CO2-eq	5,443	4,606

Transition to a circular economy
We will contribute to a circular economy through recycling and reuse of materials, energy efficiency and reduction of waste in our value chain. We are continuously looking for new ways to reduce impact from material use and packaging, maximize waste recycling and minimize or find alternatives to harmful chemicals. Furthermore, Glamox has established circular design criteria for the development of new products in 2021.

Table 3: Waste and recycling from Glamox production units

Waste type	Disposal method	Units	2020	2021
Total hazardous waste disposal	Landfill	Tons	27	31
	Incinerated with energy recovery	Tons	21	16
	Recycled	Tons	6	3
Total non-hazardous waste disposal	Landfill	Tons	82	107
	Incinerated with energy recovery	Tons	179	248
	Recycled	Tons	1,657	1,646

Goals and targets set for 2022:

- Develop objectives / environmental policy on group level for reducing climate emission (waste, energy, transportation, procurement etc) in order to become net zero.
- Increase recycling rate at factories in order to deliver per the requirements of the EU taxonomy.
- Develop Environmental Product Declarations (EPDs) on product level
- Set and receive approval from the Science Based Target initiative for emission reduction

3. Responsible leadership

Supported by responsible procurement and supply chain practices, Glamox will be a role model for responsible leadership by delivering on governance and business ethics.

Business ethics and ESG governance
Glamox launched an updated set of core values in November 2021. Our values are Competent, Connected, Committed and Responsible. Our explanation of Responsible is outlined as follows: “We treat everyone with respect, hold ourselves to high ethical standards and provide solutions that benefit society and the environment”. The ethical guidelines for Glamox and our suppliers are set out in more detail in the Glamox Code of Conduct with supporting policies and instructions, such as our Responsible Business Partner Policy and our Anti-corruption policy. Our top management continuously reaffirms these messages in their communication throughout the organisation.

We communicate our expectations regarding respect for human rights, decent working conditions and ethical business conduct to our suppliers, and qualify and monitor our suppliers in an open and transparent way by using digital tools. Through this work we can be transparent, while at the same time contributing to positive change globally through our requirements and by sharing our knowledge with suppliers.

All employees are required to

read and familiarise themselves with the Code of Conduct. The Code of Conduct and our other compliance management policies and instructions are available on our intranet, and are provided to all employees who do not have a personal computer. Glamox group CEO receives an Annual Reporting Letter from all leaders who report into a member of the group management team (64 of the key leaders in Glamox) ("Extended Management Team") where the signatory reports on status of compliance issues and confirms that appropriate training of their personnel has been conducted. The reporting for 2021 shows that the majority of relevant personnel has been trained in key governance risk matters such as export control, sanctions, anti-corruption, modern slavery and other conflicts of interests. Furthermore, the reporting confirms no incidents of corruption, breach of competition law or other laws and regulation.

We are committed to taking ethics into account in everything we do, to build good governance and to deliver on external benchmarks for sustainability. Glamox wants to contribute to sustainable development in the countries we operate and to be a good corporate citizen. Therefore, we comply with international laws, declarations and principles everywhere we operate. We have a zero tolerance for corruption, and we respect human rights, including the rights of children, in every aspect of our business.

Glamox implemented a group wide Anti-Corruption Policy in November 2020. Prior to the establishment of the policy, an assessment was undertaken of business practices with increased risk in the lighting industry, in addition to a geographical risk assessment using globally recognised corruption indexes. In the majority of the countries Glamox operates, there is a relatively low risk of corruption. In locations like Poland, Asia, and the Middle-East, there is a somewhat increased risk of corruption based on the implementation of local laws and business practices.

Based on Glamox' experience, the lighting industry has previously seen practices related to payment of non-transparent commissions to lighting designers, architects and other roles that assist the property developers to specify the lighting requirements for a project. These practices seem to be discontinued in most of the countries where Glamox operates. Owners benefit schemes have traditionally been operated in the shipping industry, but there are positive developments here and less frequently requested.

To set the tone from the top, the CEO regularly emphasizes in his communication to management and all employees that Glamox Group has a zero tolerance for corruption. The Code of conduct requires that all Glamox employees observe high standards of business and personal ethics in the conduct of their duties and responsibilities. Employees must practice fair dealing, honesty and integrity in every aspect in dealing with others and comply with all applicable laws and governmental rules and regulations in the country where Glamox is operating.

During the implementation of the Anti-Corruption Policy, the Legal departments conducted training sessions with particularly exposed personnel in sales teams, group procurement and other selected participants. Due to the Covid pandemic the sessions were mostly conducted digitally. In areas with an increased risk of corruption, the legal department conducted particularly intensive training sessions.

Glamox recognizes that an important part of ethical business conduct is being alert to and preventing the risks of cruel practices like slavery and human trafficking taking part in our business, including our supply chain. Our Modern Slavery Statement can be found on the Glamox website. At the beginning of 2022, Glamox is updating our whistleblowing policy to include possibility of anonymous reporting through an external channel.

Goals and targets set for 2022:

- Start reporting average number of training hours per employee
- Implement group wide Whistleblowing channel that enables anonymous reporting

4. Light up people and society

We work every day to light up people and society – through our solutions and by providing an attractive and safe workplace.

Attractive workplace
Being an attractive workplace is a key part of our strategy. We truly believe that engaged employees deliver better results. Feeling welcome, safe and respected at work is the right of every employee.

Glamox upholds the principles of freedom of association and collective bargaining, including respect for each employee's right to make an informed decision, free of coercion, about membership in associations or labor unions. We engage in dialogue with local unions.

Glamox is committed to an inclusive work culture and providing equal opportunities and fair treatment of all employees. At Glamox we do not tolerate discrimination against any employee, and this is incorporated into our code of conduct. Glamox does not accept any form of harassment or discrimination on the basis of race, colour, religion, gender, sexual orientation, national origin, age, disability, or veteran status.

Equal opportunities and inclusion will be a focus area in the coming year. We require our managers and wish for all our employees to keep an open mind, speak out against discrimination and set an example of respectful and inclusive behaviour in their everyday actions.

In 2021, 20% (2 out of 10) of the Board of Directors in Glamox AS were women, 14 % (1 out of 7) of the group management team and 21% (14 out of 64) of the Extended Management Team were women. Gender diversity is crucial, and while the lighting industry traditionally has been dominated by men in the sales and leadership positions, Glamox wishes to contribute to the positive developments by targeting to improve ratio of men and women in all parts of the company. However, as mentioned above, Glamox is of the strong opinon that a diverse organisation will be the most successful, and we focuse on all types of diversity. Therefore, our colleagues in most countries consist of a diverse group of different nationalities, personalities and ages.

Ethical business conduct has always been an important part of the Glamox culture. Our values Competent, Committed, Connected and Responsible guides us in our daily work.

In our global employee engagement survey in 2021:
- 80% said Glamox is a great place to work,
- 88% said they have interesting and challenging tasks, and
- 86% said that working at Glamox makes them want to do the best work they can.

Following the survey, all managers in Glamox identify targets to work towards based on the feedback of the survey.

Safe working environment
Glamox has a zero incident philosophy. We are working systematically and targeted to ensure that our employees have a safe workplace and feel protected. When adding new companies to the group we prioritize bringing Health, Safety and Environment policies and procedures up to the level of Glamox standards.

The responsibility for the working environment in the company lies with the Group management. The division managers are responsible for goal setting within health, environment and safety, as well as follow-up of fulfilled results according to goals.

The implementation of actions to support the goals is the responsibility of line management, HSE representatives and committees as well as employees.

The line management has the daily responsibility to take proper care of health, environment and safety at work. This also includes the practical responsibility for budgeting, carrying out and follow-up of actual measures. The line management must ensure that the work is planned and carried out according to applicable laws and regulations, international standards, and internal policies and procedures.

Where HSE committees or councils are appointed, they carry out the necessary actions to ensure that the working environment within their area of responsibility is in line with applicable laws and internal policies and procedures.

The committees also participate in planning of the health, environment and safety work, as well as follow-up of the development of issues concerning employee safety, health and welfare, and shall also follow-up on issues concerning the external environment.

Over the past two years, 65% of relevant Glamox personnel has attended dedicated occupational health and safety trainings.

Table 4: Work-related injuries

Health, environment and safety	2021
Number of hours worked during the reporting period (including compensated overtime)	30,713,212
Number of fatal accidents	0
Days lost to injury	532
Number of Injuries resulting in Lost time (LTI)	19
Total number of work-related injuries	29

Responsible procurement
Glamox aims to maintain a high level of supplier oversight and engagement on ethics, social and governance related issues. The company is currently creating a framework of KPI's for ethics, social and governance related issues in the supply chain and establishing routines for follow-up.

In 2021, the Glamox Quality department started the work to update the Group wide Primary Control Document. It outlines the Glamox quality system for suppliers, including its systems, ambitions and requirements for quality, health, safety and environment, as well as its systems and processes in place to ensure the necessary levels of compliance with Glamox standards.

In 2021, Glamox implemented digital supplier screening with IntegrityNext, a cloud-based platform that covers all major aspects of sustainability requirements, allowing companies to monitor sustainability performance in their value chain.

In 2021, 356 new Glamox suppliers were screened using social and environmental criteria.

Goals and targets set for 2022:

- Maintain a high employee engagement score (above 80% saying Glamox is a great workplace)
- Maintain track record of zero fatal accidents
- Work to decrease number of LTI
- Screen all new suppliers using social and environmental criteria
- Create measurements for ethics, social and governance related issues in the supply chain and establish routines for follow-up.
- During 2022, we will implement digital tools that enables trustworthy reporting of social and governance matters, and further improve the strategic KPIs to follow positive developments, including a global HR system.
- In 2022 we will implement common group policies, ensuring a global standard for onboarding, follow-up and development plans for employees.
- Implement Diversity, Equity and Inclusion policy and training with focus on unconscious bias.

Glamox materiality assessment

GRI Standard	Disclosure	Page number(s) and/or URL(s)
GRI 101: Foundation 2016		
General Disclosures		
GRI 102: General Disclosures 2016	**Organizational profile**	
	102-1 Name of the organization	2
	102-2 Activities, brands, products, and services	94
	102-3 Location of headquarters	120
	102-4 Location of operations	118, 119
	102-5 Ownership and legal form	30, 83
	102-6 Markets served	5
	102-7 Scale of the organization	5
	102-8 Information on employees and other workers	24
	102-9 Supply chain	94
	102-10 Significant changes to the organization and its supply chain	N/A
	102-11 Precautionary Principle or approach	93
	102-12 External initiatives	100
	102-13 Membership of associations	N/A
	Strategy	
	102-14 Statement from senior decision-maker	93
	Ethics and integrity	
	102-16 Values, principles, standards, and norms of behavior	99
	102-17 Mechanisms for advice and concerns about ethics	109
	Governance	
	102-20 Executive-level responsibility for economic, environmental, and social topics	109
	102-21 Consulting stakeholders on economic, environmental, and social topics	97, 98
	102-29 Identifying and managing economic, environmental, and social impacts	97, 98, 99
	Stakeholder engagement	
	102-40 List of stakeholder groups	97
	102-41 Collective bargaining agreements	111
	102-42 Identifying and selecting stakeholders	97
	102-43 Approach to stakeholder engagement	97
	102-44 Key topics and concerns raised	98, 99
	Reporting practice	
	102-45 Entities included in the consolidated financial statements	81
	102-46 Defining report content and topic Boundaries	97, 98, 99
	102-47 List of material topics	98
	102-48 Restatements of information	first year of reporting
	102-49 Changes in reporting	first year of reporting
	102-50 Reporting period	2021
	102-51 Date of most recent report	2020
	102-52 Reporting cycle	annually
	102-53 Contact point for questions regarding the report	95
	102-54 Claims of reporting in accordance with the GRI Standards	95
	102-55 GRI content index	114, 115
	102-56 External assurance	95

GRI Standard	Disclosure	Page number(s) and/or URL(s)
Material Topics		
200 series (Economic topics)		
Anti-corruption		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	108, 109
	103-2 The management approach and its components	108, 109
	103-3 Evaluation of the management approach	108, 109
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	109
	205-2 Communication and training about anti-corruption policies and procedures	109
	205-3 Confirmed incidents of corruption and actions taken	109
300 series (Environmental topics)		
Energy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	106
	103-2 The management approach and its components	106
	103-3 Evaluation of the management approach	106
GRI 302: Energy 2016	302-1 Energy consumption within the organization	106
	302-5 Reductions in energy requirements of products and services	105
Emissions		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	106
	103-2 The management approach and its components	106
	103-3 Evaluation of the management approach	106
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	107
	305-2 Energy indirect (Scope 2) GHG emissions	107
Supplier Environmental Assessments		
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	113
400 series (Social topics)		
Occupational Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	111, 112, 113
	103-2 The management approach and its components	111, 112, 113
	103-3 Evaluation of the management approach	111
GRI 403: Occupational Health and Safety 2016	403-1 Workers representation in formal joint management–worker health and safety committees	112
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	113
	403-5 Worker training on occupational health and safety	112
	403-9 Work-related injuries	113
	403-10 Work-related ill health	113
Occupational Health and Safety		
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	113
Customer Healt and Safety		
GRI 416: Customer Health and Safety	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	105

Key figures

	Sales / Profit		2021 IFRS	2020 IFRS	2019 IFRS	2018 IFRS	2017 IFRS
1.	Total revenue	MNOK	3 377.4	3 489.5	3 097.6	2 772.7	2 614.5
2.	Operating profit/loss	MNOK	-7.0	218.1	307.3	273.1	292.7
3.	Profit/loss before tax	MNOK	-70.7	178.9	309.1	270.3	302.8
4.	Profit/loss after tax	MNOK	-104.0	140.9	238.5	212.6	258.2
	Profitability						
5.	Operating margin	%	-0.2	6.2	9.9	9.8	11.2
6.	Profit before tax margin	%	-2.1	5.1	10.0	9.7	11.6
7.	Net profit margin	%	-3.1	4.0	7.7	7.7	9.9
8.	Total profitability	%	2.0	12.4	20.3	20.3	23.6
9.	Return on equity	%	-15.0	17.7	32.0	32.6	39.5
	Capital / Liquidity						
10.	Current ratio		1.9	2.4	2.1	2.1	2.0
11.	Cash flow	MNOK	74.5	284.9	332.5	248.7	275.5
12.	Cash flow from activities	MNOK	-164.4	334.4	-143.5	109.7	173.1
13.	Equity	MNOK	585.4	800.7	792.7	698.4	605.9
14.	Equity ratio	%	21.5	31.0	31.7	42.1	45.6
15.	Investments	MNOK	99.4	54.2	81.6	67.1	46.7
	Share-related key figures						
16.	Earnings per share	NOK	-1.58	2.14	3.62	3.22	3.91
17.	Cash flow per share	NOK	1.13	4.32	5.04	3.77	4.18
18.	Book equity per share	NOK	8.87	12.13	12.01	10.58	9.18

Definition of key figures

5) Operating margin: Operating profit/loss as a percentage of total sales revenue and other operating income.
6) Profit before tax margin: Profit/loss before tax as a percentage of total sales revenue and other operating income.
7) Net profit margin: Profit/loss after tax as a percentage of total sales revenue and other operating income.
8) Total profitability: Profit/loss before tax plus financial costs as a percentage of average total capital.
9) Return on equity: Profit/loss after tax as a percentage of average equity.
10) Current ratio: Current assets in relation to current liabilities.
11) Cash flow: Profit/loss before tax, minus tax paid, plus depreciation, amortisation and impairment.
12) Cash flow from activities: From cash flow statement. Net cash flow from operating activities plus net cash flow from investing activities.
13) Equity: Book equity including minority items.
14) Equity ratio: Book equity including minority items as a percentage of total capital at 31.12.
15) Investments: Investments in tangible and intangible fixed assets excluding leased assets.
18) Book equity per share: Book equity divided on number of ordinary shares

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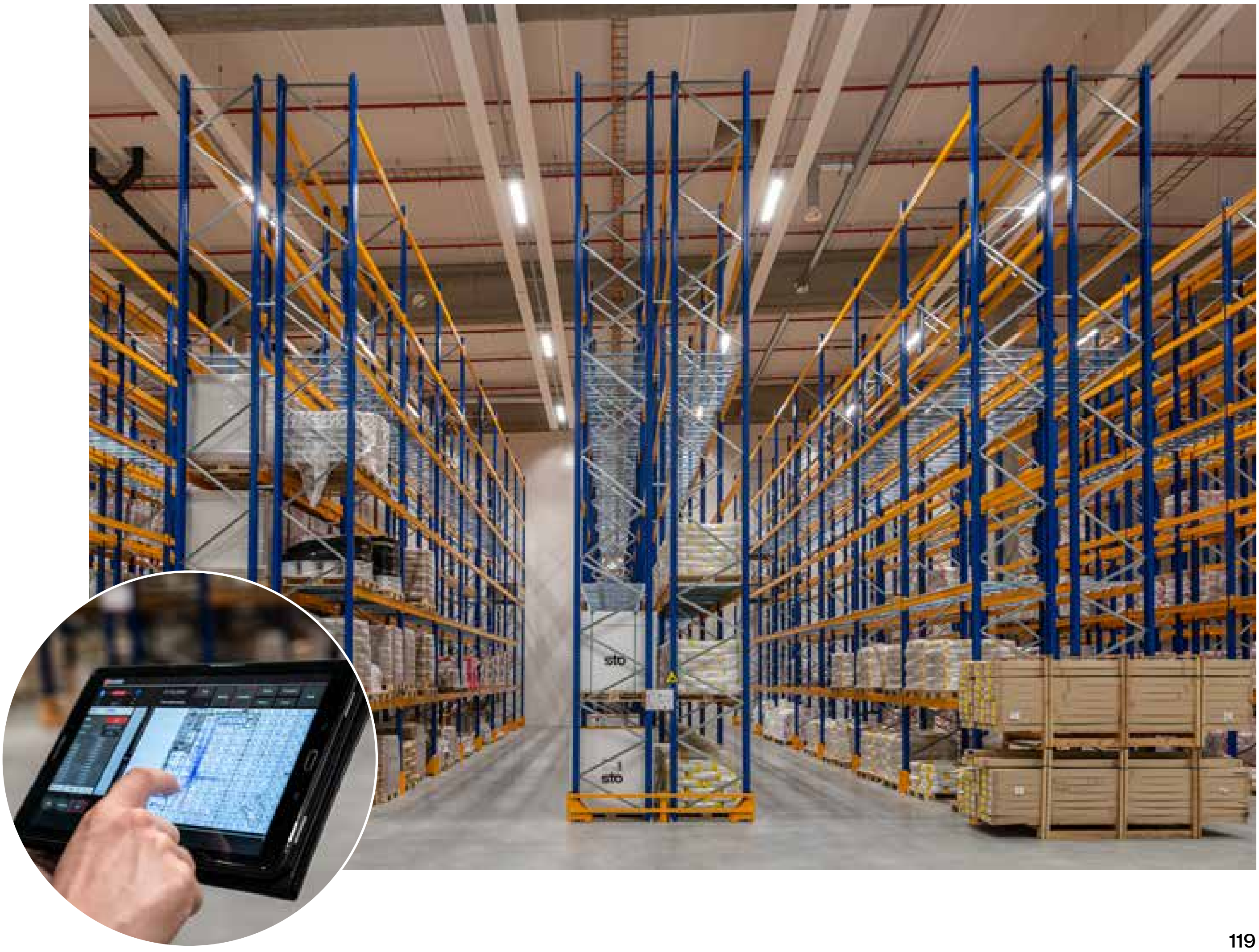

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