

# GLX Holding

Third quarter results 2021

**General information GLX Holding AS (parent company)**

*GLX Holding AS is a special purpose vehicle incorporated 14<sup>th</sup> August 2017 by Triton to acquire Glamox AS which is the parent company of the Glamox Group. GLX Holding holds 76.17% of the shares in Glamox AS. GLX Holding consolidates 100% of the Glamox Group in its financial accounts from 11<sup>th</sup> December 2017.*



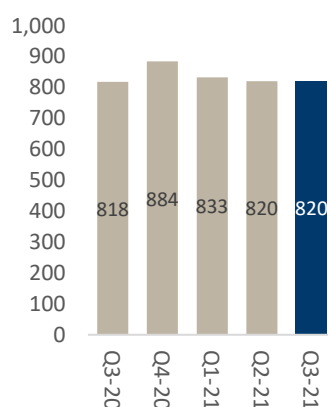
# Highlights 3<sup>rd</sup> quarter 2021

- **Order intake** of NOK 863m, increase of 11% from NOK 778m in the third quarter last year, up 9% on a comparable basis
- **Total revenue** of NOK 820m, in line with NOK 818m third quarter last year, down 1% on a comparable basis
- **Adjusted EBITDA** was NOK 122m, down from NOK 126m in the third quarter last year
- **Operating cash flow** was NOK -21m, down from NOK 142m in the third quarter last year
- **Acquisition of Wasco** gives access to a leading lighting solution range for logistics buildings and warehouses
- **Glamox initiates process to move production from Germany** as part of the ongoing strategic review of production capacity and facility infrastructure adjustments to increase competitiveness
- **Subsequent event - leadership change at Glamox:** Rune Marthinussen, Chief Executive Officer & President, plans to retire from the company next year. The Board of Directors has appointed Astrid Simonsen Joos to succeed him as Chief Executive Officer of Glamox. The change takes effect 1<sup>st</sup> August 2022
- **Subsequent event - extension of Termination Date on RCF agreed:** Glamox AS has agreed with Lenders the extension until 30 September 2023 of the current NOK 1,400m Revolving Credit Facility

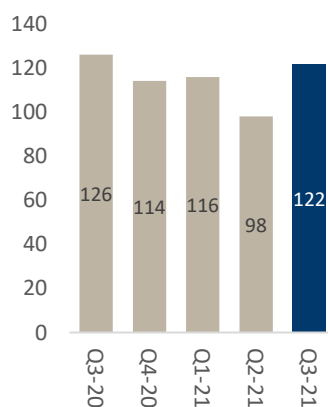
## Key figures

	Q3 2021	Q3 2020	YTD 2021	YTD 2020	FY 2020
Order intake	863	778	2,704	2,606	3,484
Total revenue	820	818	2,472	2,606	3,490
EBITDA	(40)	101	93	308	382
<i>EBITDA margin (%)</i>	-4.9 %	12.3 %	3.8 %	11.8 %	10.9 %
EBIT	(104)	41	(95)	130	139
<i>EBIT margin (%)</i>	-12.7 %	5.1 %	-3.9 %	5.0 %	4.0 %
Adj. EBITDA	122	126	336	379	493
<i>Adj. EBITDA margin (%)</i>	15.0 %	15.4 %	13.6 %	14.5 %	14.1 %
Adj. EBIT	58	67	151	201	259
<i>Adj. EBIT margin (%)</i>	7.1 %	8.2 %	6.1 %	7.7 %	7.4 %
Profit for the period, after tax	(138)	4	(180)	(8)	(33)
Net cash from operations	(21)	142	37	218	409
Net interest-bearing debt <sup>1</sup>	2,013	1,693	2,013	1,693	1,568

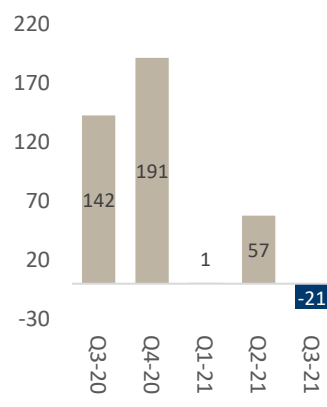
**Revenue development**  
NOK million



**Adjusted EBITDA**  
NOK million



**CF from operations**  
NOK million



<sup>1</sup> Excluding IFRS 16 effects and restricted cash

### **General information GLX Holding AS (parent company)**

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## **Management comments**

In the third quarter we continue to see increased activity in many markets and a positive trend in the Group's order intake. Total order intake ended at NOK 863m, an increase of 11% from NOK 778m in the third quarter 2020. On a comparable basis, adjusted for acquisitions and currency effects, the year-on-year order intake growth is 9%. Total revenue in the quarter was NOK 820m, in line with NOK 818m in the same quarter last year, or 1% below on a comparable basis.

Adjusted EBITDA amounted to NOK 122m in the quarter, 4% below NOK 126m in the third quarter last year. The adjusted EBITDA margin decreased from 15.4% to 15.0% year-on-year. The year-on-year decrease in adjusted EBITDA is explained by marginally lower gross profit margin and slightly higher operating cost. Increased material and component prices have been compensated to a large extent by internal efficiencies. Slightly higher operating cost is related to the ramp-up of activities to meet increased demand.

The market situation across most geographies in the PBS business area continued to develop positively with a year-on-year increase in order intake in the third quarter while the picture is still mixed across market segment in the GMO business area. The challenges related to logistics, shortage on components and longer delivery times on components continues, and although the Group has managed to take advantage of second sourcing alternatives, longer delivery times has a negative impact on revenue. The Group is working continuously to minimize the effect and provide excellent service to our customers.

In the third quarter Glamox announced the planned relocation to Poland and Norway of its factory site and supporting functions in Germany, serving the GMO business area. The factory site in Germany does not have the necessary prerequisites for expansion and development to be competitive, and management views this relocation as an important step in further enhancing the long-term competitiveness of Glamox' production footprint. The restructuring is estimated to have a positive annual EBITDA effect of NOK 41m when it is fully implemented in 2023. NOK 7m of the NOK 41m is already realized. The Group has made a provision of NOK 128.5m in Q3-21 to cover expected one-off costs related to the restructuring. The relocation will not affect Glamox' customers and contractual relationships, or Glamox' ability to serve customers in GMO business area.

Glamox continue to deliver on its acquisition strategy with the acquisition of Wasco completed in the third quarter. Wasco is located in Lower Saxony, Germany and specializes in continuous line luminaires. The growth in eCommerce has led to an increased demand for warehouses. Wasco has attractive and proven lighting solutions that are in particular suitable for warehouses. The innovative solutions significantly reduce product cost and installation cost compared to conventional continuous lighting system.

We expect the positive trend in the PBS business area to continue and that we will see a gradual demand recovery in the largest segments in the GMO business area going into next year. Increased material prices and freight cost are expected to put negative pressure on our margin. We are compensating for this by actions to increase efficiencies in our value chain and by general market price increases.

Rune Marthinussen

CEO Glamox AS

# Financial review

## Group results

### Quarter

The order intake in Q3-2021 ended at NOK 863m, an increase of 11% from NOK 778m in Q3-2020. The currency effect in the third quarter 2021 was negative vs. the same period last year. Adjusted for acquisitions and currency effects, the Group reported a comparable year-on-year increase in order intake of 9%. PBS reported a strong year-on-year increase in comparable order intake while GMO was slightly above last year.

The Group reported total revenue of NOK 820m in Q3-2021, in line with NOK 818m in Q3-2020. Total revenue in the third quarter is positively impacted by the acquisitions of LiteIP, Luminell and Wasco. Currency effects in the quarter was negative vs. the same quarter last year. On a comparable basis, total revenue decreased by 1% in the quarter. Both business areas reported lower comparable revenue than last year.

The adjusted EBITDA for GLX Holding ended at NOK 122m in Q3-2021, below NOK 126m in Q3-2020. The adjusted EBITDA margin in the quarter was 15.0% compared to 15.4% in the same period last year.

Special items with a negative EBITDA effect of NOK 163m was reported in the quarter, of which NOK 128.5m is related to the discontinuation of the factory site and supporting factory functions in Germany. The production and other functions are planned to be relocated to Poland and Norway. The restructuring is expected to have a positive annual EBITDA effect of NOK 41m, of which NOK 7m is already realized, when fully implemented in 2023.

In Q3-2021 the Group reports a loss after tax of NOK 138m, this is down from a profit after tax of NOK 4m in Q3-2020. Lower reported operating profit has a negative impact in the net result.

### Year to date

The Group reports total order intake of NOK 2,704m YTD 2021, up 4% from NOK 2,606m in the same period last year, or 5% up on a comparable basis. Total revenue YTD 2021 amounted to NOK 2,472m, down 5% from NOK 2,606m YTD 2020, or 5% below last year on a comparable basis.

The adjusted EBITDA YTD 2021 is NOK 336m, 11% below NOK 379m YTD 2020 mainly explained by lower volume. The adjusted EBITDA margin YTD 2021 is 13.6% compared to 14.5% YTD 2020.

## Cash flow

### Quarter

Cash flow from operations equaled NOK -21m in Q3-2021 compared to cash flow from operations of NOK 142m in Q3-2020. A negative effect from changes in working capital of NOK 77m in Q3-21 compared to a positive effect of NOK 30m in Q3-20 explains most of the deviation, in addition to lower operating profit. The increase in working capital is due to both a build-up of inventory as the orderbook has increased in the quarter and higher receivables.

Net cash flow from investing activities in the quarter equaled NOK -122m of which NOK -95m is related to the acquisition of Wasco which was closed in Q3-2021. Investments in existing business was NOK -28m compared to NOK -12m in the same quarter last year.

Net cash flow from financing was NOK 46m in Q3-2021. This includes a NOK 103m drawn down of new debt on the existing revolving credit facility to finance the acquisition of Wasco, interest paid of NOK -27m, lease payments including interest of NOK -17m, down payment of debt facilities in Luminell of NOK -12m, and other cash flow from financing of NOK -1m. Total cash flow for the period was NOK -97m decreasing the cash balance to NOK 321m.

## Year to date

Cash flow from operations amounted to NOK 37m YTD 2021, below NOK 218m YTD 2020. The decrease is explained by lower operating profit and a negative effect from changes in working capital, partly offset by lower taxes paid.

## Financial position

As of 30 September 2021, GLX Holding's equity amounts to NOK 1,737m. The equity ratio as of 30 September 2021 was 32%. Net interest-bearing debt as of 30 September 2021 is NOK 2,013m (adjusted for the IFRS 16 effect), which is up from NOK 1,828m as of 30 June 2021. The increase is mainly explained by the acquisition of Wasco and negative cash flow from operations.

The Groups borrowings consist of long-term senior secured notes of NOK 1,350m and a revolving credit facility (RCF) of NOK 1,400m. As of 30 September 2021, the total liquidity reserve is NOK 708m.

Subsequent event after the end of the third quarter; On 26<sup>th</sup> November Glamox AS has agreed with Lenders the extension of the current NOK 1,400m Revolving Credit Facility until 30 September 2023.

## Segments

### Professional Building Solutions (PBS)

NOKm	Q3 2021	Q3 2020 <sup>2</sup>	YTD 2021	YTD 2020 <sup>2</sup>
Order intake	687	622	2,135	2,028
Adj. Total revenue	630	633	1,940	1,965
Adj. EBITDA <sup>1</sup>	89	93	259	273
Adj. EBITDA margin <sup>1</sup>	14.2 %	14.8 %	13.3 %	13.9 %

<sup>1</sup>Excluding IFRS 16 effects

<sup>2</sup>PBS segment results in FY2020 restated to include ES-System

### Quarter

The Professional Building Solutions (PBS) business area reports total order intake of NOK 687m in Q3-2021, an increase of 10% from NOK 622m in Q3-2020. Total revenue ended at NOK 630m in Q3-2021, in line with NOK 633m in Q3-2020. The comparable year-on-year order intake is up 11%, while comparable revenue decreases by 1%. Order intake increases in most geographies, in particular Sweden, Finland and Germany report strong order intake in the third quarter. The revenue development continues to be more mixed with Sweden and Finland being the main positive contributors, offset by weaker results in Poland and Switzerland.

The adjusted EBITDA in Q3-2021 was NOK 89m, a decrease of 4% from NOK 93m in Q3-2020. The adjusted EBITDA margin ended at 14.2%, down from 14.8% in Q3-2020. A combination of slightly lower volume and gross profit margins compared to last year explains the decrease in adj. EBITDA.

### Year to date

The PBS business area reported total order intake of NOK 2,135m YTD 2021, an increase of 5% from NOK 2,028m YTD 2020. Total revenue is NOK 1,940m YTD 2021, down 1% from NOK 1,965m YTD 2020. The comparable year-on-year order intake increases by 7%, while comparable year-on-year revenue decreased by 1%. Adjusted EBITDA is NOK 259m YTD 2021, 5% below NOK 273m YTD 2020.

### Global Marine & Offshore (GMO)

NOKm	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Order intake	176	156	569	577
Adjusted Total revenue	190	185	530	641
Adjusted EBITDA <sup>1</sup>	18	21	34	69
Adjusted EBITDA margin <sup>1</sup>	9.3 %	11.2 %	6.4 %	10.7 %

<sup>1</sup>Excluding IFRS 16 effects

## **Quarter**

The Global Marine & Offshore (GMO) business area reports total order intake of NOK 176m in Q3-2021, up 13% from NOK 156m in Q3-2020. Total revenue ended at NOK 190m in Q3-2021, 2% above NOK 185m in Q3-2020. On a comparable basis the year-on-year order intake is up 1%, while comparable revenue decreased by 6%. The Offshore Energy segment is the main driver behind the year-on-year increase in order intake, together with the Commercial Marine segment where there is also a positive year-on-year development. The Navy segment report weaker order intake than the same period last year. The decline in comparable revenue is mainly due to weak results in the Commercial Marine segment, while we see a positive development in the Cruise and Ferry segment.

The adjusted EBITDA was NOK 18m, 15% below NOK 21m in Q3-2020. The adjusted EBITDA margin in Q3-2021 was 9.3% compared to 11.2% in Q3-2020. The decrease in adjusted EBITDA is explained by slightly lower gross profit margins due to the segment mix, and higher operating expenses explained by temporary layoffs in the same period last year.

## **Year to date**

The GMO business area had total order intake of NOK 569m YTD 2021, down 1% from NOK 577m YTD 2020. Total revenue ended at NOK 530m YTD 2021, a decrease of 17% from 641m YTD 2020. The comparable year-on-year order intake is down 6%, while comparable year-on-year revenue is 21% lower. Adjusted EBITDA is NOK 34m YTD 2021, 51% below of NOK 69m YTD 2020.

## **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.

We expect the positive trend in the PBS business area to continue and that we will see a gradual demand recovery in the largest segments in the GMO business area going into next year. The Glamox Group's financial position is strong with solid equity and liquidity.

# Condensed consolidated interim financial statements

## GLX Holding Group consolidated statement of profit and loss (unaudited)

NOK 1000	Q3		YTD		FY
	2021	2020	2021	2020	2020
Revenue	809,295	804,986	2,439,356	2,567,735	3,435,506
Other operating income	10,269	13,147	33,049	38,217	54,042
<b>Total revenues</b>	<b>819,564</b>	<b>818,133</b>	<b>2,472,405</b>	<b>2,605,952</b>	<b>3,489,548</b>
Raw materials and consumables used	(399,363)	(389,731)	(1,172,395)	(1,231,428)	(1,673,305)
Payroll and related cost	(327,825)	(250,440)	(912,943)	(825,349)	(1,124,175)
Other operating expenses	(132,689)	(77,199)	(294,169)	(241,617)	(310,476)
<b>EBITDA</b>	<b>(40,312)</b>	<b>100,763</b>	<b>92,899</b>	<b>307,558</b>	<b>381,593</b>
Depreciation and impairment	(32,931)	(32,567)	(99,638)	(99,411)	(138,272)
Amortization	(31,206)	(26,744)	(88,561)	(78,604)	(103,913)
<b>Operating profit / EBIT</b>	<b>(104,449)</b>	<b>41,452</b>	<b>(95,301)</b>	<b>129,543</b>	<b>139,409</b>
Net financial items	(31,821)	(31,713)	(87,862)	(119,614)	(150,758)
<b>Profit before tax</b>	<b>(136,270)</b>	<b>9,739</b>	<b>(183,163)</b>	<b>9,928</b>	<b>(11,349)</b>
Taxes	(1,459)	(5,265)	2,842	(17,496)	(21,608)
<b>Profit for the period</b>	<b>(137,729)</b>	<b>4,475</b>	<b>(180,321)</b>	<b>(7,568)</b>	<b>(32,957)</b>
Profit/loss attributable to owners	(109,837)	(1,872)	(151,941)	(28,410)	(52,676)
Profit/loss attributable to non-controlling interest	(27,892)	6,347	(28,380)	20,842	19,719

## GLX Holding Group consolidated statement of other comprehensive income (unaudited)

NOK 1000	Q3		YTD		FY
	2021	2020	2021	2020	2020
<b>Profit for the period</b>	<b>(137,729)</b>	<b>4,475</b>	<b>(180,321)</b>	<b>(7,568)</b>	<b>(32,957)</b>
<i>Other comprehensive income that will not be reclassified to profit or loss:</i>					
Gain/loss from re-measurement on defined benefit plans	-	-	-	-	(3,509)
Tax effect on re-measurements on defined benefit plans	-	-	-	-	517
Total items that subsequently will not be reclassified to profit or loss	-	-	-	-	(2,993)
<i>Other comprehensive income that may be reclassified to profit or loss:</i>					
Currency translation differences	29,433	(53,905)	(7,115)	64,826	50,459
Net gain/loss on hedge of foreign subsidiaries	(28,970)	50,826	7,923	(68,883)	(51,026)
Tax effect from hedge of foreign subsidiaries	6,314	(11,182)	(1,743)	15,154	11,226
Total items that subsequently may be reclassified to profit or loss	6,777	(14,261)	(935)	11,098	10,658
<b>Other comprehensive income for the period</b>	<b>6,777</b>	<b>(14,261)</b>	<b>(935)</b>	<b>11,098</b>	<b>7,665</b>
<b>Total comprehensive income for the period</b>	<b>(130,952)</b>	<b>(9,786)</b>	<b>(181,256)</b>	<b>3,530</b>	<b>(25,291)</b>
Total comprehensive income attributable to owners	(104,675)	(12,734)	(152,653)	(19,957)	(46,837)
Total comprehensive income attributable to Non-Controlling interest	(26,277)	2,948	(28,603)	23,487	21,546

## GLX Holding Group statement of financial position (unaudited)

<b>NOK 1000</b>	<b>30.09.2021</b>	<b>30.09.2020</b>	<b>31.12.2020</b>
<b>ASSETS</b>			
Intangible non-current assets	3,153,019	2,980,125	2,954,881
Tangible non-current assets	586,776	581,641	586,479
Other non-current assets	107,412	62,461	87,817
<b>Total non-current assets</b>	<b>3,847,207</b>	<b>3,624,226</b>	<b>3,629,178</b>
Inventory	672,863	625,639	611,045
Receivables	656,175	636,315	519,105
Cash and cash equivalents	321,319	465,081	564,761
<b>Total current assets</b>	<b>1,650,356</b>	<b>1,727,035</b>	<b>1,694,911</b>
<b>TOTAL ASSETS</b>	<b>5,497,563</b>	<b>5,351,261</b>	<b>5,324,089</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	1,407,555	1,587,087	1,560,206
Non-controlling interests	329,760	391,050	389,109
<b>Total equity</b>	<b>1,737,315</b>	<b>1,978,137</b>	<b>1,949,316</b>
Deferred tax liabilities	318,819	316,556	330,068
Long-term interest-bearing liabilities	2,319,945	2,104,051	2,084,350
Long-term lease liabilities	157,576	131,554	148,115
Long-term provision and other liabilities	158,910	117,605	122,021
<b>Total non-current liabilities</b>	<b>2,955,250</b>	<b>2,669,765</b>	<b>2,684,553</b>
Short-term interest-bearing liabilities	2,336	20,327	14,781
Trade payables	281,273	233,428	264,719
Tax payable	16,958	35,138	15,106
Short-term lease liabilities	55,059	46,822	51,204
Other short-term liabilities	449,371	367,644	344,409
<b>Total current liabilities</b>	<b>804,997</b>	<b>703,359</b>	<b>690,220</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,497,563</b>	<b>5,351,261</b>	<b>5,324,089</b>

## GLX Holding Group consolidated statement of changes in equity (unaudited)

<b>NOK 1000</b>	<b>Share capital</b>	<b>Share premium reserve</b>	<b>Retained earnings</b>	<b>Total shareholders' equity</b>	<b>Non-controlling interests</b>	<b>Total equity</b>
<b>Balance as of 31 December 2020</b>	<b>1 000</b>	<b>1 599 346</b>	<b>(40 137)</b>	<b>1 560 207</b>	<b>389 109</b>	<b>1 949 316</b>
Current period profit and loss			(151,941)	(151,941)	(28,380)	(180,321)
Other comprehensive income (loss)			(712)	(712)	(223)	(935)
Total comprehensive income (loss)			(152,653)	(152,653)	(28,603)	(181,256)
Dividends					(30,747)	(30,747)
<b>Balance as of 30 September 2021</b>	<b>1 000</b>	<b>1 599 346</b>	<b>(192,791)</b>	<b>1,407,555</b>	<b>329,760</b>	<b>1,737,315</b>



## GLX Holding Group consolidated statement of cash flow (unaudited)

NOK 1000	Q3		YTD		FY
	2021	2020	2021	2020	2020
Profit before tax	(136,270)	9,739	(183,163)	9,928	(11,349)
Taxes paid	(3,030)	(6,273)	(29,874)	(62,969)	(61,580)
Depreciation, amortization and impairment	64,137	59,310	188,199	178,015	242,185
Profit from sale of assets	-	-	(854)	-	423
Changes in working capital	(76,757)	30,039	(95,146)	(45,570)	49,505
Other operating changes	130,895	49,641	158,140	138,792	190,250
<b>Net cash flow from operating activities</b>	<b>(21,025)</b>	<b>142,457</b>	<b>37,303</b>	<b>218,196</b>	<b>409,433</b>
Purchase of tangible fixed assets and intangible assets	(27,640)	(11,721)	(74,115)	(34,496)	(54,220)
Proceeds from sale of tangible fixed assets	-	-	-	-	1,282
Acquisition of subsidiary, net of cash acquired	(95,095)	-	(246,604)	(37,865)	(37,865)
Other cash flow from investments incl. interest received	392	3,786	2,260	8,286	9,788
<b>Net cash flow from investing activities</b>	<b>(122,343)</b>	<b>(7,935)</b>	<b>(318,459)</b>	<b>(64,075)</b>	<b>(81,015)</b>
Down payment	(12,041)	(250,000)	(12,041)	(250,000)	(250,547)
Lease payment including interest	(17,038)	(13,311)	(46,827)	(39,984)	(60,386)
Proceeds from borrowings	103,260	-	238,260	350,000	350,000
Dividend paid	-	-	(30,747)	(33,621)	(33,621)
Interest paid	(26,975)	(37,115)	(88,861)	(100,282)	(130,697)
Other cash flow from financing activities	(744)	7,902	(13,927)	(626)	(8,531)
<b>Net cash flow from financing activities</b>	<b>46,462</b>	<b>(292,525)</b>	<b>45,857</b>	<b>(74,514)</b>	<b>(133,782)</b>
<b>Total cash flow for the period</b>	<b>(96,906)</b>	<b>(158,003)</b>	<b>(235,298)</b>	<b>79,607</b>	<b>194,635</b>
Effect of change in exchange rate	592	2,691	(8,144)	3,175	(12,173)
Cash and cash equivalents, beginning of period	417,632	620,394	564,761	382,299	382,299
<b>Cash and cash equivalents, end of period</b>	<b>321,319</b>	<b>465,081</b>	<b>321,319</b>	<b>465,081</b>	<b>564,761</b>

# Notes to the condensed consolidated interim financial statements

## Note 1 - General information and accounting principles

GLX Holding AS is a company incorporated and domiciled in Norway. GLX Holding AS is a holding company and has no other activities or investments, than the ownership of 76.17% of Glamox AS. The registered address is c/o Triton Advisors (Norway) AS, Kronprinsesse Märthas plass 1, 0161 OSLO. The ultimate parent of GLX Holding AS is Triton Fund IV.

This interim report has been prepared in accordance with IAS34 for interim financial reporting. GLX Holding AS has applied the same accounting policies as in the IFRS consolidated financial statement for 2020. The interim financial statements do not include all the information required for a full financial report and should therefore be read in conjunction with the IFRS consolidated financial statement for 2020. The quarterly report has not been audited.

The preparation of the interim financial statements requires the use of evaluations, estimates and assumptions that affect the application of the accounting principles and amounts recognized as assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant estimates and judgements made by management in preparing these condensed consolidated interim financial statements, in applying the Group's accounting policies and key sources of estimation of uncertainty, were based on the same underlying principles as those applied to the IFRS consolidated financial statement for 2020.

## Note 2 - Operating segments

The Group operates with two different business areas, Professional Building Solution (PBS) and Global Marine & Offshore (GMO). These two business areas 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. PBS offers products to office, industry, health, education, retail, hotels and restaurants mainly in Europe. Their main sales channels are direct to customer 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 consists of vessel owners, yards, electrical installers, engineering companies and energy companies.

To be able to monitor and follow up the profitability of the complete value chain of these two business areas, the Group has an operating segment reporting where PBS and GMO each represents a complete value chain. Glamox Group functions are distributed between the two operation segments based on allocation keys. IFRS-16 Leasing effects and GLX Holding AS functions and cost are not allocated to the operating segments.

	<b>PBS</b>	<b>GMO</b>	<b>Other</b>	<b>Group</b>
	<b>Q3-2021</b>	<b>Q3-2021</b>	<b>Q3-2021</b>	<b>Q3-2021</b>
Revenues	630	190		820
EBITDA	70	(125)	15	(40)
in %	11.1 %	(66.0) %		(4.9) %

	<b>PBS</b>	<b>GMO</b>	<b>Other</b>	<b>Group</b>
	<b>YTD-2021</b>	<b>YTD-2021</b>	<b>YTD-2021</b>	<b>YTD-2021</b>
Revenues	1,942	530		2,472
EBITDA	177	(127)	43	93
in %	9.1 %	(24.0) %		3.8 %

## Note 3 - Items affecting comparability

In Q3-2021 the Group recorded special items of NOK 163m. NOK 145m is related to restructuring and NOK 3m is related to integration and acquisition cost. Further, NOK 7m is related to ERP upgrade, NOK 6m is related to claim and NOK 2m relates to other items.

In Q3-2020 the Group recorded special items of NOK 25m. NOK 9m is related to restructuring cost and NOK 3m is related to integration. Further, NOK 7m is related to ERP upgrade, NOK 4m is related to claim, NOK 1m is related to Covid-19 and NOK 1m relates to other items.

YTD 2021 the Group recorded special items of NOK 247m. NOK 192m is related to restructuring cost and NOK 17m is related to integration and acquisition cost. Further, NOK 20m is related to ERP upgrade, NOK 6m is related to claim, NOK 1m is related to ESG compliance and NOK 11m relates to other items.

YTD 2020 the Group recorded special items of NOK 71m. NOK 23m is related to restructuring and NOK 23m is related to integration. Further, NOK 15m is related to ERP upgrade, NOK 4m is related to claim, NOK 3m is related to Covid-19 and NOK 3m relates to other items.

#### **Note 4 – Interest bearing liabilities to financial institutions**

The Group holds a bond and a revolving facility. The multi-currency revolving facility has a credit limit of 1,400 million and by end of Q3 2021 the utilized amount was NOK 1,004m. The liquidity reserve is NOK 708m as of September 30, 2021.

Net interest-bearing debt is NOK 2,232m. Adjusted for the IFRS 16 effect of NOK 209m, net interest-bearing debt is NOK 2,023m as of September 30, 2021.

#### **Note 5 - Related party transactions**

Related parties are Group companies, major shareholders, board and senior management in the parent company and the group subsidiaries. All transactions within the Group or with other related parties are based in the principle of arm's length.

GLX Holding AS has agreements with Triton Advisers Limited and West Park Management Services Limited for counselling. In Q3-2021, the company has expensed NOK 1m.

#### **Note 6 – Acquisition of Wasco**

On 1<sup>st</sup> of September 2021, the subsidiary of Glamox AS, Glamox GmbH, acquired 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 4.6m (app. NOK 47.5m) in 2020.

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

## Preliminary Purchase Price Allocation

NOK million	Carrying amount	Fair value Adj	Fair value
Goodwill		31.8	31.8
Other intangible non-current assets		53.3	53.3
Tangible non-current assets	21.0		21.0
Inventories	12.3		12.3
Receivables	7.7		7.7
Cash and cash equivalents	15.7		15.7
Long term liabilities	(0.2)		(0.2)
Deferred tax		(9.5)	(9.5)
Current liabilities	(3.8)		(3.8)
<b>Total</b>	<b>52.7</b>	<b>75.5</b>	<b>128.2</b>
Purchase consideration:			
Cash consideration paid			110.8
Contigent consideration liability			17.4
Total consideration for the shares			<b>128.2</b>
Net cash flow:			
Cash consideration paid			110.8
Cash acquired			15.7
Net cash flow from acquisition			<b>95.1</b>

The activities of Wasco are reported as a part of the business segment; Professional Building Solution (PBS). Wasco contributed with NOK 4.1m in revenue in Q3-2021.

### Note 7 – Subsequent event

On 28<sup>th</sup> October Glamox announced today that Rune Marthinussen, Chief Executive Officer & President, plans to retire from the company next year. The Board of Directors has appointed Astrid Simonsen Joos to succeed him as Chief Executive Officer of Glamox. The change takes effect 1 August 2022. Rune Marthinussen has agreed to support Astrid full time until 31 December 2022.

On 26<sup>th</sup> November Glamox has agreed with Lenders the extension of the current NOK 1,400m Revolving Credit Facility until 30 September 2023.

### Note 8 - Significant risk and uncertainties

For information regarding the most significant risks and uncertainty factors, please read the description in the annual report for 2020. The company does not consider that there have been any material changes during the reporting period in the risks and uncertainty factors presented in the annual report. There is still uncertainty regarding the Covid-19 pandemic and its impact on our business activities in 2021.

### Note 9 - Forward-looking statements / Legal disclaimer

Certain statements in this report are forward-looking and the actual outcomes may be materially different. In addition to the factors discussed, other factors could have an impact on actual outcomes. Such factors include developments for customers, competitors, the impact of economic and market conditions, national and international legislation and regulations, fiscal regulations, fluctuations in exchange rates and interest rates and political risks.

## Definitions

GLX Holding presents certain financial performance measures that are not defined in the interim report in accordance with IFRS or other generally accepted accounting principles and should not be considered as a substitute for measures of performance in accordance with IFRS. GLX Holding believe that these measures provide useful supplemental information to investors and the company's management when they allow evaluations of trends and the performance of the company. As companies calculate the performance measures differently, these are not always comparable to similar titled measures used by other companies.

This report has not been subject to audit.

Order intake	Orders received measured at gross value before deduction of commissions and other sales reductions
Total revenue	Revenue and other operating income net of commissions and other sales reductions
Adjusted total revenue	Revenue and other operating income net of commissions, other sales reductions and special items
Comparable growth	Growth adjusted for acquisitions, special Items and currency effects
EBITDA	Earnings before net financial items, tax, depreciation, amortization and impairment
Adjusted EBITDA	Earnings before net financial items, tax, depreciation, amortization, impairment and special items
EBITDA-margin	EBITDA as a percentage of total revenue
Adjusted EBITDA-margin	Adjusted EBITDA as a percentage of total adjusted revenue
Net financial items	Financial income minus financial expenses including exchange rate differences related to financial assets and liabilities
Net debt	Interest-bearing debt minus cash and cash equivalents
Special Items	Any items (positive or negative) of a one off, special, unusual, non-operational or exceptional nature including restructuring expenses
LED	Light-emitting diode
LMS	Light Management Systems
MRO	Maintenance, repair and operations



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